

**AL NISR AL ARABI INSURANCE COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

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

**30 JUNE 2022**



Building a better  
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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 June 2022, comprising of the interim condensed consolidated statement of financial position as of 30 June 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 six-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

28 July 2022

**ERNST & YOUNG**  
Amman - Jordan

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

	<u>Notes</u>	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b><u>Assets</u></b>			
<b>Investments-</b>			
Deposits at banks	3	14,357,725	12,730,498
Financial assets at fair value through other comprehensive income	4	7,471,124	8,904,581
Financial assets at fair value through Income statement	5	263,296	293,206
Financial assets at amortized cost	6	71,718,355	71,746,905
Investment properties	7	940,001	940,001
Life policyholders' loans		12,741,892	11,706,384
<b>Total Investments</b>		<b>107,492,393</b>	<b>106,321,575</b>
<b>Other Assets-</b>			
Cash on hand and at banks	18	4,565,025	2,155,749
Checks under collection		610,222	346,900
Accounts receivable, net	8	9,301,178	10,463,957
Reinsurance receivables, net	9	36,519	348,380
Deferred tax assets	12	271,944	166,328
Property and equipment, net		2,685,935	2,773,450
Intangible assets, net		99,997	108,887
Other assets		2,104,310	2,049,236
<b>Total Assets</b>		<b>127,167,523</b>	<b>124,734,462</b>
<b><u>Liabilities and Equity</u></b>			
<b>Technical reserves-</b>			
Unearned premiums reserve, net		6,733,388	5,255,122
Outstanding claims reserve, net		1,338,442	999,621
Mathematical reserve, net		92,150,418	86,714,442
<b>Total Technical Reserves and Other liabilities</b>		<b>100,222,248</b>	<b>92,969,185</b>
<b>Other liabilities -</b>			
Accounts payable	10	2,597,049	2,286,407
Accrued expenses		584,914	552,021
Reinsurance payables	11	2,681,917	4,176,474
Lawsuit provision		201,575	201,575
Income tax provision	12	294,509	624,973
Deferred tax liabilities	12	-	77,762
End of service provision		42,637	42,637
Other Liabilities		996,871	954,973
<b>Total Technical Reserves and other Liabilities</b>		<b>107,621,720</b>	<b>101,886,007</b>
<b>Shareholders equity-</b>			
Authorized and 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	(748,268)	570,252
Retained earnings		2,554,068	4,538,200
<b>Total Shareholders' Equity</b>		<b>19,545,803</b>	<b>22,848,455</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>127,167,523</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 AND SIX MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

		For the three months ended 30 June		For the six months ended 30 June	
	Notes	2022	2021	2022	2021
		JD	JD	JD	JD
<b>Revenues -</b>					
Gross written premiums		10,596,887	9,935,948	23,348,931	21,482,748
Less: Reinsurance share		2,180,207	2,103,393	3,846,535	3,590,781
<b>Net written premiums</b>		<b>8,416,680</b>	<b>7,832,555</b>	<b>19,502,396</b>	<b>17,891,967</b>
Net change in unearned premiums reserve		730,396	722,788	(1,478,265)	(1,065,381)
Net change in mathematical reserve		(2,577,282)	(2,490,052)	(5,435,976)	(4,936,615)
<b>Net earned premiums</b>		<b>6,569,794</b>	<b>6,065,291</b>	<b>12,588,155</b>	<b>11,889,971</b>
Commissions income		90,624	93,270	192,926	199,018
Insurance policies issuance fees		221,761	183,919	493,829	391,197
Revenue related to underwriting accounts		1,095,358	1,040,428	2,169,793	2,042,278
Other revenue related to underwriting accounts		135,573	92,169	332,047	263,860
Interest income		249,931	252,885	498,817	505,453
Net gain from financial assets and investments	16	1,282	5,078	3,477	9,176
Other revenues, net		840	3,002	1,403	4,739
<b>Total revenues</b>		<b>8,365,163</b>	<b>7,736,042</b>	<b>16,280,447</b>	<b>15,305,692</b>
<b>Claims, Losses and Expenses</b>					
Paid claims		5,217,659	4,927,193	9,947,875	9,326,965
Maturity and surrender of insurance policies		2,441,750	2,155,664	4,507,736	4,334,358
Less: Recoveries		222,543	223,726	560,556	338,776
Less: Reinsurance share		1,888,849	2,071,407	3,543,806	4,087,460
<b>Net paid claims</b>		<b>5,548,017</b>	<b>4,787,724</b>	<b>10,351,249</b>	<b>9,235,087</b>
Net change in outstanding claims reserve		188,710	46,541	338,822	86,204
Allocated employees' expenses		970,197	953,319	1,832,281	1,768,369
Allocated administrative and general expenses		332,005	277,188	646,939	577,811
Excess of loss premium		-	-	24,450	26,905
Policies acquisition costs		544,349	462,438	1,088,277	963,248
Other expenses related to underwriting accounts		170,485	144,805	341,163	282,128
<b>Net claims cost</b>		<b>7,753,763</b>	<b>6,672,015</b>	<b>14,623,181</b>	<b>12,939,752</b>
Unallocated employee' expenses		25,831	18,122	49,745	35,180
Depreciation and amortization		58,705	62,277	118,888	122,345
Unallocated administrative and general expenses		34,666	21,410	64,077	45,630
Other expenses		20,079	11,183	57,033	80,508
<b>Total expenses</b>		<b>139,281</b>	<b>112,992</b>	<b>289,743</b>	<b>283,663</b>
<b>Profit for the period before tax</b>		<b>472,119</b>	<b>951,035</b>	<b>1,367,523</b>	<b>2,082,277</b>
Less: Income tax expense	12	140,798	237,245	351,254	518,326
<b>Profit for the period</b>		<b>331,321</b>	<b>713,790</b>	<b>1,016,269</b>	<b>1,563,951</b>
		<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share (JD/Fils)	17	<u>0/033</u>	<u>0/071</u>	<u>0/102</u>	<u>0\156</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 COMPREHENSIVE INCOME  
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

	For the three months ended 30 June		For the six months ended 30 June	
	2022	2021	2022	2021
	JD	JD	JD	JD
Profit for the period	331,321	713,790	1,016,269	1,563,951
<b>Add: Other comprehensive income items after tax will not to be reclassified to profit or loss in subsequent periods:</b>				
Change in fair value of financial assets at fair value through other comprehensive income	(821,413)	215,760	(1,318,921)	191,761
<b>Total comprehensive income for the period</b>	<b>(490,092)</b>	<b>929,550</b>	<b>(302,652)</b>	<b>1,755,712</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 CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 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>30 June 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	-	-	-	-	(1,318,921)	-	1,016,269	(302,652)
Loss on sale of financial assets through other comprehensive income	-	-	-	-	401	(401)	-	-
Dividends paid (Note 23)	-	-	-	-	-	(3,000,000)	-	(3,000,000)
<b>Balance as at 30 June 2022</b>	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,663,351</u>	<u>1,326,652</u>	<u>(748,268)</u>	<u>1,537,799</u>	<u>1,016,269</u>	<u>19,545,803</u>
<b>30 June 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	-	-	-	-	191,761	-	1,563,951	1,755,712
Loss on sale of financial assets through other comprehensive income	-	-	-	-	47,163	(47,163)	-	-
Dividends paid (Note 23)	-	-	-	-	-	(3,000,000)	-	(3,000,000)
<b>Balance as at 30 June 2021</b>	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,643,285</u>	<u>1,326,652</u>	<u>552,570</u>	<u>1,631,965</u>	<u>1,563,951</u>	<u>21,468,423</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 SIX MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

		For the six months ended 30 June	
	Notes	2022 JD	2021 JD
<b>OPERATING ACTIVITIES</b>			
Profit for the period before tax		1,367,523	2,082,277
<b>Adjustments for non-cash items</b>			
Depreciation and amortization		118,888	122,345
Loss on disposal of property and equipment		432	412
Net change in unearned premiums reserve		1,478,266	1,065,381
Net change in mathematical reserve		5,435,976	4,936,615
Net change in outstanding claims reserve		338,821	86,204
Bank Interest income		(254,897)	(163,872)
Net change in Financial assets at fair value through income statement		29,910	1,130
Interest income from financial assets at amortized cost		(2,282,331)	(2,036,229)
<b>Cash flows from operating activities before changes in working capital</b>		<b>6,232,588</b>	<b>6,094,263</b>
Purchase of financial assets at fair value through income statement		-	(293,283)
Checks under collection		(263,322)	(33,559)
Accounts receivable		1,162,779	165,627
Reinsurance receivables		311,861	(32,805)
Other assets		(54,468)	(206,192)
Accounts payable		310,642	1,038,669
Reinsurance payables		(1,494,557)	(845,741)
Other liabilities and accrued expenses		4,521	38,408
<b>Net cash flows from operating activities before tax paid</b>		<b>6,210,044</b>	<b>5,925,387</b>
Income tax paid	12	(685,298)	(727,232)
<b>Net cash flows from operating activities</b>		<b>5,524,746</b>	<b>5,198,155</b>
<b>Investing Activities</b>			
Purchase of financial assets at fair value through other comprehensive income		(420,260)	(4,806,373)
Proceeds from sale of financial assets at fair value through other comprehensive income		354,999	339,789
Financial assets at amortized cost		28,550	(2,299,421)
Life policies holders' loans		(1,035,508)	(566,875)
Purchase of property and equipment		(10,338)	(19,152)
Proceeds from sale of property and equipment		259	884
Purchase of intangible assets		(12,837)	(17,348)
Bank deposits (Maturity date more than 3 months)		(511,210)	(37,630)
Interest received		2,536,622	2,442,721
<b>Net cash flows from (used in) investing activities</b>		<b>930,277</b>	<b>(4,963,405)</b>
<b>Financing Activities</b>			
Cash dividends paid		(2,929,730)	(2,927,902)
<b>Net cash flows used in financing activities</b>		<b>(2,929,730)</b>	<b>(2,927,902)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>		<b>3,525,293</b>	<b>(2,693,152)</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>16,347,750</b>	<b>9,496,334</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 SIX MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

	Life	
	For the six months ended 30 June	
	2022	2021
	JD	JD
<b>Written premiums</b>		
Direct insurance	12,680,526	11,830,368
<b>Total premiums</b>	<u>12,680,526</u>	<u>11,830,368</u>
<b>Less:</b>		
Foreign reinsurance share	1,525,893	1,429,912
<b>Net Written premiums</b>	<u>11,154,633</u>	<u>10,400,456</u>
<b>Add:</b>		
Unearned premium reserve at the beginning of the period	308,958	324,872
Less: Reinsurance share	135,246	138,362
<b>Net unearned premium reserve at the beginning of the period</b>	<u>173,712</u>	<u>186,510</u>
<b>Add:</b>		
Mathematical reserve at the beginning of the period	86,714,442	77,726,117
<b>Net mathematical reserve at the beginning of the period</b>	<u>86,714,442</u>	<u>77,726,117</u>
<b>Less:</b>		
Unearned premium reserve at the end of the period	408,155	462,033
Less: Reinsurance share	224,046	232,629
<b>Net unearned premium reserve at the end of the period</b>	<u>184,109</u>	<u>229,404</u>
<b>Less:</b>		
Mathematical reserve at the end of the period	92,150,418	82,662,732
Less: Reinsurance share	-	-
<b>Net mathematical reserve at the end of the period</b>	<u>92,150,418</u>	<u>82,662,732</u>
<b>Net earned revenues from the written premiums</b>	<u>5,708,260</u>	<u>5,420,947</u>

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

	Life	
	For the six months ended 30 June	
	2022	2021
	JD	JD
Paid claims	1,455,919	1,976,585
Maturity and Surrender of Policies	4,507,736	4,334,358
Less: Local reinsurance share	-	34
Less: Foreign reinsurance share	1,211,113	1,749,403
<b>Net Paid Claims</b>	<b>4,752,542</b>	<b>4,561,506</b>
Add:		
Outstanding Claims Reserve at the end of the period		
Reported	2,680,659	2,526,421
Unreported	350,000	350,000
Less:		
Reinsurance share	2,577,705	2,418,985
<b>Net Outstanding Claims Reserve at the end of the period</b>	<b>452,954</b>	<b>457,436</b>
Reported	392,954	397,436
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>4,905,400</b>	<b>4,666,001</b>

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

	Life	
	For the six months ended 30 June	
	2022	2021
	JD	JD
<b>Net earned revenues from written premiums</b>	5,708,260	5,420,947
Less:		
<b>Net claims cost</b>	4,905,400	4,666,001
Add:		
Commission received	14,053	11,426
Insurance policies issuance fees	66,428	61,371
Investment income related to underwriting accounts	2,169,793	2,042,278
Other revenue related to underwriting accounts	114,706	80,689
<b>Total revenues</b>	2,364,980	2,195,764
Less:		
Policies acquisition cost	831,554	769,355
General and administrative expenses related to underwriting accounts	1,522,842	1,443,958
Other expenses related to underwriting accounts	21,197	24,788
<b>Total Expenses</b>	2,375,593	2,238,101
<b>Underwriting profit</b>	792,247	712,609

**AL NISRA AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDER WRITING REVENUES FOR THE GENERAL INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Motor				Marine and transportations				Fire and property				Liability				Medical				Personal accidents				Total			
	2022		2021		2022		2021		2022		2021		2022		2021		2022		2021		2022		2021					
	JD		JD		JD		JD		JD		JD		JD		JD		JD		JD		JD		JD					
Written Premiums																												
Direct insurance	-		-		197,006		184,543		1,791,674		1,819,385		703,992		631,798		7,891,686		6,989,017		78,216		27,030		10,662,574		9,651,717	
Facultative inward reinsurance business	-		-		-		-		3,935		(1,289)		1,896		1,896		-		-		-		-		5,831		6	
Total Premiums	-		-		197,006		184,543		1,795,609		1,818,096		705,888		633,694		7,891,686		6,989,017		78,216		27,030		10,668,405		9,652,333	
Less:																												
Local reinsurance share	-		-		12,405		14,626		132,319		74,622		1,186		46,849		-		-		-		-		145,910		136,000	
Foreign reinsurance share	-		-		134,042		123,689		1,424,488		1,469,553		592,279		484,959		(25,615)		(66,773)		49,538		13,344		2,174,732		2,024,732	
Net Written Premiums	-		-		50,559		46,228		238,802		273,921		112,423		101,886		7,917,301		7,055,790		28,678		13,686		8,347,763		7,491,515	
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		9,815,333	
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		4,790,224	
Net Unearned Premiums Reserve	-		-		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		5,025,000	
Less:																												
Balance at the end of the period																												
Unearned premiums reserve	-		-		92,791		98,002		1,679,240		1,740,196		670,917		521,864		6,607,419		6,111,865		80,827		41,990		9,131,194		8,513,919	
Less: Reinsurance share	-		-		69,039		70,947		1,450,351		1,483,719		565,190		434,918		448,473		452,758		48,862		24,050		2,581,915		2,466,333	
Net unearned Premiums Reserve	-		-		23,752		27,055		228,889		256,477		105,727		86,946		6,158,946		5,659,107		31,965		17,940		6,549,279		6,047,515	
Less:																												
Balance at the end of the period																												
Unearned premiums reserve	-		-		50,509		50,128		203,910		175,250		99,527		107,557		6,500,207		6,121,694		25,742		14,395		6,879,895		6,469,000	
Less: Reinsurance share	-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Net earned revenues from written Premiums	-		-		-		-		-		-		-		-		-		-		-		-		-		-	

**AL NISRAL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Motor		Marine and transportations		Fire and property		Liability		Medical		Personal accidents		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	217	24,322	60,611	72,446	199,557	48,301	13,928	8,315,571	7,055,563	6,939	20,504	8,491,956	7,350,380
Less:														
Recoveries	1,859	1,924	21,862	5,829	17,359	1,000	150	-	519,326	330,023	-	-	560,556	338,776
Local reinsurance share	-	-	-	-	6,050	1,675	-	-	-	-	-	-	6,050	1,675
Foreign reinsurance share	8,464	-	1,932	29,125	(22,925)	140,348	43,636	12,742	2,292,036	2,139,204	3,500	14,929	2,326,643	2,336,348
<b>Net Paid Claims</b>	14,054	(1,707)	528	25,657	71,962	56,534	4,515	1,186	5,504,209	4,586,336	3,439	5,575	5,598,707	4,673,581
Add:														
Outstanding Claims Reserve at the end of the period														
Reported	47,649		130,502		3,673,870	3,874,712	1,801,420	1,749,942	773,544	880,374	40,986	40,079	6,467,971	6,745,888
Unreported	70,000		71,000		25,000	25,000	30,000	30,000	183,051	408,203	45,000	45,000	424,051	649,203
Less:														
Reinsurance share	56,355		129,587		3,647,318	3,838,417	1,777,574	1,726,579	246,601	220,284	59,622	60,279	5,917,057	6,073,000
Recoveries	31,344		58,063		69	68	-	-	1	6,809	-	-	89,477	162,514
<b>Net Outstanding Claims Reserve at the end of the period</b>	29,950	49,499	13,852	(90,796)	51,483	61,227	53,846	53,363	709,993	1,061,484	26,364	24,800	885,488	1,159,577
Reported	(50)	19,499	(1,148)	(105,796)	46,483	56,227	47,846	47,363	553,383	691,217	11,364	9,800	657,878	718,310
Unreported	30,000	30,000	15,000	15,000	5,000	5,000	6,000	6,000	156,610	370,267	15,000	15,000	227,610	441,267
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	296,273	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	71,494	116,140	29	68	-	-	681	19,910	-	-	103,548	169,611
<b>Net Outstanding Claims Reserve at the beginning of the period</b>	43,846	53,446	(32,112)	(78,757)	47,851	58,864	57,490	40,124	552,251	1,053,305	30,198	50,886	699,524	1,177,868
<b>Net Claims Cost</b>	158	(5,654)	46,492	13,618	75,594	58,897	871	14,425	5,661,951	4,594,515	(395)	(20,511)	5,784,671	4,655,290

**AL NISR AL ARABI INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR THE GENERAL INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

	Marine and												Total		
	Motor		transportations		Fire and property		Liability		Medical		Personal accidents				
	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	JD
<b>Net earned revenues from written premiums</b>	-	-	50,509	50,128	203,910	175,250	99,527	107,557	6,500,207	6,121,694	25,742	14,395	6,879,895	6,469,024	
Less:															
<b>Net claims cost</b>	158	(5,654)	46,492	13,618	75,594	58,897	871	14,425	5,661,951	4,594,515	(395)	(20,511)	5,784,671	4,655,290	
	(158)	5,654	4,017	36,510	128,316	116,353	98,656	93,132	838,256	1,527,179	26,137	34,906	1,095,224	1,813,734	
Add:															
Commissions received	-	-	46,312	42,262	105,341	118,290	26,731	26,758	-	-	489	282	178,873	187,592	
Insurance policies issuance fees	-	-	12,930	11,005	69,197	73,566	27,037	27,332	248,945	198,969	69,292	18,954	427,401	329,826	
Other revenue related to underwriting accounts	197	1,470	33,746	9,701	12,541	659	-	-	170,857	171,341	-	-	217,341	183,171	
<b>Total revenue</b>	197	1,470	92,988	62,968	187,079	192,515	53,768	54,090	419,802	370,310	69,781	19,236	823,615	700,589	
Less:															
Policies acquisition cost	-	-	10,648	13,380	31,484	45,636	18,479	28,773	164,493	93,795	31,619	12,309	256,723	193,893	
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	1,129	1,142	27,400	35,536	188,637	178,743	73,213	69,321	660,637	615,712	5,362	1,768	956,378	902,222	
Other expenses related to underwriting accounts	-	-	652	666	2,247	3,034	248	172	316,743	253,312	76	156	319,966	257,340	
<b>Total Expenses</b>	1,129	1,142	41,200	52,082	237,118	242,338	91,940	98,266	1,141,873	962,819	44,257	23,713	1,557,517	1,380,360	
<b>Underwriting (loss) profit</b>	(1,090)	5,982	55,805	47,396	78,277	66,530	60,484	48,956	116,185	934,670	51,661	30,429	361,322	1,133,963	

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

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**(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 shares 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 last adjustment on capital took place during 2007.

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 June 2022.

The interim condensed consolidated financial statements were approved for issuance by the board of directors in its meeting No. 230 held on 28 July 2022.

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the six months period ended 30 June 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 income statement 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 six - months period ended 30 June 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**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2022**

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**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 30 June 2022:

Company's Name	Legal form	Country of Origin	Ownership Percentage
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 Nisr 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

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 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.

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.

The amendments are not expected to have a material impact on 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**  
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**(3) DEPOSITS AT BANKS**

This item represents the following:

	30 June 2022			31 December 2021
	Deposits maturing within one month	Deposits maturing between 1 month- 3 months	Deposits maturing after 3 months- 1 year	Total
	JD	JD	JD	JD
				(Unaudited)
Inside Jordan	12,582,725	-	-	12,582,725
Outside Jordan	-	-	1,775,000	1,775,000
	12,582,725	-	1,775,000	14,357,725
				(Audited)
				10,991,708
				1,738,790
				12,730,498

The annual interest rate on the deposits in Jordanian Dinar ranged between 4% to 4.25% and on the deposits in US Dollar 2.45% during the period ended 30 June 2022.

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

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

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
<b>Quoted shares &amp; investment funds -</b>		
<b>Inside Jordan -</b>		
Quoted shares	48,970	48,970
<b>Outside Jordan -</b>		
Quoted shares	4,127,898	5,043,431
Quoted investment funds *	1,189,130	1,315,794
	5,317,028	6,359,225
<b>Bonds -</b>		
<b>Outside Jordan -</b>		
Quoted bonds **	2,105,126	2,496,386
<b>Total financial assets at fair value through other comprehensive income</b>	<b>7,471,124</b>	<b>8,904,581</b>

\* This item represents quoted investment funds with unguaranteed capital and it is 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%.

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\*\* This item consists of the following:

	Less than one year	More than one year	Total
	JD	JD	JD
<b><u>Outside Jordan</u></b>			(Unaudited)
Quoted Bonds	-	2,105,126	2,105,126
Total	-	2,105,126	2,105,126

- The bonds have fixed rates.

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

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
<b>Outside Jordan -</b>		
Quoted investment funds	263,296	293,206
	263,296	293,206

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

This item consists of the following:

	Number of Bonds	30 June 2022	31 December 2021
		JD	JD
		(Unaudited)	(Audited)
<b>Inside Jordan -</b>			
<b>Unquoted bonds</b>			
Governmental Bonds	44	68,723,677	68,749,480
Total		68,723,677	68,749,480
<b>Outside Jordan</b>			
Corporate Bonds	9	3,100,369	3,103,116
Less: Provision for impairment in financial assets at amortized cost		105,691	105,691
Total		2,994,678	2,997,425
Total financial assets at amortized cost		71,718,355	71,746,905

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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)
<b><u>Inside Jordan</u></b>						
Government Bonds	1,700,429	3,601,292	3,502,687	1,000,539	58,918,730	68,723,677
<b><u>Outside Jordan</u></b>						
Corporate Bonds	-	-	-	-	2,994,678	2,994,678
Total	1,700,429	3,601,292	3,502,687	1,000,539	61,913,408	71,718,355

- The interest rates on government and corporate bonds and bonds are denominated in Jordanian Dinar ranged from 4.974% to 8% and on foreign currency bonds ranged from 3.25% to 5.7% during the period ended 30 June 2022.
- The bonds have fixed rates.

**(7) INVESTMENT PROPERTIES**

This item consists of the following:

	30 June 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. The Group's management believes that the fair value of investment properties has not changed as of 30 June 2022.

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**(8) ACCOUNTS RECEIVABLE, NET**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Policy holders' receivables	9,640,114	10,802,893
Others	4,621	4,621
	9,644,735	10,807,514
Less: Provision for expected credit losses *	(343,557)	(343,557)
	9,301,178	10,463,957

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

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	343,557	345,072
Transfer from provision for the doubtful debt of reinsurance receivables	-	147
Written-off bad debts during the period/ year	-	(1,662)
Balance at the end of the period/year	343,557	343,557

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**(9) REINSURANCE RECEIVABLES, NET**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Local reinsurance companies	68,650	95,994
Foreign reinsurance companies	19,789	304,306
	88,439	400,300
Less: Provision for doubtful debt of reinsurance receivables*	(51,920)	(51,920)
Net reinsurance receivables	36,519	348,380

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

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

**(10) ACCOUNTS PAYABLE**

This item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Policy holder's payables	2,370,595	2,082,317
Brokers payable	223,170	200,807
Others	3,284	3,283
	2,597,049	2,286,407

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**(11) REINSURANCE PAYABLES**

The item consists of the following:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Local insurance Companies	2,714	5,078
Foreign reinsurance Companies	2,238,937	3,755,880
Reinsurance refundable deposits	440,266	415,516
	<u>2,681,917</u>	<u>4,176,474</u>

**(12) INCOME TAX**

**A- Income tax provision**

The movement on the income tax provision is as follows:

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Balance at beginning of the period/ year	624,973	678,325
Income tax paid	(685,298)	(946,026)
Income tax expense for the period/ year	354,834	892,674
Balance at end of the period/ year	<u>294,509</u>	<u>624,973</u>

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

	30 June 2022	30 June 2021
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	354,834	515,094
Deferred tax assets	(3,580)	3,232
	<u>351,254</u>	<u>518,326</u>

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**Income tax**

Income tax return was submitted for 2019, 2020 and 2021 it has not been reviewed by Income and Sales Tax Department up to the date of these consolidated financial statements. In the opinion of the management of the group and the tax consultant the provision taken is adequate.

A final settlement was reached with the Income and Sales Tax Department until the end of 2018. All outstanding balances have been paid.

**Sales Tax**

A final settlement was reached with the Income and Sales Tax Department until the end of December 2017. All outstanding balances have been paid.

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

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

Income tax return was submitted for 2021 it has not been reviewed by Income and Sales Tax Department up to the date of these interim condensed consolidated financial statements. In the opinion of the management of the group and the tax consultant the provision taken is adequate

**B- Deferred tax assets and liabilities**

This item consists of the following:

	30 June 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>Deferred tax Assets</b>						
Provision for expected credit losses	395,476	-	-	395,476	102,824	102,824
End of service provision	42,637	-	-	42,637	11,085	11,085
Lawsuits provision	201,575	-	-	201,575	52,410	52,410
Unrealized loss - financial assets at fair value through income statement	77	77	29,910	29,910	3,589	9
Unrealized loss - financial assets at fair value through other comprehensive income	-	-	850,303	850,303	102,036	-
	<u>639,765</u>	<u>77</u>	<u>880,213</u>	<u>1,519,901</u>	<u>271,944</u>	<u>166,328</u>
<b>Deferred tax Liabilities</b>						
Unrealized profit - financial assets at fair value 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 June 2022	31 December 2021	30 June 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	-	34,992	105,616	2,492
Releases	(77,762)	-	-	(3,800)
Balance at the end of the period/ year	-	77,762	271,944	166,328

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

	30 June 2022	30 June 2021
	JD (Unaudited)	JD (Unaudited)
Accounting profit	1,367,523	2,082,277
Gain from sale of financial assets at fair value through other comprehensive income	(401)	(47,163)
Nontaxable income	(335,037)	(570,548)
Nondeductible expenses	332,661	516,565
Taxable profit	1,364,746	1,981,131
Income Tax expense	354,834	515,094
Effective tax rate	25,9%	24,7%
Statutory tax rate	24%	24%
National contribution rate	2%	2%

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**(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.

**(14) LEGAL RESERVES**

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

**(15) FAIR VALUE RESERVE**

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

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period/year	570,252	313,646
Changes during the period / year	(1,498,318)	291,598
Deferred tax assets / (liabilities)	179,798	(34,992)
Ending balance for the period/year	<u>(748,268)</u>	<u>570,252</u>

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

This item consists of the following:

	30 June 2022	30 June 2021
	JD	JD
	(Unaudited)	(Unaudited)
Cash dividends received (financial assets at fair value through other comprehensive income)	159,305	169,895
Net change in fair value for financial assets at fair value through income statement	<u>(29,910)</u>	<u>(1,130)</u>
Total	129,395	168,765
Less: transfers to underwriting accounts	125,918	159,589
	<u>3,477</u>	<u>9,176</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:

	30 June 2022	30 June 2021
	(Unaudited)	(Unaudited)
Profit for the period/ JD	1,016,269	1,563,951
Weighted average number of shares/share	10,000,000	10,000,000
Basic and diluted profit earnings per share for the period	JD/ Fils 0/102	JD/ Fils 0/156

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

**(18) CASH AND CASH EQUIVALENTS**

This item consists of the following:

	30 June 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Cash on hands	4,847	2,305
Cash at banks	4,560,178	2,153,444
	4,565,025	2,155,749

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

	30 June 2022	30 June 2021
	JD (Unaudited)	JD (Unaudited)
Cash on hand and at banks	4,565,025	2,646,320
Add: deposits at banks maturing within three months	12,582,725	7,175,014
Less: deposit pledged in favor of the governor of Central Bank of Jordan (Note 3)	800,000	-
Less: deposit pledged in favor of general manager of Insurance Administration (Note 3)	-	325,000
<b>Net Cash and cash equivalents</b>	<b>16,347,750</b>	<b>9,496,334</b>

**(19) RELATED PARTY TRANSACTIONS**

The Group has entered into transactions with major shareholders, directors, senior management and sister companies within the normal business activities of the Group. All insurance receivables granted to related parties are considered to be operating and no provision has been made.

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	
	30 June 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
<u>Statement of financial position items</u>		
Deposits at Arab Bank	1,775,000	1,738,790
Current accounts at Arab Bank	2,205,582	1,383,270
Accrued Interest	7,506	412
Outstanding Claims	32,410	36,170
	30 June 2022	30 June 2021
	JD (Unaudited)	JD (Unaudited)
<u>Statement of income items</u>		
Written premiums	9,054	3,334
Policies acquisition costs	150,578	111,504
Interest income	-	1,308

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

	30 June 2022	30 June 2021
	JD (Unaudited)	JD (Unaudited)
Salaries and remunerations	271,604	265,911
BOD transportation and accommodation	24,000	24,000
	295,604	289,911

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**(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 JD	Total JD
<b>30 June 2022 (Unaudited) -</b>		
<b>Financial assets</b>		
Financial assets at fair value through other comprehensive income	7,471,124	7,471,124
Financial assets at fair value through income statement	263,296	263,296
<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 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 as of 30 June 2022 amounted to JD 383,385 (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 as of 30 June 2022 amounted to JD 683,591 (31 December 2021: JD 681,780) represented in accounts receivable to the Group and checks 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 On 30 June 2022 amounted to JD 58,071 (31 December 2021: JD 54,164).

**(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 which is 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 amounted to JD 3,000,000 which is equivalent to 30% of paid-in capital.

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

	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b>Assets -</b>		
Deposits at banks	11,481,426	10,015,319
Financial assets at fair value through other comprehensive income	5,974,424	7,005,399
Financial assets at amortized cost	57,350,938	56,444,619
Financial assets at fair value through income statement	210,550	230,671
Investment properties	751,690	739,516
Life policy holder loans	12,741,892	11,706,384
<b>Total investments</b>	<b>88,510,920</b>	<b>86,141,908</b>
Cash on hand and at banks	3,650,508	1,695,968
Checks under collection	487,976	272,913
Account receivable, net	1,611,967	1,505,492
Reinsurance receivables, net	9,130	87,095
Deferred tax assets	67,986	41,582
Property and equipment, net	671,484	693,363
Intangible assets, net	24,999	27,222
Other assets	1,473,017	1,434,463
<b>Total assets</b>	<b>96,507,987</b>	<b>91,900,006</b>
Liabilities and head office account		
<b>Technical reserves-</b>		
Unearned written premium, net	184,109	173,712
Outstanding claim reserve, net	452,954	300,096
Mathematical reserve, net	92,150,418	86,714,442
<b>Total Liabilities and Technical Reserves</b>	<b>92,787,481</b>	<b>87,188,250</b>
<b>Other liabilities -</b>		
Account payables	649,262	571,602
Reinsurance payables	670,479	1,044,119
Accrued expenses	292,458	276,011
Income tax provision	205,984	462,598
Lawsuit provisions	201,575	201,575
End of service provision	34,095	33,543
Deferred tax liabilities	-	19,441
Other liabilities	249,218	238,742
<b>Total Liabilities</b>	<b>95,090,552</b>	<b>90,035,881</b>
<b>Head Office account</b>		
Head Office current account	625,188	84,903
Profit for the year	792,247	1,779,222
<b>Total liabilities and Head office equity</b>	<b>96,507,987</b>	<b>91,900,006</b>