

AL NISR AL ARABI INSURANCE COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2023

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

We have reviewed the accompanying interim condensed consolidated financial statements of Al Nisr Al Arabi Insurance Company (Public Shareholding Company) and its subsidiary (together “the Group”) as of 31 March 2023, comprising of the interim condensed consolidated statement of financial position as of 31 March 2023, the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard No. (34) Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No. (2410), “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the specified accounting policies in note number (2).

Emphasis of Matter: Basis for preparation and restriction of use

We draw the attention to note number 2 on the interim condensed consolidated financial statements which shows the disclosed accounting policies in use. These financial statements have been prepared for the purpose of reporting to the insurance management department at the Jordanian central bank and the securities exchange commission. Therefore, it is not suitable for any other reporting purposes, as well as that our report is to be used solely for the use of the insurance management department, securities exchange commission and the management. The report may not be used by other parties. This does not change our opinion on the ending result for the interim condensed consolidated financial statements.

Amman - Jordan

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AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31 March 2023 JD (Unaudited)	31 December 2022 JD (Audited)
<u>Assets</u>			
Investments-			
Deposits at banks	3	16,165,698	13,205,563
Financial assets at fair value through other comprehensive income	4	8,002,855	7,539,088
Financial assets at fair value through Income statement	5	275,302	271,089
Financial assets at amortized cost	6	79,438,015	79,947,679
Investment properties	7	940,001	940,001
Life policyholders' loans	8	14,006,578	13,493,697
Total Investments		118, 828,449	115,397,117
Other Assets-			
Cash on hand and balances at banks	9	2,897,034	3,620,560
Checks under collection	10	498,418	565,960
Accounts receivable, net	11	9,641,543	5,069,482
Reinsurance receivables, net	12	67,090	1,095,999
Deferred tax assets	13	212,508	341,873
Property and equipment, net	14	2,724,373	2,679,651
Intangible assets, net	15	178,123	120,643
Other assets	16	2,199,809	2,288,900
Total Assets		137,247,347	131,180,185
<u>Liabilities and Equity</u>			
Technical reserves-			
Unearned premiums reserve, net		7,968,574	4,294,423
Outstanding claims reserve, net		1,644, 970	896,968
Mathematical reserve, net	17	99,852,007	97,969,547
Total Technical Reserves		109,465,551	103,160,938
Other liabilities -			
Accounts payable	18	1,432,485	2,304,010
Accrued expenses		849,891	1,016,632
Reinsurance payables	19	1,758,014	1,956,038
Lawsuit provision	20	201,575	201,575
Income tax provision	13	531,861	503,308
Deferred tax liabilities	13	-	-
End of service provision		49,013	49,013
Other Liabilities	21	1,104,202	1,011,603
Total Technical Reserves and other Liabilities		115,392,592	110,203,117
Equity-			
Amortized and paid in capital	1, 22	10,000,000	10,000,000
Additional paid in capital	1, 22	3,750,000	3,750,000
Statutory reserve	23	2,683,469	2,683,469
Voluntary reserve	23	1,326,652	1,326,652
Fair value reserve	24	(333,452)	(610,697)
Retained earnings	25	4,428,086	3,827,644
Total Shareholders' Equity		21,854,755	20,977,068
Total Liabilities and Shareholders' Equity		137,247,347	131,180,185

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

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

		For the three months ended 31 March	
	Notes	2023 JD	2022 JD
Revenues -			
Gross written premiums		14,699,840	12,752,044
Less: Reinsurance share		2,037,785	1,666,328
Net written premiums		12,662,055	11,085,716
Net change in unearned premiums reserve		(3,674,150)	(2,208,661)
Net change in mathematical reserve		(1,882,460)	(2,858,694)
Net earned premiums		7,105,445	6,018,361
Commissions income		93,028	102,302
Insurance policies issuance fees		269,078	272,068
Revenue related to underwriting accounts		1,339,924	1,074,435
Other revenue related to underwriting accounts		51,658	196,474
Interest income		253,626	248,886
Net gain from financial assets and investments		3,151	2,195
Other revenues, net	16	87	563
Total revenues		9,115,997	7,915,284
Claims, Losses and Expenses			
Paid claims		2,925,265	4,730,216
Maturity and surrender of insurance policies		3,546,923	2,065,986
Less: Recoveries		199,649	338,013
Less: Reinsurance share		737,258	1,654,957
Net paid claims		5,535,281	4,803,232
Net change in outstanding claims reserve		748,002	150,112
Allocated employees' expenses		873,410	862,084
Allocated administrative and general expenses		342,833	314,934
Excess of loss premium		25,810	24,450
Policies acquisition costs		536,948	543,928
Other expenses related to underwriting accounts		123,408	170,678
Net claims cost		8,185,682	6,869,418
Unallocated employee' expenses		27,645	23,914
Depreciation and Amortization		54,776	60,183
Unallocated administrative and general expenses		33,123	29,411
Other expenses		30,746	36,955
Total expenses		146,290	150,463
Profit for the period before tax		784,025	895,403
Less: Income tax expense	12	183,583	210,456
Profit for the period		600,442	684,947
		JD/Fils	JD/Fils
Basic and diluted earnings per share	17	0/060	0/068

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

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	For the three months ended 31 March	
	2023	2022
	JD	JD
Profit for the Period	600,442	684,947
Add: Other comprehensive income after tax that 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>277,245</u>	<u>(497,106)</u>
Total comprehensive income for the period	<u><u>877,687</u></u>	<u><u>187,841</u></u>

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

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (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
31 March 2023 -								
Balance as at 1 January 2023								
Total comprehensive income for the period	10,000,000	3,750,000	2,683,469	1,326,652	(610,697)	3,827,644	-	20,977,068
Loss from sale of financial assets through Other Comprehensive income	-	-	-	-	277,245	-	600,442	877,687
Balance as at 31 March 2023	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,683,469</u>	<u>1,326,652</u>	<u>(333,452)</u>	<u>3,827,644</u>	<u>600,442</u>	<u>21,854,755</u>
31 March 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	-	-	-	-	(497,106)	-	684,947	187,841
Loss from sale of financial assets through Other Comprehensive income	-	-	-	-	401	(401)	-	-
Balance as at 31 March 2022	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,663,351</u>	<u>1,326,652</u>	<u>73,547</u>	<u>4,537,799</u>	<u>684,947</u>	<u>23,036,296</u>

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

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Notes	For the three months ended 31	
		March	
		2023	2022
		JD	JD
<u>OPERATING ACTIVITIES</u>			
Profit for the period before tax		784,025	895,403
Adjustments for non-cash items			
Depreciation and amortization		54,776	60,183
Change in fair value through statement of income		(4,213)	13,270
Loss on disposal of property and equipment		87	430
Net change in unearned premiums reserve		3,674,151	2,208,661
Net change in mathematical reserve		1,882,460	2,858,694
Net change in outstanding claims reserve		748,002	150,112
Bank Interest income		(172,924)	(116,781)
Interest income from financial assets at amortized cost		(1,315,237)	(1,055,564)
Cash flows from operating activities before changes in working capital		5,651,127	5,014,408
Cheques under collection		67,542	(252,752)
Accounts receivable		(4,572,061)	(873,233)
Reinsurance receivables		1,028,909	44,611
Other assets		175,212	89,633
Accounts payable		(871,525)	(422,149)
Reinsurance payables		(198,024)	(1,107,841)
Other liabilities and accrued expenses		(74,142)	(247,455)
Net cash flows from operating activities before tax paid		1,207,038	2,245,222
Income tax paid	12	(151,836)	(149,548)
Net cash flows from operating activities		1,055,202	2,095,674
<u>Investing Activities</u>			
Proceeds from sale of financial assets at fair value through other comprehensive income		-	354,999
Purchase financial assets at fair value through other comprehensive income		(60,351)	(420,260)
Financial assets at amortized cost		509,664	14,196
Life policies holder's loans		(512,881)	(559,530)
Purchase of property and equipment		(88,014)	(7,820)
Proceeds from sale of property and equipment		3,350	259
Purchase of intangible assets		(72,401)	(8,059)
Deposits at banks (Due more than 3 months)		1,775,000	(486,334)
Interest received		1,402,040	1,431,407
Net cash flows from (used in) investing activities		2,956,407	318,858
Net increase (decrease) in cash and cash equivalent		4,011,609	2,414,532
Cash and cash equivalent, at the beginning of the period		14,251,123	12,822,457
Cash and cash equivalent, at the end of the period	18	18,262,732	15,236,989

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

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDER WRITING REVENUES FOR THE LIFE INSURANCE
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Life	
	For the three months ended 31 March	
	2023	2022
	JD	JD
Written premiums -		
Direct insurance	6,816,759	6,175,413
Total premiums	6,816,759	6,175,413
Less:		
Foreign reinsurance share	900,659	683,583
Net Written premiums	5,916,100	5,491,830
Add:		
Unearned premium reserve at the beginning of the period	302,614	308,958
Less: Reinsurance share	141,440	135,247
Net unearned premium reserve at the beginning of the period	161,174	173,711
Add:		
Mathematical reserve at the beginning of the period	97,969,547	86,714,442
Less: Reinsurance share	-	-
Net mathematical reserve at the beginning of the period	97,969,547	86,714,442
Less:		
Unearned premium reserve at the end of the period	366,285	364,583
Less: Reinsurance share	221,133	197,380
Net unearned premium reserve at the end of the period	145,152	167,203
Less:		
Mathematical reserve at the end of the period	99,852,007	89,573,136
Less: Reinsurance share	-	-
Net mathematical reserve at the end of the period	99,852,007	89,573,136
Net earned revenues from the written premiums	4,049,662	2,639,644

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Life	
	For the three months ended 31 March	
	2023	2022
	JD	JD
Paid claims	696,351	617,078
Maturity and Surrender of Policies	3,546,923	2,065,986
Less: Foreign reinsurance share	633,315	472,369
Net Paid Claims	3,609,959	2,210,695
Add:		
Outstanding Claims Reserve at the end of the period		
Reported	2,560,774	2,513,172
Unreported	350,000	350,000
Less:		
Reinsurance share	2,552,759	2,434,633
Net Outstanding Claims Reserve at the end of the period	358,015	428,539
Reported	298,015	368,539
Unreported	60,000	60,000
Less:		
Outstanding Claims Reserve at the beginning of the period		
Reported	1,780,120	1,891,323
Unreported	350,000	350,000
Less:		
Reinsurance share	1,861,962	1,941,227
Net Outstanding Claims Reserve at the beginning of the period	268,158	300,096
Net Claims Cost	3,699,816	2,339,138

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDERWRITING PROFITS FOR THE LIFE INSURANCE
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Life	
	For the three months ended 31 March	
	2023	2022
	JD	JD
Net earned revenues from written premiums	4,049,662	2,639,644
Less:		
Net claims cost	<u>3,699,816</u>	<u>2,339,138</u>
Add:		
Commission received	6,240	6,035
Insurance policies issuance fees	36,621	31,644
Investment income related to underwriting accounts	1,339,924	1,074,435
Other Income	<u>41,053</u>	<u>73,728</u>
Total revenues	<u>1,423,838</u>	<u>1,185,842</u>
Less:		
Policies acquisition costs	420,893	415,507
General and administrative expenses related to underwriting accounts	720,817	672,904
Other expenses related to underwriting accounts	<u>7,280</u>	<u>10,381</u>
Total Expenses	<u>1,148,990</u>	<u>1,098,792</u>
Underwriting profit	<u><u>624,694</u></u>	<u><u>387,556</u></u>

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDER WRITING REVENUES FOR THE GENERAL INSURANCE
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Motor		Marine and transportations		Fire and property		Liability		Medical		Personal accident		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written Premiums:														
Direct insurance	-	-	93,475	109,145	603,416	612,416	579,931	420,136	6,567,929	5,400,436	34,263	29,874	7,879,108	6,572,007
Facultative inward reinsurance business	-	-	-	-	2,077	2,728	1,896	1,896	-	-	-	-	3,973	4,624
Total Premiums	-	-	93,475	109,145	605,587	615,144	581,827	422,032	6,567,929	5,400,436	34,263	29,874	7,883,081	6,576,631
Less:														
Local reinsurance share	-	-	7,587	6,796	74,048	63,433	79	1,039	-	-	-	-	81,714	71,268
Foreign reinsurance share	-	-	68,035	75,306	467,919	497,993	497,642	358,723	-	(39,428)	21,816	18,883	1,055,412	911,477
Net Written Premiums	-	-	17,853	27,043	63,620	53,718	84,106	62,270	6,567,929	5,439,864	12,447	10,991	6,745,955	5,593,886
Add:														
Balance at the beginning of the period														
Unearned premiums reserve	-	-	88,131	86,178	1,511,657	1,543,871	738,667	555,778	3,761,053	7,782,178	89,066	67,990	6,188,574	10,035,995
Less: Reinsurance share	-	-	68,179	62,476	1,325,129	1,349,874	609,615	462,947	-	3,040,326	52,401	38,961	2,055,324	4,954,584
Net Unearned Premiums Reserve	-	-	19,952	23,702	186,528	193,997	129,052	92,831	3,761,053	4,741,852	36,665	29,029	4,133,250	5,081,411
Less:														
Balance at the end of the period														
Unearned premiums reserve	-	-	92,968	108,635	1,278,426	1,278,680	901,769	688,423	7,490,795	8,739,827	85,141	67,028	9,849,098	10,882,593
Less: Reinsurance share	-	-	75,173	81,600	1,140,573	1,146,175	759,161	579,527	-	1,739,426	50,769	39,285	2,025,676	3,586,013
Net unearned Premiums Reserve	-	-	17,794	27,035	137,853	132,505	142,608	108,896	7,490,795	7,000,401	34,372	27,743	7,823,422	7,296,580
Net earned revenues from written														
Premiums	-	-	20,011	23,710	112,295	115,210	70,550	46,205	2,838,187	3,181,315	14,740	12,277	3,055,783	3,378,717

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Motor		Marine and transportations		Fire and property		Liability		Medical		Personal accident		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	2,133	24,377	859	15,007	99,834	22,552	(1,902)	10,691	2,122,428	4,036,748	1,758	3,763	2,228,914	4,113,138
Less:														
Recoveries	199	997	-	150	20,854	17,359	-	-	178,596	319,507	-	-	199,649	338,013
Local reinsurance share	-	-	-	-	1,430	1,327	-	-	-	-	-	-	1,430	1,327
Foreign reinsurance share	-	8,464	556	8,884	77,035	3,003	(1,745)	7,958	22,589	1,151,009	588	1,943	102,513	1,181,261
Net Paid Claims	1,934	14,916	303	5,973	515	863	157	2,733	1,921,243	2,566,232	1,170	1,820	1,925,322	2,592,537
Add:														
Outstanding Claims Reserve at the end of the period	109,834	117,449	127,254	125,435	5,292,577	3,710,855	1,541,572	1,860,640	1,179,346	769,109	105,367	91,286	8,355,950	6,674,774
Reported	39,834	47,449	56,254	54,435	5,267,577	3,685,855	1,511,572	1,830,640	1,029,346	610,107	60,367	46,286	7,964,950	6,274,772
Unreported	70,000	70,000	71,000	71,000	25,000	25,000	30,000	30,000	150,000	159,002	45,000	45,000	391,000	400,002
Less:														
Reinsurance share	54,530	56,355	88,302	87,205	5,263,141	3,661,089	1,496,432	1,806,645	-	174,760	73,685	64,003	6,976,090	5,850,057
Recoveries	32,840	31,345	60,025	71,427	40	29	-	-	-	722	-	-	92,905	103,523
Net Outstanding Claims Reserve at the end of the period	22,464	29,749	(21,073)	(33,197)	29,396	49,737	45,140	53,995	1,179,346	593,627	31,682	27,283	1,286,955	721,194
Reported	(7,536)	(251)	(36,073)	(48,197)	24,396	44,737	39,140	47,995	1,029,346	431,978	16,682	12,283	1,065,955	488,545
Unreported	30,000	30,000	15,000	15,000	5,000	5,000	6,000	6,000	150,000	161,649	15,000	15,000	221,000	232,649
Less:														
Outstanding Claims Reserve at the beginning of the period	112,205	127,657	114,869	130,195	5,360,186	3,661,669	1,540,675	1,895,712	523,904	785,168	88,994	98,574	7,740,833	6,698,975
Reported	42,205	57,657	43,869	59,195	5,335,186	3,636,669	1,510,675	1,865,712	373,904	576,923	43,994	53,574	7,349,833	6,249,730
Unreported	70,000	70,000	71,000	71,000	25,000	25,000	30,000	30,000	150,000	208,245	45,000	45,000	391,000	449,245
Less:														
Reinsurance share	54,530	52,467	81,583	90,813	5,329,619	3,613,789	1,495,555	1,838,222	-	232,236	61,424	68,376	7,022,711	5,895,903
Recoveries	29,245	31,344	60,026	71,493	40	29	-	-	1	681	-	-	89,312	103,547
Net Outstanding Claims Reserve at the beginning of the period	28,430	43,846	(26,740)	(32,111)	30,527	47,851	45,120	57,490	523,903	552,251	27,570	30,198	628,810	699,525
Net Claims Cost	(4,032)	819	5,970	4,887	(616)	2,749	177	(762)	2,576,686	2,607,608	5,282	(1,095)	2,583,467	2,614,206

AL NISR AL ARABI INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDERWRITING PROFITS FOR THE GENERAL INSURANCE
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	Motor		Marine and transportations		Fire and property		Liability		Medical		Personal accident		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenues from written premiums	-	-	20,011	23,710	112,295	115,210	70,550	46,205	2,838,187	3,181,315	14,740	12,277	3,055,783	3,378,717
Less:														
Net claims cost	(4,032)	819	5,970	4,887	(616)	2,749	177	(762)	2,576,686	2,607,608	5,282	(1,095)	2,583,467	2,614,206
	4,032	(819)	14,041	18,823	112,911	112,461	70,373	46,967	261,501	573,707	9,458	13,372	472,316	764,511
Add:														
Commissions received	-	-	21,838	25,136	56,122	62,794	8,629	7,975	-	-	199	362	86,788	96,267
Insurance policies issuance fees	-	-	5,389	6,456	26,295	31,489	18,366	15,367	152,055	161,472	30,352	25,640	232,457	240,424
Other Revenue related to underwriting														
Accounts	(53)	99	7,399	25,103	1,328	12,541	-	-	1,931	85,003	-	-	10,605	122,746
Total revenue	(53)	99	34,626	56,695	83,745	106,824	26,995	23,342	153,986	246,475	30,551	26,002	329,850	459,437
Less:														
Policy acquisition cost	-	-	8,784	2,272	24,498	18,874	12,230	5,817	62,433	88,746	8,110	12,712	116,055	128,421
Excess of loss premiums	-	-	2,750	2,500	15,500	14,750	-	-	-	-	7,560	7,200	25,810	24,450
General and administrative expenses related to underwriting accounts	503	522	13,025	13,234	67,739	70,878	55,278	41,962	356,728	375,587	2,143	1,933	495,416	504,116
Other expenses related to underwriting	-													
accounts		-	408	281	1,289	1,242	99	176	114,224	158,573	108	25	116,128	160,297
Total Expenses	503	522	24,967	18,287	109,026	105,744	67,607	47,955	533,385	622,906	17,921	21,870	753,409	817,284
Underwriting (loss) profit	3,476	(1,242)	23,700	57,231	87,630	113,541	29,761	22,354	(117,898)	197,276	22,088	17,504	48,757	406,664

(1) GENERAL

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

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

The Company is 50% owned by Arab Bank (Parent Company) as of 31 March 2023.

The interim condensed consolidated financial statements were approved for issuance by the Board of Directors in its meeting No. (237) held on 30 April 2023

2-1 BASIS OF PREPARATION

The interim condensed financial statements for the three months period ended 31 March 2023 were prepared in accordance with the insurance management department at the central bank and the securities exchange commission promulgations No.17/1/6983 Dated 12 April 2023 & 2/3/01292/23 Dated 25 April 2023 respectively. The company did not apply standard No.17 which took effect on 1 January 2023 and has continued to prepare the financial statements in accordance with IFRS 4.

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

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

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group annual report as of 31 December 2022. In addition, results for the three - month period ended 31 March 2023 do not necessarily indicate to the results that may be expected for the financial year ending 31 December 2023.

2-2 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 31 December 2022 :

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

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

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

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

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

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

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

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

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.

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.

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

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.

Segment reporting

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.

Financial assets date of recognition

Purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Fair Value

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities.

For financial instruments where there is no active market fair value is normally based on one of the following methods:

- Comparison with the current market value of a highly similar financial instrument.
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Option pricing models.

The objective of the valuation method is to show a fair value that reflects market expectations.

Where the fair value of an investment cannot be reliably measured, it is stated at cost less any impairment in the value.

A. Financial assets at amortized cost

Are the assets that the Group's management intends to hold for the purpose of collecting the contractual cash flows which represents the cash flows that are solely payments of principal and interest on the outstanding principal.

Financial assets are recorded at cost upon purchase plus acquisition expenses, Moreover the issue premium \ discount is amortized using the effective interest associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted, any impairment is registered in the consolidated statement of income and should be presented subsequently at amortized cost less any impairment losses.

The amount of impairment loss recognized at amortized cost is the expected credit loss of the financial assets at amortized cost.

It is not allowed to reclassify any financial assets from/to this category except for certain cases that are specified by the International Financial Reporting Standards (And if in any cases these assets are sold before the maturity date the result of sale will be recorded in the consolidated statement of income in a separated disclosure and caption in according to the International Financial Reporting Standards in specific).

B. Financial assets at fair value through other comprehensive income

- Equity investments that are not held for sale in the near future.
- These financial instruments are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the consolidated statement of changes in equity. The gain or loss on disposal of these asset are reclassified from fair value reserve to retained earnings and not through consolidated income statement.
- These financial assets are not subject to impairment testing.
- Dividend income is recognized in the consolidated statement of income.

C. Debt instruments at FVOCI

The Group applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Group holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss

Investment Properties

Investment properties are stated at cost less accumulated depreciation and are depreciated (excluding lands) using the straight-line depreciation method over its casted useful life.

Investment properties are revalued accordance to the Insurance Administration's instructions and the related fair value is disclosed in the related note. (Note 7)

Cash and Cash equivalents

For cash flow purpose cash and cash equivalents comprise cash on hand, cash balances with banks and deposit with financial institutions maturing within three months, less bank overdrafts and restricted balances.

Reinsurance Accounts

Reinsurers shares of insurance premiums, paid claims, technical reserve, and all other rights and obligations resulting are calculated based on signed contracts between the Group and reinsures are accounted for based on accrual basis.

Reinsurance

The Group engages within its normal activities a variety of inward and outward reinsurance operations with other insurance and reinsurance firms which involves different level of risks. The reinsurance operations include Quota share, excess of loss, facultative reinsurance, and other types of reinsurance. These reinsurance contracts do not eliminate the Group's liability towards policy holders, where in the case the reinsurance fails to cover its portion of total liability, the Group bears the total loss. Therefore, the Group provides for the un-recovered amounts. The estimation of amounts that are likely to be recovered from reinsurers is done according to the Group's portion of total liability for each claim.

Impairment in Reinsurance Assets

In case there is any indication as to the impairment of the reinsurance assets of the Group, which possesses the reinsured contract, the Group should reduce the present value of the contracts and record the impairment in the consolidated statement of income,

The impairment is recognized in the following cases only:

1. There is an objective evidence resulting from an event that took place after the recording of the reinsurance assets confirming the Group's inability to recover all the amounts under the contracts terms.
2. The event has a reliably and clearly measurable effect on the amounts that the Group will recover from reinsures.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property and equipment (except lands) is depreciated when its ready for use.

Depreciation is computed on a straight-line over its expected useful life using the following depreciation rates, and the depreciation expense is recorded in the consolidated statement of income:

	<u>%</u>
Buildings	2
Furniture and fixtures	15 - 20
Elevators	10
Vehicles	15
Decoration & Painting	10 - 15
Lease improvement	20
Computers	20

Depreciation expense is calculated when property and equipment is ready for use, property and equipment under construction is stated at cost less impairment loss.

Property and equipment are written down to their recoverable amount, when its recoverable amounts less than the net book value. The impairment loss is recorded in the consolidated statement of income.

The useful lives are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Any gain or loss arising on the disposal or retirement of an item of property and equipment which represents the difference between the sales proceeds and the carrying amount of the asset is recognized in the Consolidated statement of income.

Any item of property and equipment derecognized upon disposal or when there is no future economic benefits are expected to arise from the continued use of the asset.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are classified as finite or infinite. Intangible assets with finite lives are amortized over the useful economic life and the amortization expense is recognized in the consolidated income statement. While intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired. The impairment loss is recorded in the consolidated income statement.

Intangible assets include computer software. These intangible assets are amortized on a rate of 20%.

Pledged financial assets

Represent those financial assets pledged to other parties with the existence of the right of use for the other party (sale, pledge). A periodic review is performed for those assets. According to the relevant according policies based on original classifications.

Provisions

Provisions are recognized when the Group has an obligation at the date of the financial statements as a result of past events, and the cost to settle the obligation are both probable and measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the preset obligation at the consolidated financial statements date, taking into account the risks and uncertainties surrounding the obligation where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flow.

When it is expected to recover some or all amounts due from other parties, the due amount will be recognized within the assets if the value can be measured reliably.

A- Technical Reserves

Technical reserves are provided for in accordance to the Insurance Administration's instructions, as follows:

1. Unearned premiums reserve is measured for general insurance business based on remaining days of the insurance policy of expiration, considering a period of 365 days except marine and transport insurance which is calculated based on written premiums for existing policies at the date of the financial statements in accordance with Laws, regulations and instructions issued pursuant there to.
2. Outstanding claims (Reported) provision is measured at the maximum value of the total expected loss for each claim separately.
3. Provision for the ultimate cost of claims incurred but not yet reported (IBNR) and unexpired risk is measured based on the estimates and the experience of the Group.
4. Unearned contributions and premiums reserve is measured based on the Group's experience and estimations.
5. Mathematical reserve is measured in accordance with the instruction and decisions issued by the Insurance Administration.

B- Provision for expected credit losses

The Group has applied the standard's simplified approach of International Financial Reporting Standard (IFRS 9) and has calculated the expected credit losses on all its financial instruments. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

C- End of service indemnity reserve

The end of service indemnity reserve for employees is calculated based on the Group's policy which in compliance with Jordanian labor law.

The paid amounts as end of service for resigned employees are debited to this account. The Group obligation for the end of service is recorded in the consolidated statement of income.

Liability adequacy test

At each statement of financial position date, the Group assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of estimated future cash flows, the deficiency is immediately recognized in the consolidated statement of income.

Income Tax

Income tax represents current and deferred income tax.

A- Accrued Income Tax

The accrued income tax expense is calculated based on taxable income. The taxable income differs from the actual income in the Consolidated statement of income because the accounting income contains nondeductible expenditures and nontaxable revenues in the current year but in the preceding years or the accepted accumulated losses or any other nontaxable or deductibles for tax purposes.

The taxes are calculated based on the laws and regulation in the countries where the Group carries on its operation.

B- Deferred Tax

Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the time value of the assets or liabilities in the consolidated financial statements and the value that is calculated on the basis of taxable profit.

Deferred tax is provided using the liability method on temporary differences at the liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Offsetting

Financial assets and financial liabilities are only offsetted, and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue recognition

A- Insurance policies

Insurance premiums are recorded as revenues (earned premiums) based on the accrual periods and policy covering period. Unearned premiums are recorded according to insurance policy periods at the date of Consolidated financial statements. Claims expenses are recognized in the consolidated statement of income based on the expected claim value to compensate the insurance policyholder or other parties.

B- Dividend and interest revenue

The dividends revenues are realized when the shareholder has the right to receive the payment once declared by the General Assembly of Shareholders.

Interest revenues are recorded using the accrual basis based on the accrual periods, principle amount and earned interest rate.

C- Rental income

Rental income from investment properties is accounted for using the straight- line basis over the lease terms.

Expenses recognition

All commissions and other costs related to the new insurance contracts or renewed are recorded in the consolidated statement of income during the year which it occurred. And in all expenditures, are recognized using the accrual basis.

Insurance compensations

Insurance compensations represent paid claims during the year and change in outstanding claims reserve.

Insurance compensations includes payments made during the year even for the current or prior years. Outstanding claims represents the highest estimated amount to settle the claims resulting from events occurring before the date of Consolidated financial statements but not settled yet. Outstanding claim reserve is recorded based on the best available information at the date of Consolidated financial statements and includes the IBNR.

Recoverable scraped value

Recoverable scraped value is considered when recording the outstanding claim amount.

General and administrative expenses

All distributable general and administrative expenses are allocated to the insurance branches separately according to the actual administrative expenses of each branch separately and in compliance with specific cost centers for various insurance departments. The remaining expenses are stated as unallocated expenses in the consolidated statement of income.

Employees' expenses

All distributable employee expenses are allocated to the insurance branches separately according to the expenditures of each branch in compliance with specific cost centers for various insurance departments. Moreover, the related employee expenses of the Group`s subsidiary are stated as unallocated employee expenses.

Insurance policy acquisition cost

Acquisition cost represents the cost incurred by the Group for selling or underwriting or issuing new insurance contract, the acquisition cost is recorded in consolidated statement of income.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the transactions dates. Monetary assets and liabilities in foreign currencies are translated into Jordanian Dinar at rates of exchange prevailing at the consolidated statement of financial position date as issued by Central Bank of Jordan.

Non-monetary assets and liabilities in foreign currencies are translated into respective functional currencies at fair value at the respective date.

Gains and losses resulting from foreign currencies translation shall be recorded in the consolidated statement of income.

Translation differences on non-monetary items carried at fair value (such as stocks) are included as part of the changes in fair value.

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.

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- 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.

(3) DEPOSITS AT BANKS

This item represents the following:

	31 March 2023			31 December 2022	
	Deposits maturing within one month	Deposits maturing between 1 month- 3 months	Deposits maturing after 3 months- 1 year	Total	Total
	JD	JD	JD	JD (Unaudited)	JD (Audited)
Inside Jordan	8,919,468	5,266,750	-	14,186,218	11,430,563
Outside Jordan	1,979,480	-	-	1,979,480	1,775,000
	<u>10,898,948</u>	<u>5,266,750</u>	<u>-</u>	<u>16,165,698</u>	<u>13,205,563</u>

The annual interest rate on the deposits in Jordanian Dinar range between 5.75% to 5.90% and on the deposits in US Dollar 2.45% during the period ended 31 March 2023.(31 December 2022: Jordanian Dinar range between 5% to 5.25 % and on the deposits in US Dollar 2.45%)

Deposits pledged in favor of Insurance Administration General manager amounted to JD 800,000 for the period ended 31 March 2023 and 31 December 2022 at Invest Bank.

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

This item consists of the following:

	31 March 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Quoted shares & investment funds - Inside Jordan		
Quoted shares	46,522	48,970
Outside Jordan		
Quoted shares	4,711,729	4,269,566
Quoted investment funds *	1,169,057	1,115,048
	5,880,786	5,384,614
Bonds - Outside Jordan		
Quoted bonds **	2,075,547	2,105,504
Total of financial assets at fair value through other comprehensive income	8,002,855	7,539,088

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

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

** This item consists of the following:

	From 3 to 6 months JD	From 6 to 9 months JD	From 9 Months to one year JD	More than one year JD	Total JD (Unaudited)
<u>Inside Jordan</u>					
Quoted Bonds	-	-	-	2,075,547	2,075,547
	-	-	-	2,075,547	2,075,547

- These bonds have fixed rates.

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Unaudited)
Quoted shares	275,302	271,089
	<u>275,302</u>	<u>271,089</u>

(6) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Number of Bonds	31 March 2023	31 December 2022
		JD	JD
		(Unaudited)	(Audited)
Inside Jordan			
Unquoted bonds			
Governmental Bonds	40	76,447,501	76,955,797
Total		<u>76,447,501</u>	<u>76,955,797</u>
Outside Jordan			
Corporate Bonds	9	3,096,205	3,097,573
Less: Provision for impairment in financial assets at amortized cost		<u>105,691</u>	<u>105,691</u>
Total		<u>2,990,514</u>	<u>2,991,882</u>
Total financial assets at amortized cost		<u><u>79,438,015</u></u>	<u><u>79,947,679</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	1,000,146	-	-	3,009,844	72,437,511	76,447,501
<u>Outside Jordan</u>						
Corporate Bonds	-	-	321,705	-	2,668,809	2,990,514
Total	1,000,146	-	321,705	3,009,844	75,106,320	79,438,015

- The interest rates on government and corporate bonds and bonds are denominated in Jordanian Dinar range from 5.047% to 7.999% and on foreign currency bonds ranged from 3.25% to 5.7% during the period ended 31 March 2023.
- These bonds have fixed rates.

(7) INVESTMENT PROPERTIES

This item consists of the following:

	31 March 2023	31 December 2022
	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.

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(8) ACCOUNTS RECEIVABLE, NET

This item consists of the following:

	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Policy holders' receivables	9,978,592	5,406,678
Others	4,621	4,621
	9,983,213	5,411,299
Less: Provision for expected credit losses *	(341,670)	(341,817)
	<u>9,641,543</u>	<u>5,069,482</u>

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

	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the Period/year	341,817	343,557
Additions	-	25,030
Transferred (to) from reinsurance receivables provision for doubtful debts	(13)	(204)
Written off debts	(134)	(26,566)
Balance at the end of the Period/year	<u>341,670</u>	<u>341,817</u>

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(9) REINSURANCE RECEIVABLES, NET

This item consists of the following:

	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)
Local insurance Companies	70,067	116,720
Foreign reinsurance Companies	49,160	1,031,403
	119,227	1,148,123
Less: Provision for doubtful debt of reinsurance receivables*	(52,137)	(52,124)
Net reinsurance receivables	67,090	1,095,999

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

	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	52,124	51,920
Transfer from (to) accounts receivable provision for expected credit losses	13	204
Balance at the end of the period / year	52,137	52,124

(10) ACCOUNTS PAYABLE

This item consists of the following:

	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)
Policy holder's payables	1,201,201	2,060,229
Brokers payable	228,000	240,497
Others	3,284	3,284
	1,432,485	2,304,010

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(11) REINSURANCE PAYABLES

The item consists of the following:

	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Local insurance Companies	19,310	5,376
Foreign reinsurance Companies	1,277,239	1,488,182
Reinsurance refundable deposits	461,465	462,480
	<u>1,758,014</u>	<u>1,956,038</u>

(12) INCOME TAX

A- Income tax provision

The movement on the income tax provision is as follows:

	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Balance at beginning of the period/ year	503,308	624,973
Income tax paid	(151,836)	(848,438)
Income tax expense for the period/ year	180,389	726,773
Balance at end of the period/ year	<u>531,861</u>	<u>503,308</u>

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

	31 March 2023	31 March 2022
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	180,389	212,039
Deferred tax assets	3,194	(1,583)
	<u>183,583</u>	<u>210,456</u>

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Income tax

A final settlement was reached with the Income Tax Department up to the end of 2020 and the company paid it on 22 August 2022.

Income tax return was submitted timely for 2022 and 2021 it has not been reviewed by Income and Sales Tax Department up to the date of these consolidated financial statements.

Sales Tax

A final settlement was reached with the Sales Tax Department until the end of December 2022.

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

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

B- Deferred tax assets

This item consists of the following:

	31 March 2023				31 December 2022	
	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 (Unaudited)	JD (Audited)
A. Deferred tax Assets						
Provision for doubtful debts	393,941	133	-	393,808	102,390	102,425
End of service indemnity provision	49,013	-	-	49,013	12,743	12,743
Lawsuit provision	201,575	-	-	201,575	52,410	52,410
Unrealized losses – financial assets through statement of income	22,217	22,217	(4,213)	(4,213)	(506)	2,654
Unrealized losses – financial assets through statement of Comprehensive income	1,430,353	1,430,353	378,922	378,922	45,471	171,641
	<u>2,096,999</u>	<u>1,452,603</u>	<u>374,709</u>	<u>1,019,105</u>	<u>212,508</u>	<u>341,873</u>

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

	Assets		Liabilities	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	166,328	166,328	-	77,762
Additions	44,966	175,954	-	-
Releases	(174,331)	(409)	-	(77,762)
Balance at the end of the period/ year	<u>212,508</u>	<u>341,873</u>	<u>-</u>	<u>-</u>

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

	31 March 2023	31 March 2022
	JD (Unaudited)	JD (Unaudited)
Accounting profit	784,025	895,403
Gain from sale of financial assets at fair value through other comprehensive income	-	(400)
Non-taxable income	(386,146)	(397,881)
Nondeductible expenses	<u>295,926</u>	<u>318,413</u>
Taxable profit	<u>693,805</u>	<u>815,535</u>
Income Tax expense	<u>180,389</u>	<u>212,039</u>
Effective tax rate	<u>24%</u>	<u>23.7%</u>
Statutory tax rate	<u>26%</u>	<u>26%</u>

(13) PAID-IN CAPITAL

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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* A quarter of a share was distributed free of charge for each share of the company's capital on 09/06/2005. The company's capital is 2.5 million shares / one dinar out of 2 million shares / dinars, and in 2006 one million shares / dinars, and an issuance premium of 8,750,000 dinars per share Free of charge for each share of the company's capital on 6/6/2007, by capitalizing 5,000,000 dinars from the upper box. The company's capital is 10 million shares / dinars, a share of 5 million shares / dinars, and an issuance premium amounted to 3,750,000 dinars.

(14) LEGAL RESERVES

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

(15) FAIR VALUE RESERVE

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

	31 March 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Beginning balance	(610,697)	570,252
Changes during the period / year	403,417	(1,430,353)
Deferred tax liabilities	(126,172)	249,404
Ending balance	(333,452)	(610,697)

(16) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

This item consists of the following:

	31 March 2023 JD (Unaudited)	31 March 2022 JD (Unaudited)
Cash dividends received (financial assets at fair value through other comprehensive income)	71,472	79,671
Total	71,472	79,671
Less: transfers to underwriting accounts	68,321	77,476
	3,151	2,195

(17) BASIC AND DILUTED EARNINGS PER SHARE

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

	31 March 2023	31 March 2022
	JD	JD
	(Unaudited)	(Unaudited)
Profit for the period/ JD	600,442	684,947
Weighted average number of shares/ Share	10,000,000	10,000,000
Basic and diluted profit earnings per share for the period	JD/ Fils	JD/ Fils
	0/060	0/068

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

(18) CASH AND CASH EQUIVALENT

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

	31 March 2023	31 March 2022
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand and at banks	2,897,034	3,984,449
Add: deposits at banks mature within three months	16,165,698	11,577,540
Less: deposit pledged in favor of general manager of Insurance administration (Note 3)	800,000	325,000
Net Cash and cash equivalent	18,262,732	15,236,989

(19) RELATED PARTY TRANSACTIONS

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

The following represent summary of related parties' transactions:

	Parent company	
	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
<u>Statement of financial position items</u>		
Claim and account payable	43,297	43,598
Arab Bank deposits	1,775,000	1,775,000
Arab Bank current accounts	587,917	2,327,613
Accrued interest	40,151	29,429
	31 March 2023	31 March 2022
	JD	JD
	(Unaudited)	(Unaudited)
<u>Statement of income items</u>		
Written premiums	6,112	3,614
Policies acquisition costs	71,476	72,398

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

	31 March 2023	31 March 2022
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and remunerations	109,356	174,107
BOD transportation	13,500	12,000
	122,856	186,107

(20) FAIR VALUE FOR FINANCIAL ASSETS

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

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

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

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

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

	Level 1	Level 2	Total
	JD	JD	JD
31 March 2023 (Unaudited) -			
Financial assets			
Financial assets at fair value through other comprehensive income	8,002,855	-	8,002,855
Financial assets at fair value through statement of income	275,302	-	275,302
31 December 2022 (Audited) -			
Financial assets			
Financial assets at fair value through other comprehensive income	7,539,088	-	7,539,088
Financial assets at fair value through statement of income	271,089	-	271,089

(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 2,569,329 as of 31 March 2023 (31 December 2022: JD 2,632,093) is sufficient to meet obligations that may arise from the lawsuits.

The value of the cases filed by the Group against others amounted to JD 633,335 as of 31 March 2023 (31 December 2022: JD 1,272,824) representing accounts receivable to the Group and cheques returned as a result of the Group's exercise of its normal activities.

(22) CONTINGENT LIABILITIES

As at the date of interim condensed consolidated financial statement, the Group has contingent liabilities which are represented in letter of guarantees amounted to JD 55,901 as of 31 March 2023 (31 December 2022: JD 55,901).

(23) DECLARED DIVIDENDS

The General Assembly of shareholders approved in its ordinary meeting on 30 April 2023 to distribute cash dividends amounted to JD 2,500,000 equivalent to 25% of paid-in capital as of 31 December 2022.

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

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(24) STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE

	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)
Assets -		
Deposits at banks	13,384,206	10,624,432
Financial assets at fair value through other comprehensive income	6,625,873	6,065,514
Financial assets at amortized cost	65,769,802	64,321,279
Financial assets at fair value through income statement	227,933	218,103
Investment properties	778,263	756,270
Life policy holder loans	14,006,578	13,493,697
Total investments	100,792,655	95,479,295
Cash on hand and at banks	2,398,566	2,912,893
Checks under collection	412,660	455,339
Account receivable, net	1,766,162	1,456,649
Reinsurance receivables, net	16,773	274,000
Deferred tax assets	53,127	85,468
Property and equipment, net	681,093	669,913
Intangible assets, net	44,531	30,161
Other assets	1,539,865	1,602,231
Total assets	107,705,432	102,965,949
Liabilities and head office equity		
Technical reserves-		
Unearned written premium, net	145,152	161,174
Outstanding claim reserve, net	358,015	268,158
Mathematical reserve, net	99,852,007	97,969,547
Total Technical Reserves	100,355,174	98,398,879
Other liabilities -		
Account payables	358,121	576,003
Reinsurance payables	439,504	489,010
Accrued expenses	424,946	508,316
Income tax provision	162,420	509,042
Lawsuit provisions	201,575	201,575
End of service provision	40,580	39,433
Deferred tax liabilities	-	-
Other liabilities	276,050	252,900
Total Liabilities	102,258,370	100,975,158
Head Office equity		
Head Office current account	4,822,368	32,936
Profit for the year	624,694	1,957,855
Total liabilities and Head office equity	107,705,432	102,965,949