

**NATIONAL INSURANCE COMPANY, PUBLIC
SHAREHOLDING COMPANY**

**CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS**

For the Period Ended 31 March 2021

(Translated from the Original Arabic Version)

National Insurance Company - Public Shareholding Company

Consolidated Condensed Interim financial information for the three months ended 31 March 2021

(All amounts are in USD unless otherwise stated)

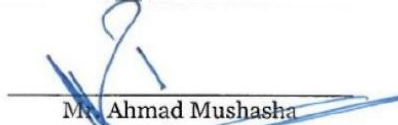
Consolidated Condensed Interim statement of financial position

As at	31 March 2021 Unaudited	31 December 2020 Audited
Assets		
Non-current assets		
Property, plant and equipment	3,941,848	4,036,301
Investment properties	20,431,339	20,430,290
Deferred tax assets	2,731,227	2,538,347
Right of use assets - Leases	1,115,605	1,149,355
Investment in associates	3,224,453	3,215,306
Financial assets at amortized cost	20,393,739	20,862,177
Financial assets at fair value through other comprehensive income	1,515,385	1,533,535
Cheques under collection due after one year	1,063,981	990,303
Restricted cash	3,572,936	500,171
	57,990,513	55,255,785
Current assets		
Financial assets at fair value through profit or loss	8,987,855	8,256,490
Financial assets at amortized cost	4,389,987	4,170,486
Accounts receivable	18,339,748	13,196,934
Reinsurance contracts assets	11,326,757	10,466,812
Insurance and reinsurance accounts receivable	1,848,459	1,887,283
Other current assets	2,280,114	1,659,373
Cheques under collection due within one year	21,277,885	22,167,337
Cash and cash equivalents	11,142,926	17,087,418
	79,593,731	78,892,133
Total assets	137,584,244	134,147,918
Equity and liabilities		
Equity		
Paid-in capital	15,000,000	15,000,000
Statutory reserve	8,018,686	8,018,686
Voluntary reserve	3,000,000	3,000,000
Fair value reserve	(215,876)	(197,726)
Foreign currency translation	27,216	51,717
Retained earnings	20,457,723	19,373,379
Equity attributable to shareholders of the Parent Company	46,287,749	45,246,056
Non-controlling interests	1,717,583	1,715,624
Net equity	48,005,332	46,961,680
Liabilities		
Non-Current liabilities		
Provision for end of service indemnity	5,122,170	4,588,439
Deferred tax liabilities	1,427,981	1,427,981
Lease liabilities	1,026,520	1,021,463
	7,576,671	7,037,883
Current liabilities		
Insurance contracts liabilities	68,534,206	63,110,304
Insurance and reinsurance accounts payable	4,205,884	4,176,648
Lease liabilities	112,780	111,382
Accounts payable	5,850,148	7,287,557
Taxes provision	598,214	1,489,018
Due to Palestinian Road Accidents Victims Compensation Fund	176,309	198,556
Other current liabilities	2,524,700	3,774,890
	82,002,241	80,148,355
Total liabilities	89,578,912	87,186,238
Total equity and liabilities	137,584,244	134,147,918


Mr. Alaa Safi

Deputy General Manager for
Finance and Logistics




Mr. Ahmad Mushasha

General Manager

National Insurance Company - Public Shareholding Company

Consolidated Condensed Interim financial information for the three months ended 31 March 2021

(All amounts are in USD unless otherwise stated)

Consolidated Condensed Interim statement of income

For the period ended

	31 March 2021	31 March 2020
	Unaudited	Unaudited and Unreviewed
Gross written insurance premiums	19,095,629	17,454,174
Change in unearned premiums	(4,192,623)	(3,384,374)
	14,903,006	14,069,800
Gross reinsurers' premiums	(3,065,998)	(2,921,382)
Reinsurers' share of change in unearned premiums	732,197	560,041
	(2,333,801)	(2,361,341)
Net earned premiums before commissions	12,569,205	11,708,459
Reinsurance commissions earned	466,291	415,498
Commissions paid	(550,484)	(526,380)
Net earned premiums after commissions	12,485,012	11,597,577
Claims paid	(7,235,346)	(5,931,466)
Reinsurers' share of claims paid	474,698	299,930
Net claims paid	(6,760,648)	(5,631,536)
Change in outstanding claims reserve	(1,231,279)	(1,522,518)
Change in reinsurers' share of outstanding claims reserve	127,748	245,511
Net incurred claims	(7,864,179)	(6,908,543)
Net insurance profit before allocated administrative expenses	4,620,833	4,689,034
Expenses allocated to insurance segments:		
Insurance segments' share of administrative and general expenses	(2,666,566)	(2,216,801)
Net insurance profit after allocated administrative expenses	1,954,267	2,472,233
Unallocated expenses and revenues on insurance segments:		
Investment income	1,125,450	278,185
Group's share of the results of associates	35,691	1,609
Currency exchange losses	(1,532,359)	(450,763)
Other segments revenues	94,994	102,536
Unallocated administrative and general expenses to insurance segments	(248,930)	(206,445)
Net impairment losses	(176,586)	(463,240)
Net income before taxes	1,252,527	1,734,115
Taxes expense	(157,671)	(556,826)
Net income	1,094,856	1,177,289
Attributable to:		
Shareholders of the Parent Company	1,084,344	1,171,810
Non-controlling interests	10,512	5,479
	1,094,856	1,177,289
Earnings per share attributable to the shareholders of the Parent Company	0.072	0.078

National Insurance Company - Public Shareholding Company

Consolidated Condensed Interim financial information for the three months ended 31 March 2021

(All amounts are in USD unless otherwise stated)

Consolidated Condensed Interim statement of comprehensive income

For the period ended

	31 March 2021 Unaudited	31 March 2020 Unaudited and Unreviewed
Net income	1,094,856	1,177,289
Comprehensive income:		
<i>Items that will not be reclassified to the statement of income in subsequent periods:</i>		
Change in fair value - financial assets at fair value through other comprehensive income	(18,150)	(8,118)
<i>Items that will be reclassified to the statement of income in subsequent periods:</i>		
Foreign currency translation	(26,544)	-
Comprehensive income for the period	(44,694)	(8,118)
Total comprehensive income for the period	1,050,162	1,169,171
Attributable to:		
Shareholders of the Parent Company	1,041,693	1,163,692
Non-controlling interests	8,469	5,479
	1,050,162	1,169,171
Earnings per share attributable to the shareholders of the Parent Company	0.069	0.078

National Insurance Company - Public Shareholding Company

Consolidated Condensed Interim financial information for the three months ended 31 March 2021

(All amounts are in USD unless otherwise stated)

Consolidated Condensed Interim statement of changes in equity

For the period ended

	Paid-in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Foreign currency translation	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Net equity
For the three months period ended 31 March 2021									
Balance as at 1 January 2021	15,000,000	8,018,686	3,000,000	(197,726)	51,717	19,373,379	45,246,056	1,715,624	46,961,680
Net income	-	-	-	-	-	1,084,344	1,084,344	10,512	1,094,856
Other comprehensive income	-	-	-	(18,150)	(24,501)	-	(42,651)	(2,043)	(44,694)
Total comprehensive income for the period	-	-	-	(18,150)	(24,501)	1,084,344	1,041,693	8,469	1,050,162
Net change in non-controlling interests	-	-	-	-	-	-	-	(6,510)	(6,510)
Balance as at 31 March 2021 (Unaudited)	15,000,000	8,018,686	3,000,000	(215,876)	27,216	20,457,723	46,287,749	1,717,583	48,005,332
For the three months period ended 31 March 2020									
Balance as at 1 January 2020	15,000,000	7,261,465	3,000,000	(163,589)	-	15,411,015	40,508,891	1,651,337	42,160,228
Net income	-	-	-	-	-	1,171,810	1,171,810	5,479	1,177,289
Other comprehensive income	-	-	-	(8,118)	-	-	(8,118)	-	(8,118)
Total comprehensive income for the period	-	-	-	(8,118)	-	1,171,810	1,163,692	5,479	1,169,171
Balance as at 31 March 2020 (Unaudited and Unreviewed)	15,000,000	7,261,465	3,000,000	(171,707)	-	16,582,825	41,672,583	1,656,816	43,329,399

National Insurance Company - Public Shareholding Company

Consolidated financial statements for the three months ended 31 March 2021
(All amounts are in USD unless otherwise stated)

Consolidated Condensed Interim statement of cash flows

For the period ended

	31 March 2021	31 March 2020
	Unaudited	Unaudited and Unreviewed
Cash flows from operating activities:		
Net income before taxes	1,252,527	1,734,115
Depreciation of property and equipment	129,338	121,189
Depreciation of right of use assets	33,750	35,130
Gains on disposal of right of use assets	-	(1,644)
Fair value (gains) of investment properties	-	(1,981)
(Gains) from sale of financial assets at fair value through profit or loss	(16,331)	(26,757)
Change in fair value of financial assets at the fair value through profit or loss	(684,146)	232,138
Investment income	(424,973)	(483,566)
End of service indemnity provision	783,805	366,802
Group's share of the results of associates	(35,691)	(1,609)
Finance costs - lease liabilities	14,171	41,244
Net impairment losses	176,586	463,240
Cash flows before changes in operating activities	1,229,036	2,478,301
Cheques under collection	855,613	2,637,485
Accounts receivable	(5,419,791)	(8,150,964)
Insurance and reinsurance accounts receivable	42,237	264,928
Reinsurance contracts assets	(859,945)	(805,552)
Other current assets	(620,741)	(394,829)
Insurance contracts liabilities	5,423,902	3,990,449
Accounts payable	(1,406,289)	(1,673,681)
Insurance and reinsurance accounts payable	29,236	106,874
Due to Palestinian Road Accidents Victims Compensation Fund	(22,247)	(45,646)
Other current liabilities	(1,250,190)	(1,274,564)
Purchase of financial assets at fair value through profit or loss	(1,384,080)	-
Sale of financial assets at fair value through profit or loss	1,353,192	458,337
Net cash (used in) operating activities before taxes and end of service indemnity payments	(2,030,067)	(2,408,862)
Taxes payments	(1,241,355)	(989,346)
End of service indemnity paid	(250,074)	(450,142)
Net cash (used in) operating activities	(3,521,496)	(3,848,350)
Cash flows from investing activities:		
Restricted cash	(3,072,765)	24,588
Purchase of property, equipment and investment properties	(35,934)	(77,087)
Purchase of financial assets at fair value through other comprehensive income	-	(2,414,219)
Financial assets at amortized cost	251,938	1,199,372
Investments income received	424,973	483,566
Net cash (used in) investing activities	(2,431,788)	(783,780)
Cash flows from financing activity		
Loans	-	(19,403)
Change in non-controlling interests	(6,510)	-
Lease liabilities paid	(7,716)	(7,716)
Cash dividends	(31,120)	(34,279)
Net cash (used in) financing activities	(45,346)	(61,398)
Net (decrease) in cash and cash equivalents	(5,998,630)	(4,693,528)
Cash and cash equivalents, beginning of the period	17,295,109	21,376,399
Cash and cash equivalents, end of the period	11,296,479	16,682,871