

إشارة رقم :- أت/ 2026/07/1573

التاريخ :- 2026/07/28

السادة هيئة الأوراق المالية المحترمين

تحية طيبة ،،،

الموضوع :- البيانات المالية للفترة المنتهية في 2026/06/30

بالإشارة الى الموضوع اعلاه ، نرفق لكم البيانات المالية باللغة الانجليزية للفترة المنتهية في 2026/06/30 .

و تفضلوا بقبول فائق الاحترام...



نائب الرئيس التنفيذي

الشؤون المالية والخدمات المؤسسية

Confidential

FIRST INSURANCE COMPANY

(PUBLIC SHAREHOLDING LIMITED COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2026



Ernst & Young Jordan

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of First Insurance Company and its subsidiary (together referred to "the Group") as at 30 June 2026, which comprise the interim condensed consolidated statements of financial position for policyholders and for shareholders as at 30 June 2026, and the interim condensed consolidated statements of profit or loss for policyholders and for shareholders, the interim condensed consolidated statement of other comprehensive income for the three and six month period ended, the interim condensed consolidated statements of changes in policyholders' equity and shareholders' equity, and the interim condensed consolidated statement of cash flows for the six-months then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standard (FAS) No. 41, "Interim Financial Reporting", issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). 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 the 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.

Other Matter

The consolidated financial statements for the year ended 31 December 2025 and the interim condensed consolidated financial statements for the period ended 30 June 2025 were audited, and reviewed by another auditor, and an unqualified opinion and an unqualified conclusion were issued on 22 February 2026 and 29 July 2025, respectively.

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 Financial Accounting Standard (FAS) No. 41, "Interim Financial Reporting", issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Ernst & Young - Jordan

Amman – Jordan
28 July 2026

ERNST & YOUNG
Amman - Jordan

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	30 June 2026 JD (Unaudited)	31 December 2025 JD (Audited)
Assets			
Investments-			
Deposits at banks - net	3	18,191,604	13,051,305
Financial assets at fair value through other comprehensive income	4	6,216,862	8,367,398
Financial assets at amortized cost - net	5	18,871,409	16,269,670
Investment properties - net	6	5,163,295	5,187,752
Total Investments		48,443,170	42,876,125
Cash on hand and balances at banks	7	2,329,319	5,588,052
Re-takaful contracts assets - net	8	20,685,949	17,290,910
Property and equipment - net		8,803,634	9,156,798
Intangible assets - net		486,914	537,643
Right of use assets		427,852	440,314
Deferred tax assets	10/C	2,804,345	2,468,758
Other assets		1,339,625	752,176
Total Assets		85,320,808	79,110,776
Liabilities, Shareholders' Equity and Policyholders' Equity			
Liabilities-			
Takaful contracts liabilities - net (PAA)	9	41,614,143	36,220,030
Accounts Payable		137,092	143,753
Accrued expenses		290,549	133,520
Other provisions		628,143	672,588
Income tax provision	10/A	586,925	172,812
Lease contract liabilities		489,908	491,590
Deferred tax liabilities	10/C	66,409	73,177
Other liabilities		1,844,626	1,795,357
Total Liabilities		45,657,795	39,702,827
Policyholders' Equity-			
Surplus Coverage Reserve		67,921	67,921
Accumulated policyholders' surplus		48,582	-
Total Policyholders' Equity		116,503	67,921
Shareholders' Equity-			
Amortized and paid in capital	17	28,000,000	28,000,000
Statutory reserve	18	4,850,654	4,850,654
Fair value reserve	20	1,252,540	2,017,114
Retained earnings	11	5,443,316	4,472,260
Total Shareholders' Equity		39,546,510	39,340,028
Total Shareholders' Equity and Policyholders' Equity		39,663,013	39,407,949
Total Liabilities, Shareholders' Equity and Policyholders' Equity		85,320,808	79,110,776

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (POLICYHOLDERS)
As At 30 June 2026

	<u>Notes</u>	<u>30 June 2026</u>	<u>31 December 2025</u>
		<u>JD</u>	<u>JD</u>
		<u>(Unaudited)</u>	<u>(Audited)</u>
<u>Assets</u>			
Investments-			
Deposits at banks - net	3	11,535,740	5,110,154
Financial assets at amortized cost - net	5	2,963,554	2,970,514
Investment properties - net	6	686,312	695,551
Total Investments		<u>15,185,606</u>	<u>8,776,219</u>
 Cash on hand and balances at banks	7	2,184,655	5,542,321
Re-takaful contracts assets - net	8	20,685,949	17,290,910
Property and equipment - net		1,172,432	1,187,862
Deferred tax assets		2,361,108	2,024,147
Other assets		488,304	41,108
Shareholders' current account		1,044,392	2,849,190
Total Assets		<u>43,122,446</u>	<u>37,711,757</u>
 <u>Liabilities and Policyholders' Equity</u>			
Liabilities-			
Takaful contracts liabilities - net (PAA)	9	41,614,143	36,220,030
Income tax provision	10/A	138,388	192,650
Accrued expenses		54,886	22,243
Other liabilities		1,198,526	1,208,913
Total Liabilities		<u>43,005,943</u>	<u>37,643,836</u>
 Policyholders' Equity-			
Surplus Coverage Reserve		67,921	67,921
Accumulated policyholders' surplus		48,582	-
Total Policyholders' Equity		<u>116,503</u>	<u>67,921</u>
Total Liabilities and Policyholders' Equity		<u>43,122,446</u>	<u>37,711,757</u>

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SHAREHOLDERS)
AS AT 30 JUNE 2026

	Notes	30 June 2026 JD (Unaudited)	31 December 2025 JD (Audited)
Assets			
Investments-			
Deposits at banks - net	3	6,655,864	7,941,151
Financial assets at fair value through other comprehensive income	4	6,216,862	8,367,398
Financial assets at amortized cost - net	5	15,907,855	13,299,156
Investment properties - net	6	4,476,983	4,492,201
Total Investments		33,257,564	34,099,906
Cash on hand and balances at banks	7	144,664	45,731
Property and equipment - net		7,631,202	7,968,936
Intangible assets - net		486,914	537,643
Right of use assets		427,852	440,314
Deferred tax assets		443,237	444,611
Other assets		851,321	730,906
Total Assets		43,242,754	44,268,047
Liabilities and Shareholders' Equity			
Liabilities-			
Accounts Payable		137,092	143,753
Accrued expenses		235,663	111,277
Other provisions		628,143	672,588
Income tax provision		448,537	-
Lease contract liabilities		489,908	491,590
Deferred tax liabilities		66,409	73,177
Other liabilities		646,100	586,444
Current account for policyholders'		1,044,392	2,849,190
Total Liabilities		3,696,244	4,928,019
Shareholders' Equity-			
Amortized and paid in capital	17	28,000,000	28,000,000
Statutory reserve	18	4,850,654	4,850,654
Fair value reserve	20	1,252,540	2,017,114
Retained earnings		5,443,316	4,472,260
Total Shareholders' Equity		39,546,510	39,340,028
Total Liabilities and Shareholders' Equity		43,242,754	44,268,047

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (POLICYHOLDERS)
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2026	2025	2026	2025
		JD	JD	JD	JD
Takaful contracts results -					
Takaful contracts revenues	13	27,372,580	20,878,723	51,126,241	40,721,245
Takaful contracts expenses	13	(22,853,681)	(16,540,685)	(49,047,788)	(32,453,312)
Net Takaful contracts results		<u>4,518,899</u>	<u>4,338,038</u>	<u>2,078,453</u>	<u>8,267,933</u>
Re-takaful contracts results -					
Re-takaful contracts revenues	13	7,106,359	7,117,494	18,644,955	11,634,219
Re-takaful contracts expenses	13	(11,530,099)	(11,052,595)	(20,561,873)	(20,132,746)
Net re-takaful contracts results		<u>(4,423,740)</u>	<u>(3,935,101)</u>	<u>(1,916,918)</u>	<u>(8,498,527)</u>
Net takaful results		<u>95,159</u>	<u>402,937</u>	<u>161,535</u>	<u>(230,594)</u>
Finance expenses - takaful contracts	14	(181,975)	(164,754)	(352,929)	(349,395)
Finance revenues - re-takaful contracts	14	17,407	24,851	42,778	48,513
Net finance results takaful contracts and re-takaful contracts		<u>(164,568)</u>	<u>(139,903)</u>	<u>(310,151)</u>	<u>(300,882)</u>
Policyholders' share of investment income		98,832	31,131	187,723	69,727
Other income		<u>98,832</u>	<u>31,131</u>	<u>187,723</u>	<u>69,727</u>
Surplus/(deficit) of policyholders before income tax		<u>29,423</u>	<u>294,165</u>	<u>39,107</u>	<u>(461,749)</u>
Income tax (expense) surplus	10/B	5,170	(71,878)	9,475	132,912
Surplus/(deficit) of policyholders		<u>34,593</u>	<u>222,287</u>	<u>48,582</u>	<u>(328,837)</u>

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (SHAREHOLDERS)
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

		For the three months		For the six months	
	Notes	ended 30 June		ended 30 June	
		2026	2025	2026	2025
		JD	JD	JD	JD
Revenues:					
Shareholders' share from managing takaful operations	13	2,572,443	1,547,055	5,114,614	4,494,656
Shareholders' share from Murabaha income		98,862	141,102	224,397	286,640
Shareholders' share from investments income		358,148	313,289	620,889	535,694
Shareholders' share from investments portfolio management		53,251	16,762	101,116	37,545
Other income - net		1,142,945	197,494	1,156,068	222,979
Total revenues		4,225,649	2,215,702	7,217,084	5,577,514
 Employees expenses		(1,418,946)	(1,743,589)	(2,889,020)	(3,029,353)
Provision for Qard Hasan granted to policyholders		-	222,287	-	(284,300)
General and administrative expenses		(578,461)	(423,656)	(1,079,803)	(881,219)
Depreciations and amortization		(128,345)	(121,258)	(243,188)	(243,233)
Total expenses		(2,125,752)	(2,066,216)	(4,212,011)	(4,438,105)
 Profit for the period before income tax		2,099,897	149,486	3,005,073	1,139,409
Income tax (expense) surplus	10/B	(448,543)	696,663	(634,017)	351,835
Profit for the period		1,651,354	846,149	2,371,056	1,491,244
 Basic and diluted earnings per share for the period	12	0/059	0/030	0/085	0/053

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (LIFE POLICYHOLDERS)
FOR THE THREE AND SIX-MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2026	2025	2026	2025
		JD	JD	JD	JD
Takaful contracts results -					
Takaful contracts revenues	13	2,197,388	1,660,894	4,273,827	3,530,857
Takaful contracts expenses	13	(1,953,380)	(3,322,118)	(3,559,013)	(4,276,200)
Net Takaful contracts results		<u>244,008</u>	<u>(1,661,224)</u>	<u>714,814</u>	<u>(745,343)</u>
Re-takaful contracts results -					
Re-takaful contracts revenues	13	1,163,248	2,077,399	2,178,171	2,539,306
Re-takaful contracts expenses	13	(1,479,046)	(1,076,929)	(2,870,520)	(2,416,678)
Net re-takaful contracts results		<u>(315,798)</u>	<u>1,000,470</u>	<u>(692,349)</u>	<u>122,628</u>
Net takaful results		<u>(71,790)</u>	<u>(660,754)</u>	<u>22,465</u>	<u>(622,715)</u>
Policyholders' share of investment income		8,570	3,537	13,483	6,603
Total income		<u>8,570</u>	<u>3,537</u>	<u>13,483</u>	<u>6,603</u>
(Deficit) / surplus of life policyholders before income tax		<u>(63,220)</u>	<u>(657,217)</u>	<u>35,948</u>	<u>(616,112)</u>
Income tax expense		-	-	-	-
(Deficit) / surplus of life policyholders		<u>(63,220)</u>	<u>(657,217)</u>	<u>35,948</u>	<u>(616,112)</u>

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (SHAREHOLDERS)
FOR THE THREE- AND SIX-MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	For the three months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025
	JD	JD	JD	JD
Profit for the period	1,651,354	846,149	2,371,056	1,491,244
Add: Other comprehensive income items after tax that will not to be reclassified to profit or loss in subsequent periods:				
Change in fair value of financial assets at fair value through other comprehensive income	(994,611)	175,750	422,863	601,807
Total comprehensive income for the period	656,743	1,021,899	2,793,919	2,093,051

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Authorized and paid-in capital	Statutory reserve	Fair value reserve	Retained earnings	Qard Hasan	Total
	JD	JD	JD	JD	JD	JD
For the six months period ended 30 June 2026 -						
Balance as at 1 January 2026	28,000,000	4,850,654	2,017,114	4,472,260	-	39,340,028
Profit for the period	-	-	-	2,371,056	-	2,371,056
Change in fair value of financial assets at fair value through other comprehensive income	-	-	422,863	-	-	422,863
Total comprehensive income for the period	-	-	422,863	2,371,056	-	2,793,919
Dividends distributions*	-	-	-	(1,400,000)	-	(1,400,000)
Transferred from fair value reserve to profit for the period	-	-	(1,187,437)	-	-	(1,187,437)
Balance as at 30 June 2026	28,000,000	4,850,654	1,252,540	5,443,316	-	39,546,510
For the six months period ended 30 June 2025 -						
Balance as at 1 January 2025	28,000,000	4,528,992	49,596	4,348,026	-	36,926,614
Profit for the period	-	-	-	1,491,244	-	1,491,244
Change in fair value of financial assets at fair value through other comprehensive	-	-	601,807	-	-	601,807
Total comprehensive income for the period	-	-	601,807	1,491,244	-	2,093,051
Transferred from fair value reserve to retained earnings	-	-	1,505	(1,505)	-	-
Prior year adjustments (Note 11)	-	-	-	(2,555,585)	-	(2,555,585)
Qard Hasan	-	-	-	-	284,300	284,300
Balance as at 30 June 2025	28,000,000	4,528,992	652,908	3,282,180	284,300	36,748,380

* The General Assembly of the Company decided in its ordinary meeting held on 4 June 2026, to distribute JD 1,400,000 from the retained earnings to the shareholders for the year 2025.

- According to the instructions of Jordan Securities Commission and Central Bank of Jordan, the retained earnings balance includes JD 443,237 restricted against the deferred tax assets as at 30 June 2026 (JD 444,611 as at 31 December 2025).

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN POLICYHOLDERS' EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Surplus Coverage Reserve	Accumulated policyholders' surplus /(deficit)	Total Policyholders' Equity
	JD	JD	JD
For the six months period ended 30 June 2026 -			
Balance as at 1 January 2026	67,921	-	67,921
Policyholders' surplus	-	48,582	48,582
Balance as at 30 June 2026	67,921	48,582	116,503
For the six months period ended 30 June 2025 -			
Balance as at 1 January 2025	44,537	-	44,537
Policyholders' deficit	-	(328,837)	(328,837)
Balance as at 30 June 2025	44,537	(328,837)	(284,300)

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Notes	For the six months ended 30 June	
		2026	2025
		JD	JD
Operating activities			
Profit for the period before income tax		3,044,180	677,660
Adjustments for:			
Depreciation and amortization		278,352	267,903
Shareholders' share of Murabaha income		(224,397)	(286,640)
Deprecation – right-of-use assets		12,462	12,462
Finance cost on lease liability		23,318	23,470
Gain from sale of financial assets at fair value through other comprehensive income		(1,187,437)	-
Shareholders' shares of investments income		(620,889)	(535,694)
Provision for expected credit losses		150,000	100,000
Provision for impairment of building		230,180	-
Changes in working capital:			
Other assets		(592,843)	1,144,530
Other liabilities		49,269	683,132
Other Provisions		(44,445)	325,000
Accrued expenses		157,029	36,509
Account payables		(6,661)	9,019
Re-takaful contracts assets		(3,545,039)	(854,528)
Takaful contract liabilities		5,394,113	(925,856)
Cash flows from operating activities before income tax paid		3,117,192	676,967
Income tax paid	10/A	(547,390)	(690,927)
Net cash flows from (used in) operating activities		2,569,802	(13,960)
Investing activities			
Deposits at banks (due within 3-12 months)		(5,580,532)	1,990,599
Cash received from Murabaha income		224,397	286,640
Returns received from investments income		620,889	535,694
purchases of intangible assets		(25,690)	(16,500)
Proceeds from sale of financial assets at fair value through other comprehensive income		3,565,999	1,505
Purchase of financial assets at fair value through other comprehensive income		(992,600)	133,959
Purchases of financial assets at amortized cost		(2,601,739)	(2,854,649)
Purchase of property and equipment		(54,492)	(30,138)
Net cash flows (used in) from investing activities		(4,843,768)	47,110
Financing activities			
Dividend distributions paid		(1,400,000)	-
Payment of Lease Liability		(25,000)	(25,000)
Net cash flows used in financing activities		(1,425,000)	(25,000)
Net (decrease) increase in cash and cash equivalent		(3,698,966)	8,150
Cash and cash equivalents at the beginning of the period		14,735,715	5,752,611
Cash and cash equivalents at the end of the period	7	11,036,749	5,760,761

The attached notes from 1 to 21 form part of these interim condensed consolidated financial statements

First Insurance Company
(PUBLIC SHAREHOLDING LIMITED COMPANY)
Notes to Interim Condensed Consolidated Financial Statements
30 June 2026 (Unaudited)

(1) GENERAL

First Insurance Company was established and registered as a Jordanian public shareholding company under No. (424) on 28 December 2006 with an authorized and paid in capital amounted to JD 28,000,000 and divided into 28,000,000 shares at a par value of 1 JD for each.

The Company is engaged in Takaful insurance business in accordance with the principles of Islamic Sharia, providing family and general Takaful coverage, including marine and transportation, fire and property, medical, motor, life, and aviation risks.

The major shareholder of the Company owning 40% is Solidarity Group Holding – Bahrain, which is ultimately owned by Al Salam Bank B.S.C. – Bahrain.

The interim condensed financial statements were approved for issuance by the Board of Directors on 26 July 2026.

(2-1) BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with Financial Accounting Standard No. (41) ("Interim Financial Reporting") related to the preparation of interim financial reports issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") and also complies with the applicable local laws and the instructions of the Central Bank of Jordan and in the absence of standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions related to the items of the financial statements, the International Financial Reporting Standards and their interpretations are applied in conformity with Sharia' standards until Islamic standards are issued for them.

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 that have been measured at fair value at interim condensed consolidated financial statements date.

The interim condensed consolidated financial statements do not contain all of the information and disclosures required for full annual consolidated financial statements prepared in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025. In addition, results for the six - months period ended 30 June 2026 are not necessarily indicative to the results that may be expected for the financial year ending 31 December 2026.

First Insurance Company
(PUBLIC SHAREHOLDING LIMITED COMPANY)
Notes to Interim Condensed Consolidated Financial Statements
30 June 2026 (Unaudited)

(2-2) BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of First Insurance Company (the "Company") and its subsidiary (together referred to as the "Group") as of 30 June 2026 and 31 December 2025:

<u>Company's Name</u>	<u>Legal form</u>	<u>Country of Origin</u>	<u>Ownership Percentage</u>
Mulkyat Investment and Trade Company*	Limited Liability Company	Jordan	100%

- * Mulkeyat for Investment and Trade Company was established with a capital of JD 50,000, paid in full. It was registered on 10 August 2010 and is wholly owned by First Insurance Company. The objectives of the Company include investment and trading activities, import and export, conducting economic feasibility studies, acquiring, owning, leasing and managing movable and immovable properties, and carrying out hotel and real estate investment activities.

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.

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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.

(2-3) 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 2025 except for the impact of the application of the following standards:

Financial Accounting Standard No. (45) “Quasi-equity (including investment accounts)”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (45) in 2023. This standard describes the principles of financial reporting related to participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (usually as a working partner), on behalf of stakeholders other than the shareholders' equity. Such instruments (including, in particular, unrestricted investment accounts) are usually eligible for accounting in the statement of financial position and are recorded as quasi-equity. This standard also provides general accounting standards in the statement of financial position for participatory investment instruments and quasi-equity, in addition to the aggregation, recognition, derecognition, measurement, presentation and disclosure of quasi-equity. The standard also addresses financial reporting related to quasi-equity instruments. The standard also addresses financial reporting related to other quasi-equity instruments and some specific issues.

This standard has no material effect on the Group's interim condensed consolidated financial statements.

Financial Accounting Standard (46) “Off-balance Sheet Assets”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (46) in 2023. This standard replaces Financial Accounting Standard No. (27) “Investment Accounts” in terms of presentation and disclosure. This standard specifies the classification of off-balance sheet assets and the principles related to financial reporting in line with the AAOIFI Conceptual Framework for Financial Reporting. The standard covers aspects of recognition, derecognition, subsequent recognition and measurement of assets related to off-balance sheet assets, in addition to reporting requirements and financial obligations incurred by the institution. The standard also integrates the presentation and disclosure requirements that are specifically aligned with the requirements of Financial Accounting Standard No. (1) “General Presentation and Disclosures in Financial Statements” (as amended in 2021) regarding the disclosure of off-balance sheet assets to management, this standard together with Financial Accounting Standard No. (45) “Quasi-equity (including investment accounts)” replaces Financial Accounting Standard No. (27) “Investment accounts” (the previous standard).

This standard has no material effect on the Group's interim condensed consolidated financial statements.

Financial Accounting Standard No. (47) “Transfer of Assets between Investment Groups”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (47) in 2023 and replaces Financial Accounting Standard No. (21) “Disclosure of Transfer of Assets”. This standard describes the financial reporting principles and disclosure requirements applicable to all transfers between different investment groups (and their establishment was permanent, between ownership by equity, equity and quasi-equity and off-balance sheet assets under the management of an entity), and requires the application of accounting policies for such transfers in a consistent manner in line with the principles and rules of Islamic Sharia and describes the general disclosure requirements in this regard.

This standard has no material effect on the Group's interim condensed consolidated financial statements.

Financial Accounting Standard No. (48) “Promotional Gifts and Prizes”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (48) in 2024. This standard aims to set out the accounting and financial reporting principles for recognition, measurement, presentation and disclosure that apply to promotional gifts and prizes provided by Islamic financial institutions to their customers, including quasi-equity and other investment account holders.

This standard has no material effect on the Group's interim condensed consolidated financial statements.

Financial Accounting Standard No. (49) “Financial Reporting for Entities Operating in Hyperinflationary Economies”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (49) in 2024. The standard sets out the principles of financial reporting for entities that apply financial accounting standards and operate in hyperinflationary economies, taking into account Shariah principles, provisions and their business model. The Accounting Board of AAOIFI recognizes that the economic environment in many countries operating under hyperinflationary conditions sometimes makes financial statements prepared under AAOIFI standard less relevant and not comparable over multiple reporting periods. Accordingly, the Board recognized the need for institutions following AAOIFI standard in such economic environments to apply specific financial reporting requirements that make their financial statements more relevant and comparable. The Board also recognized that some financial reporting requirements under GAAP may not be appropriate for institutions following AAOIFI standard, given the requirements of relevant Shari’a principles and rules and their business models. Accordingly, the Board decided to develop a specific standard on this subject.

This standard has no effect on the Group's interim condensed consolidated financial statements.

(2-4) MATERIAL ACCOUNTING POLICIES INFORMATION

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.

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 or to this category except in certain cases as permitted by the applicable Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). If any of these assets are sold prior to maturity, the resulting gain or loss shall be recognized in the consolidated statement of income and disclosed separately in accordance with the relevant AAOIFI Financial Accounting Standards.

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 recycled from fair value reserve to consolidated statement of profit or loss.
- 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 AAOIFI 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 6)

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.

Definition of a Takaful Contract

A Takaful contract is a contract under which the Takaful operator accepts significant Takaful risk from the participant and agrees to compensate the participant and/or beneficiary upon the occurrence of a specified uncertain future event (the Takaful event) that adversely affects the participant and/or beneficiary.

A Takaful contract is recognized at the earliest of the following dates:

- The commencement date of the coverage period under the contract.
- The date on which the first contribution under the contract is due.
- The date on which the Takaful contract becomes onerous.

Retakaful Contracts Held

Retakaful contracts held are contracts entered into with retakaful operators to compensate the Takaful operator for claims arising from the Takaful contracts it has issued.

Retakaful contracts held are recognised as follows:

- At the beginning of the coverage period of the retakaful contract held or at the initial recognition of the underlying Takaful contracts issued by the Group, if the retakaful contract provides proportionate coverage for a group of Takaful contracts.
- At the beginning of the coverage period of the group of retakaful contracts held, for all other cases.

Liability for Remaining Coverage

The Liability for Remaining Coverage represents the amount that the Group is required to recognize upon initial recognition of Takaful contracts and relates to future reporting periods arising from Takaful contracts that are in force at the reporting date.

Liability for Incurred Claims (LIC)

Represents the total estimated cost of claims arising from covered events that occurred on or before the reporting date, including both reported and incurred but not reported (IBNR) claims, together with any directly attributable claims handling and settlement expenses.

Contractual Service Margin (CSM)

Represents the unearned profit relating to the remaining coverage for a group of takaful contracts that are expected to be profitable. The Contractual Service Margin is recognized as income over the coverage period as the Group provides takaful services under the related contracts.

Initial Recognition of Takaful Contracts – Premium Allocation Approach (PAA)

On initial recognition, a group of takaful contracts is measured as follows:

- Takaful contributions (premiums) received at initial recognition.
- Less any takaful acquisition cash flows paid at that date.
- Adjusted for any asset or liability previously recognized in relation to takaful acquisition cash flows.

Subsequent Measurement – Premium Allocation Approach (PAA)

A) Liability for Remaining Coverage (LRC)

At the end of each reporting period, the carrying amount of the liability for remaining coverage is adjusted for the following:

- Takaful contributions received during the period;
- Takaful acquisition cash flows paid;
- Amortization of takaful acquisition cash flows recognized as an expense;
- Changes relating to the financing component, where applicable;
- Amounts recognized as takaful revenue for services provided during the period; and
- Any investment component paid or transferred to the liability for incurred claims.

Where the coverage period exceeds one year, the Group assesses the eligibility of applying the Premium Allocation Approach and performs the required materiality assessment in accordance with the requirements of the applicable accounting standard.

B) Liability for Incurred Claims (LIC)

The liability for incurred claims is measured based on the present value of the best estimate of future cash outflows required to settle incurred claims, adjusted for a risk adjustment for non-financial risk and discounted, where applicable, using an appropriate discount rate.

Modification of Takaful Contracts

The Group accounts for modifications to takaful contracts by adjusting the fulfilment cash flows to reflect changes in estimates of future cash flows arising from revisions in assumptions and expectations, unless the modification meets the criteria for derecognition of the existing contract.

Derecognition of Takaful Contracts

The Group derecognizes a takaful contract when:

- The contract expires, or the obligation specified in the contract is discharged, cancelled, or otherwise extinguished; or
- A modification of the contract does not meet the requirements for accounting as a modification under the applicable standard, in which case the existing contract is derecognized, and a new contract is recognized.

Onerous Takaful Contracts

The Group recognizes a group of takaful contracts as onerous when, at initial recognition, the expected fulfilment cash flows exceed the expected inflows arising from such contracts.

The loss component is measured as the excess of the fulfilment cash flows over the expected consideration receivable from the contract or group of contracts.

Summary of Measurement Approaches

A) The Takaful Group classifies Takaful contracts as follows:

Portfolio	Contracts Classification	Measurement Approach
Motor	Comprehensive Motor Insurance Contracts	Premium Allocation Approach
Motor	Motor Insurance – Combined Contracts	Premium Allocation Approach
Motor	Motor Insurance – Border Coverage Contracts	Premium Allocation Approach
Motor	Motor Insurance – Buses Contracts	Premium Allocation Approach
Motor	Compulsory Motor Insurance Contracts	Premium Allocation Approach
Medical	Group Insurance Contracts	Premium Allocation Approach
Medical	Individual Insurance Contracts	Premium Allocation Approach
Marine	Marine Insurance Contracts	Premium Allocation Approach
	Marine Insurance – Open Cover Contracts	Premium Allocation Approach
	Marine Insurance – Hull Contracts	Premium Allocation Approach
Engineering	Engineering Insurance – Contractors' All Risks (CAR) Contracts	Premium Allocation Approach
	Engineering Insurance – Machinery and Equipment Contracts	Premium Allocation Approach
	Engineering Insurance Contracts	Premium Allocation Approach
Fire	Fire Insurance Contracts	Premium Allocation Approach
	All-Risks Insurance Contracts	Premium Allocation Approach
General	General Insurance Contracts	Premium Allocation Approach
	Aviation Insurance Contracts	Premium Allocation Approach
	Personal Liability Insurance Contracts	Premium Allocation Approach
	Personal Accident Insurance Contracts	Premium Allocation Approach
	Travel Insurance Contracts	Premium Allocation Approach
Takaful	Group Takaful Insurance Contracts	Premium Allocation Approach
	Individual Takaful Insurance Contracts	Premium Allocation Approach

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B) The Takaful Group classifies re-takaful contracts held as follows:

Portfolio	Contracts Classification	Measurement Approach
Motor	Comprehensive Motor Insurance Contracts	Premium Allocation Approach
Motor	Motor Insurance – Combined Contracts	Premium Allocation Approach
Motor	Motor Insurance – Border Coverage Contracts	Premium Allocation Approach
Motor	Motor Insurance – Buses Contracts	Premium Allocation Approach
Motor	Compulsory Motor Insurance Contracts	Premium Allocation Approach
Medical	Group Insurance Contracts	Premium Allocation Approach
Medical	Individual Insurance Contracts	Premium Allocation Approach
Marine	Marine Insurance Contracts	Premium Allocation Approach
	Marine Insurance – Open Cover Contracts	Premium Allocation Approach
	Marine Insurance – Hull Contracts	Premium Allocation Approach
Engineering	Engineering Insurance – Contractors' All Risks (CAR) Contracts	Premium Allocation Approach
	Engineering Insurance – Machinery and Equipment Contracts	Premium Allocation Approach
	Engineering Insurance Contracts	Premium Allocation Approach
Fire	Fire Insurance Contracts	Premium Allocation Approach
	All-Risks Insurance Contracts	Premium Allocation Approach
General	General Insurance Contracts	Premium Allocation Approach
	Aviation Insurance Contracts	Premium Allocation Approach
	Personal Liability Insurance Contracts	Premium Allocation Approach
	Personal Accident Insurance Contracts	Premium Allocation Approach
	Travel Insurance Contracts	Premium Allocation Approach
Takaful	Group Takaful Insurance Contracts	Premium Allocation Approach
	Individual Takaful Insurance Contracts	Premium Allocation Approach

Level of Aggregation

Takaful contract portfolios are further divided into groups based on the underwriting year. Portfolios comprising takaful contracts with similar risks and that are managed together are aggregated into the same group. Different types of takaful business are not permitted to be included within the same portfolio. The Group also complies with the minimum portfolio requirements for takaful and retakaful contracts as prescribed by the applicable regulations.

Profitability Level

The groups of contracts identified at the aggregation level are further classified into the following categories based on the expected net cash flow arising from the contracts and the accounting approach applied to the groups of contracts:

- Contracts that have no significant possibility of becoming onerous at initial recognition.
- Onerous contracts.
- Other contracts, if any.

Takaful Contract Liabilities

Takaful contract liabilities are recognized when the Group has a present obligation at the reporting date arising from past events related to takaful contracts, and it is probable that an outflow of economic resources will be required to settle the obligation, with the amount capable of being measured reliably.

The amounts recognized as takaful contract liabilities represent management's best estimate of the expenditure required to settle the obligation as at the reporting date, taking into consideration the risks and uncertainties associated with such liabilities. Where the liability is measured based on estimated future cash flows required to settle the present obligation, its carrying amount represents the present value of those cash flows.

When some or all of the economic benefits required to settle a liability are expected to be recovered from a third party, a receivable is recognized as an asset when it is virtually certain that reimbursement will be received and the amount of the reimbursement can be measured reliably.

Takaful Contract Expenses

The Group allocates general and administrative expenses and directly attributable employee-related expenses to groups of takaful contracts and incorporates such expenses in the assessment of contract profitability in accordance with the Group's expense allocation methodology. General and administrative expenses and indirect employee-related expenses that are not directly attributable to takaful contracts are allocated based on the relevant cost centers.

The Group maintains a clear segregation of expenses between the Participants' Takaful Fund and Shareholders' Fund in accordance with the applicable takaful regulatory and accounting requirements.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets using the following depreciation rates.

	<u>%</u>
Buildings	2
Offices	2
Equipment, devices and furniture	10
Vehicles	15
Decoration	11

The useful life and depreciation method 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.

The carrying values of property and equipment are reviewed for impairment when events and changes in circumstances indicate that the carrying value may not be recoverable. If any such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts and the allowance for impairment is recorded in the consolidated statement of comprehensive income.

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%.

Right of use assets

The Group recognizes the right of use assets at the start date of the lease (that is, the date on which the asset is usable). The right of use asset is recognized at cost, less accumulated depreciation and impairment losses, and its value is adjusted when revaluing the lease obligations.

The cost of the right of use assets includes the value of the recognized lease obligations, in addition to the initial direct costs incurred, and the lease payments that were made on or before the date of commencement of the contract, minus any incentives received related to the lease. In the event that the Group is not certain of obtaining ownership of the leased asset at the end of the contract term, the value of the right of use assets is amortized on a straight-line basis over the useful life of the assets or the lease term, whichever is lower. The right of use assets is subject to an impairment test.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Fair value measurement -

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Impairment of financial assets -

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through statement of comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if present).

The Group has established a provision calculation that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of non-financial assets -

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Current versus non-current classification -

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- that there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Offsetting -

Offsetting between financial assets and financial liabilities and presenting the net amount on the consolidated statement of financial position is performed only when there are legally enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

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.

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.

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.

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.

Accounts payable and other current liabilities –

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

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 AAOIFI.
- 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 present value of future cash flows and risk adjustments for non-financial risks are determined in accordance with the requirements of FAS 30 "Impairment, Credit Losses and Onerous Commitments" and FAS 41 "Interim Financial Reporting", based on actuarial assumptions and the Company's experience in managing Takaful and Retakaful contract portfolios. The estimates reflect the timing and uncertainty of future cash flows arising from Takaful contracts and Retakaful assets, taking into consideration inherent risks, portfolio characteristics, policyholder behavior, and other relevant factors. Non-Takaful components, if any, are identified and separated in accordance with the applicable AAOIFI standards.
- 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.

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(3) DEPOSITS AT BANKS – NET

	30 June 2026 (Unaudited)							
	Deposits maturing within one month		Deposits maturing between 1 to 3 months		Deposits maturing after three months		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
	JD	JD	JD	JD	JD	JD	JD	JD
Inside Jordan								
Islamic International Arab Bank	-	574,880		450,000	-		3,650,000	1,024,880
Safwa Islamic Bank	1,675,480	2,625,975	-	-	1,000,000	800,000	2,675,480	3,425,975
Jordan Islamic Bank	-	105,695	-	-	2,203,907	1,000,000	2,203,907	1,105,695
Al Rajhi Bank	-	-	-	-	3,010,000	-	3,010,000	-
Total Inside Jordan	1,675,480	3,306,550	3,650,000	450,000	6,213,907	1,800,000	11,539,387	5,556,550
Outside Jordan								
Al Salam Bank	-	425,400	-	-	-	708,760	-	1,134,160
Less : Provision for expected credit losses*	(530)	(19,436)	(1,153)	(2,344)	(1,964)	(13,066)	(3,647)	(34,846)
	1,674,950	3,712,514	3,648,847	447,656	6,211,943	2,495,694	11,535,740	6,655,864
								18,191,604
31 December 2025 (Audited)								
	Deposits maturing within one month		Deposits maturing between 1 to 3 months		Deposits maturing after three months		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
	JD	JD	JD	JD	JD	JD	JD	JD
	JD	JD	JD	JD	JD	JD	JD	JD
Inside Jordan								
Islamic International Arab Bank	-	47,622	-	-	-	-	-	47,622
Safwa Islamic Bank	-	-	1,000,000	-	-	2,433,375	1,000,000	2,433,375
Jordan Islamic Bank	-	-	1,103,801	149,380	-	-	1,103,801	149,380
Al Rajhi Bank	-	-	3,010,000	-	-	-	3,010,000	-
Total Inside Jordan	-	47,622	5,113,801	149,380	-	2,433,375	5,113,801	2,630,377
								7,744,178
Outside Jordan								
Al Salam Bank	-	3,048,700	-	-	-	708,760	-	3,757,460
Central Bank of Bahrain	-	1,588,160	-	-	-	-	-	1,588,160
Total Outside Jordan	-	4,636,860	-	-	-	708,760	-	5,345,620
Less: Provision for expected credit losses*	-	(20,466)	(3,647)	(653)	-	(13,727)	(3,647)	(34,846)
	-	4,664,016	5,110,154	148,727	-	3,128,408	5,110,154	7,941,151
								13,051,305

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Murabaha rates on bank deposits balances in Jordanian Dinar range between 3.3% to 5% as at 30 June 2026 (31 December 2025: 3% to 5.3%). Murabaha rates on bank deposits balances in US dollar range between 1.75% to 5.65% as at 30 June 2026 (31 December 2025: 2.25% to 6.39%).

Deposits pledged to the benefit of the Governor of the Central Bank of Jordan amounted to JD 800,000 as at 30 June 2026 (31 December 2025: JD 800,000).

The Group has reallocated the recorded provision between deposits during the six months ended 30 June 2026.

* Set out below is the movement in provision for expected credit losses on deposits at banks:

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Policyholders	Shareholders	Total	Policyholders	Shareholders	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period/ year	3,647	34,846	38,493	3,647	34,846	38,493
Additions	-	-	-	-	-	-
Balance at the end of the period/ year	3,647	34,846	38,493	3,647	34,846	38,493

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

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Policyholders	Shareholders	Total	Policyholders	Shareholders	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan						
Listed stocks						
Jordan National Shipping lines	-	319,479	319,479	-	322,249	322,249
Petra Education	-	-	-	-	641,416	641,416
Jordan Refinery Company	-	296,412	296,412	-	410,101	410,101
Jordan Islamic Bank	-	357,728	357,728	-	345,704	345,704
Jordan Phosphate Mines Company	-	1,165,600	1,165,600	-	2,137,786	2,137,786
Jordan Telecommunication	-	-	-	-	229,913	229,913
Jordan Electric Power Company	-	97,891	97,891	-	90,627	90,627
Unlisted Stocks						
Jordan Credit Bureau*	-	35,220	35,220	-	33,580	33,580
Total inside Jordan	-	2,272,330	2,272,330	-	4,211,376	4,211,376
Outside Jordan						
Listed Stocks						
Palestine Telecommunication Company	-	304,700	304,700	-	287,650	287,650
Sukuk**	-	3,639,832	3,639,832	-	3,868,372	3,868,372
Total outside Jordan	-	3,944,532	3,944,532	-	4,156,022	4,156,022
Total	-	6,216,862	6,216,862	-	8,367,398	8,367,398

* This item represents unquoted financial assets, the fair value of which has been estimated by the Group's management.

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** This item represents the Group's investment in perpetual Islamic Sukuk outside Jordan with a face value of JD 3,685,762 as at 30 June 2026 (31 December 2025: JD 3,102,796). These Sukuk yield an annual profit rate ranging between 3.95% and 7.25% (30 June 2025: 3.9% to 6.5%), with no fixed maturity date, and both the repayment of the principal and the distribution of profit are subject to the issuer's discretion.

(5) FINANCIAL ASSETS AT AMORTIZED COST – NET

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Policyholders	Shareholders	Total	Policyholders	Shareholders	Total
	JD	JD	JD	JD	JD	JD
Outside Jordan						
Listed Sukuk						
Government Sukuk	1,064,441	11,066,673	12,131,114	1,064,486	7,395,429	8,459,915
Sukuk and corporate loan bonds	1,899,903	4,956,746	6,856,649	1,906,818	6,019,291	7,926,109
Less : Provision for expected credit losses	(790)	(115,564)	(116,354)	(790)	(115,564)	(116,354)
	<u>2,963,554</u>	<u>15,907,855</u>	<u>18,871,409</u>	<u>2,970,514</u>	<u>13,299,156</u>	<u>16,269,670</u>

- This item represents the Group's investment in Islamic Sukuk outside Jordan bearing annual coupon rates ranging from 4.48% to 6.58% (30 June 2025: 3.9% to 6.5%). These Sukuk have a maturity period of six months from the date of issuance.

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(6) INVESTMENT PROPERTIES - NET

	Policyholders			Shareholders		
	Lands JD	Buildings JD	Total JD	Lands JD	Buildings JD	Total JD
30 June 2026 (Unaudited)						
Cost:						
Balance at the beginning of the period	-	931,599	931,599	3,674,900	1,563,425	5,238,325
Balance at the end of the period	-	931,599	931,599	3,674,900	1,563,425	5,238,325
Accumulated Depreciation:						
Balance at the beginning of the period	-	236,048	236,048	-	746,124	982,172
Depreciation for the period	-	9,239	9,239	-	15,218	24,457
Balance at the end of the period	-	245,287	245,287	-	761,342	1,006,629
Net book value as of 30 June 2026	-	686,312	686,312	3,674,900	802,083	4,476,983
31 December 2025 (Audited)						
Cost:						
Balance at the beginning of the year	-	931,599	931,599	3,674,900	1,563,425	5,238,325
Balance at the end of the year	-	931,599	931,599	3,674,900	1,563,425	5,238,325
Accumulated Depreciation:						
Balance at the beginning of the year	-	217,416	217,416	-	713,931	931,347
Depreciation for the year	-	18,632	18,632	-	32,193	50,825
Balance at the end of the year	-	236,048	236,048	-	746,124	982,172
Net book value as of 31 December 2025	-	695,551	695,551	3,674,900	817,301	4,492,201

The fair value of investment properties estimated by real estate experts at JD 5,562,497 as of 31 December 2025. In the opinion of management, the fair value of investment properties exceeds their book values as of 30 June 2026, and the results of the evaluation conducted by management as of 31 December 2025, are still valid.

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(7) CASH ON HAND AND BALANCES AT BANKS

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Policyholders	Shareholders	Total	Policyholders	Shareholders	Total
	JD	JD	JD	JD	JD	JD
Cash on hand	525,019	2,058	527,077	777,147	1,449	778,596
Balances at banks	1,659,636	142,606	1,802,242	4,765,174	44,282	4,809,456
	<u>2,184,655</u>	<u>144,664</u>	<u>2,329,319</u>	<u>5,542,321</u>	<u>45,731</u>	<u>5,588,052</u>

For the purpose of preparing the cash flows statement, cash and cash equivalents consist of the following:

	30 June 2026 JD (Unaudited)	30 June 2025 JD (Unaudited)
Cash on hand and balances at bank	2,329,319	510,567
Bank deposits mature within three months	9,507,430	6,050,194
Less: deposit pledged in favor of the governor of Central Bank of Jordan	<u>(800,000)</u>	<u>(800,000)</u>
	<u>11,036,749</u>	<u>5,760,761</u>

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(8) RE-TAKAFUL CONTRACTS ASSETS - NET

	Asset for Remaining Coverage (ARC)						Asset for Incurred Claims (A/C)					
	Excluding Loss Component			Loss Component			Present Value of Future Cash Flows			Risk Adjustment for Non-financial Risk		
	30 June	31 December		30 June	31 December		30 June	31 December		30 June	31 December	
	2026	2025	JD	2026	2025	JD	2026	2025	JD	2026	2025	JD
Re-Takaful contract assets – Beginning of the period	7,409,250	4,853,151	-	-	-	-	9,386,212	7,377,924	495,448	603,802	-	-
Re-Takaful contract liabilities – Beginning of the period	7,409,250	4,853,151	-	-	-	-	9,386,212	7,377,924	495,448	603,802	-	-
Net Re-Takaful contract assets – Beginning of the period	(20,561,873)	(41,693,530)	-	-	-	-	12,317,810	23,295,026	378,184	919,684	-	-
Re-Takaful contract expenses	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of claims and other directly attributable expenses	-	-	-	-	-	-	-	-	-	-	-	-
Changes relating to past services – adjustments to the	-	-	-	-	-	-	-	-	-	-	-	-
Liability for Incurred Claims (LIC)	-	-	-	-	-	-	6,278,899	1,914,726	(329,938)	(1,032,268)	-	-
Net amounts recoverable from Re-Takaful operators	(20,561,873)	(41,693,530)	-	-	-	-	18,596,709	25,210,752	48,246	(112,584)	-	-
Finance income from Re-Takaful contracts	-	-	-	-	-	-	41,125	102,751	1,653	4,230	-	-
Re-Takaful service result	(20,561,873)	(41,693,530)	-	-	-	-	18,637,834	25,313,503	49,889	(108,354)	-	-
Ceded Takaful contributions and cash flows relating to acquisition commissions paid	16,977,784	44,249,629	-	-	-	-	-	-	-	-	-	-
Cash paid to Re-Takaful operators for issued contracts	-	-	-	-	-	-	(11,708,605)	(23,305,215)	-	-	-	-
Total cash flows	16,977,784	44,249,629	-	-	-	-	(11,708,605)	(23,305,215)	-	-	-	-
Re-Takaful contract liabilities – End of the period	-	-	-	-	-	-	-	-	-	-	-	-
Re-Takaful contract assets – End of the period	3,825,161	7,409,250	-	-	-	-	16,315,441	9,386,212	545,347	495,448	-	-
Net Re-Takaful contract assets – End of the period	3,825,161	7,409,250	-	-	-	-	15,315,441	9,386,212	545,347	495,448	-	-

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(9) TAKAFUL CONTRACTS LIABILITIES – NET (PREMIUM ALLOCATION METHOD)

	Liability for Remaining Coverage (LRC)				Liability for Incurred Claims (LIC)				Total	
	Excluding Loss Component		Loss Component		Present Value of Future Cash Flows		Risk Adjustment for Non-financial Risk			
	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025		
	JD	JD	JD	JD	JD	JD	JD	JD		
Takaful contract liabilities – Beginning of the period	11,319,262	9,323,572	373,094	550,919	23,491,764	17,388,749	1,035,910	1,050,594	(Unaudited) 36,220,030	28,313,834
Takaful contract assets – Beginning of the period	-	-	-	-	-	-	-	-	-	-
Net Takaful contract liabilities – Beginning of the period	11,319,262	9,323,572	373,094	550,919	23,491,764	17,388,749	1,035,910	1,050,594	36,220,030	28,313,834
Prior years adjustments (Note 11)	-	1,539,085	-	-	-	1,016,500	-	-	-	2,555,585
Net Takaful contract liabilities – Beginning of the period after adjustments	11,319,262	10,862,657	373,094	550,919	23,491,764	18,405,249	1,035,910	1,050,594	36,220,030	30,869,419
Takaful revenue	(51,126,241)	(84,733,869)	-	-	-	-	-	-	(51,126,241)	(84,733,869)
Claims incurred and other expenses during the period	3,166,249	5,507,160	-	-	35,651,875	62,370,621	-	-	38,818,124	67,877,781
Changes in Loss Component	-	-	(203,466)	(177,825)	-	-	-	-	(203,466)	(177,825)
Changes relating to past services – adjustments to LIC	-	-	-	-	-	-	-	-	-	-
Changes in Risk Adjustment	-	-	-	-	10,236,931	(210,884)	-	-	10,236,931	(210,884)
Takaful service result	-	-	-	-	-	-	196,199	(36,284)	196,199	(36,284)
Finance expenses from Takaful contracts	3,166,249	5,507,160	(203,466)	(177,825)	45,888,806	62,159,737	196,199	(36,284)	49,047,788	67,452,788
Net change recognized in other comprehensive income	-	-	-	-	340,644	682,129	12,285	21,600	352,929	703,729
Cash received from issued contracts	(47,959,992)	(79,226,709)	(203,466)	(177,825)	46,229,450	62,841,866	208,484	(14,684)	(1,725,524)	(16,577,352)
Claims paid and other direct expenses	46,341,426	86,729,559	-	-	-	-	-	-	46,341,426	86,729,559
Prior years adjustments (Note 11)	(3,166,249)	(5,507,160)	-	-	(36,055,540)	(56,738,851)	-	-	(39,221,789)	(62,246,011)
Total cash flows	-	(1,539,085)	-	-	-	(1,016,500)	-	-	-	(2,555,585)
Takaful contract liabilities – End of the period	43,175,177	79,683,314	-	-	(36,055,540)	(57,755,351)	-	-	7,119,637	21,927,963
Takaful contract assets – End of the period	6,534,447	11,319,262	169,628	373,094	33,665,674	23,491,764	1,244,394	1,035,910	41,614,143	36,220,030
Net Takaful contract liabilities – End of the period	-	-	-	-	-	-	-	-	-	-
Net Takaful contract liabilities – End of the period	6,534,447	11,319,262	169,628	373,094	33,665,674	23,491,764	1,244,394	1,035,910	41,614,143	36,220,030

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(10) INCOME TAX

The income tax provision was calculated based on the income tax law no (34) for the year 2014 and its amendments, based on the Group's results for the six months ended 30 June 2025. The statutory income tax rate for the Company is 26% and for the subsidiary is 20%.

A) Income Tax Provision

Movement on the income tax provision was as follows:

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
	JD	JD	JD	JD	JD	JD
Balance beginning of the period / year	192,650	(19,838)	172,812	54,728	526,514	581,242
Income tax expense for the period / year	327,486	634,017	961,503	139,378	157,484	296,862
Payments during the period / year	(381,748)	(165,642)	(547,390)	(1,456)	(703,836)	(705,292)
Balance Ending of the period / year	138,388	448,537	586,925	192,650	(19,838)	172,812

B) The income tax expense shown in the Interim Condensed Consolidated Statement of Profit or Loss represents the following:

	30 June 2026 (Unaudited)		30 June 2025 (Unaudited)	
	Policyholder	Shareholder	Policyholder	Shareholder
	JD	JD	JD	JD
Current tax expense for the period	(327,486)	(634,017)	(179,336)	351,835
Deferred tax	336,961	-	312,248	-
Income tax surplus (expense) for the period	9,475	(634,017)	132,912	351,835

- The Company has reached a final settlement with the Income and Sales Tax Department until the end of the year 2021. Regarding the years 2022, 2023, 2024 and 2025, the income tax returns were submitted within the legal period, but they were not reviewed by the Income and Sales Tax Department up to the date of the interim condensed consolidated financial statements.
- The subsidiary reached a final settlement with the Income and Sales Tax Department until the end of the year 2025 except the year 2023, the income tax return was submitted within the legal period, but it was not reviewed by the Income and Sales Tax Department up to the date of the interim condensed consolidated financial statements.
- In the opinion of the Group's management and tax advisor, no liabilities in excess of the provision booked will arise as at the date of the interim condensed financial statements.

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C) Deferred Tax Assets and Deferred Tax Liabilities:

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Balance at the beginning of the period	Additions	Released amounts	Balance at the End of the period	Deferred Tax	Deferred Tax
Deferred Tax Assets:	JD	JD	JD	JD	JD	JD
Expected Credit Losses – Receivables	3,018,001	150,000	-	3,168,001	823,680	784,680
Expected Credit Losses – Re-takaful	559,090	-	-	559,090	145,363	145,363
Expected Credit Losses – Banks deposits	38,493	-	-	38,493	10,008	10,008
Expected Credit Losses – Sukuk	116,354	-	-	116,354	30,252	30,252
Expected Credit Losses – Checks under collection	22,500	-	-	22,500	5,850	5,850
Cumulative change in fair value of financial assets through other comprehensive income	258,695	-	8,235	250,460	25,046	26,420
Takaful contract liabilities	5,189,172	1,146,003	-	6,335,175	1,647,146	1,349,185
Employees' end-of-service benefits provision	450,000	-	-	450,000	117,000	117,000
	<u>9,652,305</u>	<u>1,296,003</u>	<u>8,235</u>	<u>10,940,073</u>	<u>2,804,345</u>	<u>2,468,758</u>
Deferred Tax Liabilities:						
Cumulative change in fair value of financial assets through comprehensive income	<u>281,450</u>	<u>79,193</u>	<u>-</u>	<u>360,643</u>	<u>66,409</u>	<u>73,177</u>

(11) RETAINED EARNINGS

	30 June 2026 JD (Unaudited)	31 December 2025 JD (Audited)
Balance as of 1 January	4,472,260	4,348,026
Prior year adjustments	-	(2,963,828)
Income for the period / year	2,371,056	3,411,229
Transferred to statutory reserve	-	(321,662)
Transferred to fair value reserve	-	(1,505)
Dividends distributions	(1,400,000)	-
Balance at the end of period / year	<u>5,443,316</u>	<u>4,472,260</u>

* Prior year adjustments for the period ended 30 June were as follows:

	30 June 2026 JD (Unaudited)	30 June 2025 JD (Unaudited)
Liabilities for Remaining Coverage – Insurance Contract Liabilities	-	1,539,085
Liabilities for Incurred Claims – Takaful Contract Liabilities	-	1,016,500
Total	<u>-</u>	<u>2,555,585</u>

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(12) EARNINGS PER SHARE

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

	For the three months ended 30 June		For the six months ended 30 June	
	2026	2025	2026	2025
	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period (JD)	1,651,354	846,149	2,371,056	1,491,244
Weighted Average number of shares (share)	28,000,000	28,000,000	28,000,000	28,000,000
Basis and diluted earnings per share of the period (JD/Fils)	0/059	0/030	0/085	0/053

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	Comprehensive		Motor – Borders		Third-Party		Group		Individual		Hull		Marine		Fire		Short-Term		Long-Term		General		Total	
	Motor		and Buses		Motor		Medical		Medical								Engineering		Engineering		Aviation		Life	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
30 June 2025 (Unaudited)																								
Takaful revenue from contracts measured under the Premium Allocation Approach (PAA)	5,659,357	1,999,269		5,639,004	11,905,005	987,642	4,553	1,151,103	4,883,145	266,573	137,475	3,097,820	1,459,442	3,530,857	40,721,245									
Takaful contracts revenues	5,659,357	1,999,269		5,639,004	11,905,005	987,642	4,553	1,151,103	4,883,145	266,573	137,475	3,097,820	1,459,442	3,530,857	40,721,245									
Net incurred claims and other directly attributable expenses	(1,978,638)	(640,643)		(7,276,858)	(10,471,537)	(823,543)	(11,449)	(358,116)	(2,376,502)	(33,064)	(57,517)	(118,684)	(272,291)	(3,701,384)	(28,120,206)									
Changes relating to past service – adjustments to takaful contract liabilities	47,252	(1,484)		113,462	97,269	10,654	(43)	483	3,972	152	(26)	-	710	11,915	284,316									
Net losses/(reversal of losses) on onerous contracts	1,516	-		79,630	-	-	-	-	-	-	-	-	(162)	(1,231)	79,753									
Risk adjustment	(87,696)	-		(8,491)	(23,902)	(3,065)	(2,109)	(76)	(25,219)	10,116	(4,631)	(20,044)	5,031	(42,433)	(202,519)									
Shareholders' share for managing takaful operations	(381,156)	(129,929)		(348,063)	(1,784,413)	(148,863)	(394)	(269,299)	(635,741)	(34,386)	(17,594)	(15,297)	(186,454)	(543,067)	(4,494,656)									
Takaful contracts expenses	(2,398,722)	(772,056)		(7,440,320)	(12,182,583)	(964,817)	(13,995)	(627,008)	(3,033,490)	(57,182)	(79,768)	(154,005)	(453,166)	(4,276,200)	(32,453,312)									
Net Takaful contracts results	3,260,635	1,227,213		(1,801,316)	(277,578)	22,825	(9,442)	524,095	1,849,655	209,391	57,707	2,943,815	1,006,276	(745,343)	8,267,933									
Re-takaful contracts revenues	398,601	204,792		90,393	6,562,825	501,876	10,526	31,007	1,169,281	(42,879)	51,056	116,256	1,199	2,539,306	11,634,219									
Re-takaful contracts expenses	(454,807)	(1,034,256)		(7,375)	(7,301,320)	(597,526)	(1,222)	(529,587)	(3,498,387)	(116,794)	(104,734)	(3,070,788)	(999,272)	(2,416,678)	(20,132,746)									
Net re-takaful contracts results	(56,206)	(829,464)		83,018	(738,495)	(95,650)	9,304	(498,580)	(2,329,126)	(159,673)	(53,678)	(2,954,532)	(998,073)	122,628	(8,498,527)									
Net takaful results	3,204,429	397,749		(1,718,298)	(1,016,073)	(72,825)	(138)	25,515	(479,471)	49,718	4,029	(10,717)	8,203	(622,715)	(230,594)									

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(14) NET FINANCE RESULTS FROM TAKAFUL CONTRACTS AND RE-TAKAFUL CONTRACTS

	Comprehensive Motor	Motor – Borders and Buses	Third- Party Motor	Total
For the six-months period ended 30 June 2026				
(Unaudited)	JD	JD	JD	JD
Finance expenses from issued Takaful contracts				
Accretion of interest on the best estimate of Takaful claims liabilities – Takaful share	(108,802)	(6,293)	(216,704)	(331,799)
Accretion of interest on the best estimate of expenses attributable to Takaful liabilities	(9,168)	(594)	(11,368)	(21,130)
Net finance expenses from Takaful contracts	(117,970)	(6,887)	(228,072)	(352,929)
Finance expenses from held Re-Takaful contracts				
Accretion of interest on the best estimate of Takaful claims liabilities – Re-Takaful share	26,262	3,116	13,400	42,778
Net finance expenses from held Re-Takaful contracts	26,262	3,116	13,400	42,778
Net finance expenses from Takaful contracts	(91,708)	(3,771)	(214,672)	(310,151)
For the six-months period ended 30 June 2025				
(Unaudited)				
Finance expenses from issued Takaful contracts				
Accretion of interest on the best estimate of Takaful claims liabilities – Takaful share	(66,166)	(2,671)	(260,763)	(329,600)
Accretion of interest on the best estimate of expenses attributable to Takaful liabilities	(7,239)	(80)	(12,476)	(19,795)
Net finance expenses from Takaful contracts	(73,405)	(2,751)	(273,239)	(349,395)
Finance expenses from held Re-Takaful contracts				
Accretion of interest on the best estimate of Takaful claims liabilities – Re-Takaful share 33	30,269	2,662	15,582	48,513
Net finance expenses from held Re-Takaful contracts	30,269	2,662	15,582	48,513
Net finance expenses from Takaful contracts	(43,136)	(89)	(257,657)	(300,882)

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(15) RELATED PARTY TRANSACTIONS AND BALANCES

The Company is engaged in transactions with major shareholders, board members, and senior management within the ordinary business activities of the Company, using insurance premiums and commercial commissions. All related party receivables are considered performing, and no provisions have been made against them.

Below is a summary of the balances and transactions with related parties during the period/ year:

	Related parties			Total	
	Major shareholders and members of the Board of Directors	Key Management Personnel	Ultimate Parent of a major shareholder	30 June 2026	31 December 2025
	JD	JD	JD	JD	JD
				(Unaudited)	(Audited)

Items within the interim condensed consolidated Statement of Financial Position:

Account Receivables	4,102	68,718	980	73,800	34,018
Account Payable	-	-	67,983	67,983	55,777
Deposits Outside Jordan	-	-	1,134,160	1,134,160	3,757,460
Current Account (Bank)	-	-	36,612	36,612	43,919

Items within the the Interim Condensed Consolidated Statement of Profit or Loss

Investment Income	-	-	84,755	84,755	102,630
Takaful Contracts	4,494	3,220	-	7,714	4,359

Summary of the benefits (salaries, bonuses, and other benefits) for the company's senior executive management:

	30 June 2026	30 June 2025
	JD	JD
	(Unaudited)	(Unaudited)
<u>Interim Condensed Consolidated Statement of Profit or Loss Items:</u>		
Salaries and bonuses	762,978	650,925

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(16) FAIR VALUE HIERARCHY

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	Level 3	Total
	JD	JD	JD	JD
30 June 2026 (Unaudited) -				
Financial assets at fair value through other comprehensive income				
Quoted Price	2,541,810	-	-	2,541,810
Unquoted Price	-	-	35,220	35,220
Sukuk	3,639,832	-	-	3,639,832
Total	6,181,642	-	35,220	6,216,862

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
31 December 2025 (Audited) -				
Financial assets at fair value through other comprehensive income				
Quoted Price	4,465,446	-	-	4,465,446
Unquoted Price	-	-	33,580	33,580
Sukuk	3,868,372	-	-	3,868,372
Total	8,333,818	-	33,580	8,367,398

(17) PAID IN CAPITAL

The authorized and paid in capital of the company amounted to JD 28 million divided into 28 million shares with a par value of JD 1 per each as of 30 June 2026 and 31 December 2025.

(18) STATUTORY RESERVE

The Group has not deducted the statutory reserve according to the Jordanian Companies Law given that these financial statements are interim and condensed. The statutory reserve is deducted at the end of the year.

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(19) CONTINGENT LIABILITIES

GUARANTEES

As of the date of the interim condensed consolidated financial statements, the Company had contingent liabilities represented in bank guarantees in an amount of JD 2,364,559 and it is guaranteed by the Company's financial solvency as of 30 June 2026 (JD 2,696,707 as of 31 December 2025).

LAWSUITS AGAINST THE GROUP

The Company appears as a defendant in a number of lawsuits, which amounted to JD 2,094,482 as of 30 June 2026 (31 December 2025: JD 3,273,023). The Company has calculated sufficient provisions to meet the obligations for these lawsuits. In the opinion of the Company's management and its legal advisor, the provisions calculated for the cases are sufficient to meet the obligations for these lawsuits.

(20) FAIR VALUE RESERVE

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

	30 June 2026	31 December 2025
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period/year	2,017,114	49,596
Changes during the period / year	422,863	1,559,275
Prior year adjustments	-	408,243
Transferred from fair value reserve to profit for the period	(1,187,437)	-
Ending balance for the period/year	<u>1,252,540</u>	<u>2,017,114</u>

(21) COMPARATIVE FIGURES

Some of the comparative figures for the year ended 31 December 2025 and period ended 30 June 2025 were reclassified to correspond with period ended 30 June 2026 presentation. The reclassification has no effect on the profit and equity of the year 2025.