

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION FOR  
THE SIX MONTHS ENDED  
JUNE 30, 2022  
TOGETHER WITH THE REVIEW REPORT

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
June 30, 2022

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## Review Report

AM/ 012534

To the Chairman and Members of the Board of Directors  
First Insurance Company  
(A Public Shareholding Limited Company)  
Amman – The Hashemite Kingdom of Jordan

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of First Insurance Company (A Public Shareholding Limited Company) as of June 30, 2022 and the related condensed consolidated interim statements of policyholders revenue and expenses, profit or loss and comprehensive income, for the three-months and six-months ended June 30, 2022, and condensed consolidated interim statements of changes in owners' equity, changes in policyholders' equity, and cash flows for the six-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard (34) related to Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that the accompanying condensed consolidated interim financial information are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

### **Other Matters**

The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial information, which are in the Arabic language and to which reference should be made.

Amman – The Hashemite Kingdom of Jordan  
July 27 - 2022

  
Deloitte & Touche (M.E.) – Jordan

**Deloitte & Touche (M.E.)**  
ديلويت آند توش (الشرق الأوسط)  
010105

**FIRST INSURANCE COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

<u>ASSETS</u>	<u>Note</u>	June 30, 2022 (Reviewed not Audited)	December 31, 2021 (Audited)
		JD	JD
<b>Investments:</b>			
Deposits at banks - net	4	14,710,180	14,357,318
Financial assets at fair value through profits or losses	25	234,575	-
Financial assets at fair value through comprehensive income	25	1,763,765	1,481,398
Financial assets at amortized cost - net	5	4,526,096	4,044,134
Real estate investments - net	25	6,701,405	6,665,787
Total Investments		27,936,021	26,548,637
Cash on hand and at banks	6	2,211,074	1,735,700
Checks under collection - net		3,317,721	3,961,386
Receivables - net	7	16,205,925	11,133,877
Re-insurers' receivables - net	8	1,062,832	2,735,892
Deferred tax assets	9/d	1,144,833	942,636
Property and equipment - net		10,079,117	10,334,975
Intangible assets - net		791,688	856,118
Other assets		1,106,457	582,799
TOTAL ASSETS		63,855,668	58,832,020
<b><u>LIABILITIES AND POLICYHOLDERS' EQUITY AND OWNERS' EQUITY</u></b>			
<b><u>LIABILITIES:</u></b>			
Unearned premiums reserve - net		12,475,062	9,171,930
Premiums deficiency reserve		294,000	233,000
Outstanding claims reserve - net		4,703,734	4,803,151
Unallocated loss adjustment expense reserve		274,435	200,000
Mathematical reserve - net		120,648	130,032
Total Insurance Contracts Liabilities		17,867,879	14,538,113
Payables	10	2,787,992	2,215,577
Re-insurers' payables	11	7,124,577	7,050,586
Accrued expenses		13,603	23,419
Various provisions		-	45,000
Income tax provision	9/a	286,241	44,500
Deferred tax liabilities		17,061	11,431
Other liabilities	12	2,255,655	840,137
TOTAL LIABILITIES		30,353,008	24,768,763
<b><u>POLICYHOLDERS' EQUITY:</u></b>			
Reserve to cover deficit (contingency provision)	13	-	14,160
Accumulated surplus (deficit) for policyholders' fund	14	-	-
Al-Qard Al-Hasan granted by owners' equity to cover policyholders' deficit	15	-	-
Total Policyholders' Equity		-	14,160
<b><u>OWNERS' EQUITY</u></b>			
Authorized and paid-up capital	16	28,000,000	28,000,000
Statutory reserve	16	3,561,202	3,561,202
Financial assets valuation reserve - net after tax		(116,940)	(239,071)
Retained earnings	17	1,218,817	2,726,966
Profit for the period		839,581	-
Total Owners' Equity - Company's Shareholders		33,502,660	34,049,097
Total Policyholders' and Owners' Equity		33,502,660	34,063,257
TOTAL LIABILITIES AND POLICYHOLDERS' AND OWNERS' EQUITY		63,855,668	58,832,020

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

Chairman of the Board of Directors

Chief Executive Officer

**FIRST INSURANCE COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF POLICYHOLDERS' REVENUES AND EXPENSES**  
**(REVIEWED NOT AUDITED)**

	Note	For the Three-Months Ended		For the Six-Months Ended	
		June 30,		June 30,	
		2022	2021	2022	2021
		JD	JD	JD	JD
<b>Takaful Insurance Activities Revenue:</b>					
Gross written contributions		12,897,857	9,677,403	28,925,066	24,151,265
<u>Less: Re-insurers' share</u>		<u>(5,909,024)</u>	<u>(5,761,227)</u>	<u>(14,512,111)</u>	<u>(14,800,188)</u>
Net Earned Contributions from Takaful Operations for Policyholders		6,988,833	3,916,176	14,412,955	9,351,077
Net change in unearned contribution reserve		(1,213,697)	757,814	(3,303,132)	285,338
Net change in mathematical reserve		10,129	6,650	9,384	2,656
Net Earned Contributions from Takaful Insurance for Policyholders		5,785,265	4,680,640	11,119,207	9,639,071
Commissions' revenue		923,633	680,618	2,198,649	1,934,438
Takaful policies issuance fees		683,692	515,415	1,363,232	1,214,449
Policyholders' share of investment income	19&20	40,437	32,430	80,432	63,158
<u>Less: Owners' Equity share for managing the investment portfolio</u>	19&20	<u>(14,153)</u>	<u>(11,350)</u>	<u>(28,151)</u>	<u>(22,105)</u>
Total Revenue from Takaful Insurance for Policyholders'		<u>7,418,874</u>	<u>5,897,753</u>	<u>14,733,369</u>	<u>12,829,011</u>
<b>Claims, Losses and Expenses from Takaful Insurance Operations:</b>					
Paid claims		8,684,702	10,007,744	18,485,448	19,427,024
<u>Less: Recoveries</u>		<u>(889,442)</u>	<u>(672,578)</u>	<u>(1,667,577)</u>	<u>(1,176,243)</u>
Re-insurers' share		(2,813,587)	(4,600,103)	(6,891,618)	(8,324,489)
Net Paid Claims from Takaful Insurance Operations		4,981,673	4,735,063	9,926,253	9,926,292
Net change in outstanding claims reserve		(88,153)	(892,482)	(99,417)	(1,523,790)
Owners' equity share for managing the operations of takaful Insurance	18	1,644,989	1,340,581	4,300,589	3,684,654
Premiums deficiency reserve		62,914	60,375	125,829	120,750
Takaful policies acquisition costs		248,004	185,865	507,163	415,955
Other underwriting expenses		365,624	265,508	828,941	630,400
Net Claims Costs		7,215,051	5,694,910	15,589,358	13,254,261
<u>Less: Policyholders' share of takaful Insurance:</u>					
Expected credit losses	7	50,000	50,000	100,000	100,000
Depreciation and amortization		19,077	19,013	37,944	37,780
Other expenses		28,521	21,634	66,483	62,344
Total Policyholders' share From Al-Takaful Insurance Operations		97,598	90,647	204,427	200,124
(Deficit) In Policyholders' before Tax		106,225	112,196	(1,060,416)	(625,374)
<u>Add: Income tax benefits for the period</u>	9/b	<u>(25,665)</u>	<u>(27,231)</u>	<u>279,594</u>	<u>166,479</u>
(Deficit) in Policyholders' from Takaful Insurance Operations		80,560	84,965	(780,822)	(458,895)

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INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

Chairman of the Board of Directors

Chief Executive Officer

FIRST INSURANCE COMPANY  
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
(REVIEWED NOT AUDITED)

	Notes	For the Three Months		For the Six Months	
		Ended June 30,		Ended June 30,	
		2022	2021	2022	2021
		JD	JD	JD	JD
Owners' Equity Revenue from Al-Takaful insurance activities					
Owners' Equity share of takaful insurance operations management	18	1,644,989	1,340,581	4,300,589	3,684,654
Owners' Equity share of investment income	19	116,139	106,229	232,132	216,524
Owners' Equity share of financial assets and investments income	20	62,707	112,862	126,591	230,254
Owners' Equity share for managing the investments portfolio	19&20	14,153	11,350	28,151	22,105
Other income		<u>111,380</u>	<u>22,557</u>	<u>155,765</u>	<u>12,976</u>
Total Owners' Equity Revenue from Takaful Insurance Operations		<u>1,949,368</u>	<u>1,593,579</u>	<u>4,843,228</u>	<u>4,166,513</u>
<u>Claims, losses and Expenses from General Insurance Activities:</u>					
Paid claims		333	4,985	333	4,985
Less: Recoveries		(3,732)	(28)	(3,732)	(5,608)
Reinsurers' share		<u>(314)</u>	<u>(4,767)</u>	<u>(314)</u>	<u>(4,767)</u>
Net paid claims		(3,713)	190	(3,713)	(5,390)
Net change in outstanding claims reserve		-	(153)	-	(153)
Net Deficit Claims from General Insurance		<u>(3,713)</u>	<u>37</u>	<u>(3,713)</u>	<u>(5,543)</u>
Employees' expenses		936,793	901,962	1,859,605	1,772,471
General and administrative expenses		292,419	287,397	671,327	614,560
Expense of Al Qard Al Hassan granted to policyholders'	15	(80,560)	(84,965)	766,662	455,484
Depreciation and amortization		<u>114,151</u>	<u>119,095</u>	<u>229,110</u>	<u>238,782</u>
Total Expenses		<u>1,259,090</u>	<u>1,223,526</u>	<u>3,522,991</u>	<u>3,075,754</u>
Income for the period before income tax		690,278	370,053	1,320,237	1,090,759
Less: Income Tax Expense for the period	9/b	<u>(118,922)</u>	<u>(58,256)</u>	<u>(480,656)</u>	<u>(372,715)</u>
Income for the period		<u>571,356</u>	<u>311,797</u>	<u>839,581</u>	<u>718,044</u>
Earnings per share for the period-(basic & diluted)	21	<u>0/020</u>	<u>0/011</u>	<u>0/029</u>	<u>0/026</u>

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Chairman of the Board of Directors

Chief Executive Officer

FIRST INSURANCE COMPANY  
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(REVIEWED NOT AUDITED)

	For the Three-Months		For the Six-Months	
	Ended June 30,		Ended June 30,	
	2022	2021	2022	2021
	JD	JD	JD	JD
Profit for the period	571,356	311,797	839,581	718,044
<u>Add</u> : Other comprehensive income items after tax that will not be transferred to the profit or loss statement in the subsequent periods:				
Owners' Equity share from the change in fair value of financial assets at fair value through other comprehensive income	<u>113,600</u>	<u>278,506</u>	<u>122,131</u>	<u>305,881</u>
Total Comprehensive Income for the Period	<u>684,956</u>	<u>590,303</u>	<u>961,712</u>	<u>1,023,925</u>

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

(REVIEWED NOT AUDITED)

	Financial Assets					Profit for the Period	Net Owners' Equity
	Paid-up Capital	Statutory Reserve	Valuation Reserve - net	Retained Earnings *			
<u>For the Six Months Ended June 30, 2022</u>	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the period	28,000,000	3,561,202	(239,071)	2,726,966	-	-	34,049,097
Prior years adjustments	-	-	-	(388,149)	-	-	(388,149)
Total comprehensive income for the period	-	-	122,131	-	839,581	-	961,712
Distributed dividends **	-	-	-	(1,120,000)	-	-	(1,120,000)
Balance at the end of the period	<u>28,000,000</u>	<u>3,561,202</u>	<u>(116,940)</u>	<u>1,218,817</u>	<u>839,581</u>	<u>-</u>	<u>33,502,660</u>
<u>For the Six Months Ended June 30, 2021</u>							
Balance at the beginning of the period	28,000,000	3,494,290	(1,917,805)	3,522,266	-	-	33,098,751
Total comprehensive income for the period	-	-	305,881	-	718,044	-	1,023,925
Distributed dividends **	-	-	-	(980,000)	-	-	(980,000)
Balance at the end of the period	<u>28,000,000</u>	<u>3,494,290</u>	<u>(1,611,924)</u>	<u>2,542,266</u>	<u>718,044</u>	<u>-</u>	<u>33,142,676</u>

\* An amount equivalent to the negative financial assets valuation reserve as of June 30, 2022 is restricted from the retained earnings according to the related regulations.

\*\* According to the decision of the general assembly at its meeting held on April 25, 2022, a cash dividends were distributed to the shareholder at a percentage of 4% of paid up capital for the year 2021 profits' with an amount of JD 1,120,000 (JD 980,000 with a percentage of 3.5% from paid up capital for the year 2020 profits).

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN POLICYHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Reserve to		Accumulated Deficit		Al Qard Al Hasan granted from Owners' Equity to Cover the		Net	
	Cover Deficit		Unrealized		Policyholders' Deficit		Policyholders' Equity	
	JD	JD	Realized	JD	JD	JD	JD	JD
<u>For the Six Month Ended June 30, 2022</u>								
Balance at the beginning of the period	14,160	-	-	-	-	-	14,160	
(Deficit) in policyholders' for the period from Al-Takaful insurance activities	-	(780,822)	-	-	-	-	(780,822)	
Al Qard Al Hasan granted by owners' equity to cover policyholders deficit	-	766,662	-	-	-	766,662	1,533,324	
Transfers to the policyholders Deficit	(14,160)	14,160	-	-	-	(766,662)	(766,662)	
Balance at the End of the Period	-	-	-	-	-	-	-	-
<u>For the Six Month Ended June 30, 2021</u>								
Balance at the beginning of the period	3,411	-	-	-	-	-	3,411	
(Deficit) in policyholders' for the period from Al-Takaful insurance activities	-	(458,895)	-	-	-	-	(458,895)	
Al Qard Al Hasan granted by owners' equity to cover the policyholders deficit	-	455,484	-	-	-	455,484	910,968	
Transfers to the policyholders Deficit	(3,411)	3,411	-	-	-	(455,484)	(455,484)	
Balance at the End of the Period	-	-	-	-	-	-	-	-

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**FIRST INSURANCE COMPANY**  
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**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**(REVIEWED NOT AUDITED)**

	Note	For the Six Months Ended June 30,	
		2022	2021
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit for the period before tax		259,821	465,385
Adjustments:			
Depreciation and amortization		267,054	276,562
Expected credit losses provision	7	100,000	100,000
Net change in unearned contributions reserve		3,303,132	(285,338)
Net change in outstanding claims reserve		(99,417)	(1,523,943)
Net change in mathematical reserve		(9,384)	(2,656)
Dividends income from financial assets at fair value through other comprehensive income		(33,080)	(28,760)
Returns from sukuk		(79,246)	(128,853)
Amortization of Sukuk		442	-
Net Change in fair value of the financial assets at fair value through profits or losses		(56,711)	-
Al Qard Al Hasan granted to policyholders' expense	15	766,662	455,484
Net Cash Flows from (used in) Operating Activities before Changes in Working Capital		4,419,273	(672,119)
Decrease (increase) in checks under collection		643,665	(368,715)
(Increase) in accounts receivable		(5,172,048)	(896,198)
Decrease (increase) in re-insurers' receivables		1,673,060	(173,244)
(Increase) in other assets		(501,829)	(4,422)
Increase in accounts payable		572,415	215,204
Increase in re-insurance payables		73,991	755,868
(Decrease) increase in accrued expenses		(9,816)	9,750
Increase in other liabilities		100,098	1,086,547
(Decrease) in various provisions		(45,000)	(45,250)
Net Cash Flows from (used in) Operating Activities before Income Tax Paid		1,753,809	(92,579)
Income tax paid	9/a	(25,528)	(476,224)
Net Cash Flows from (used in) Operating Activities		1,728,281	(568,803)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Increase in deposits at banks		4,027,657	3,233,059
Proceeds from dividends from financial assets at fair value through other comprehensive income		33,080	28,760
Change in property, equipment and intangible assets		53,234	(61,427)
(Purchase) of Financial assets at fair value through other comprehensive Income		(155,049)	-
(Purchase) of Financial assets at fair value through profit or losses		(177,864)	-
Change in real-estate investments		(35,618)	25,779
Proceeds from sale and maturity of Sukuk		-	1,390,614
(Purchase) of Sukuk		(482,404)	(886,529)
Proceeds from Sukuk returns		79,246	128,853
Net Cash Flows from Investing Activities		3,342,282	3,859,109
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash Dividends		(214,670)	(202,714)
Net Cash (used in) financing activities		(214,670)	(202,714)
Net Increase in Cash and Cash Equivalent		4,855,893	3,087,592
Cash and cash equivalent at the beginning of the period		2,657,561	2,353,036
Cash and Cash Equivalent at the End of the Period	22	7,513,454	5,440,628
<b>Non-Cash Transactions</b>			
Uncollected Dividends	12	1,315,420	777,286

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INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM  
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FIRST INSURANCE COMPANY  
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING REVENUES FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED, NOT AUDITED)

	Motor		Marine		Aviation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022		2021		2022		2021		2022		2021		2022		2021	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written Contributions:																
Direct operations	7,626,839	5,671,656	755,429	681,517	382,994	411,729	3,714,047	3,218,917	434,643	233,787	10,476,669	8,630,282	527,520	306,151	23,818,241	19,354,019
Inward voluntary re-insurance	545,946	1,229,567	9,661	3,975	726,699	672,412	639,445	554,304	113	113	-	-	89,963	1,856	2,010,827	2,462,227
Gross Written Contributions	8,172,885	6,901,223	765,090	685,492	1,109,693	1,084,141	4,353,492	3,773,221	434,756	233,900	10,476,669	8,630,282	616,483	308,007	25,929,068	21,816,246
Less: Local re-insurance contributions	599,475	1,304,478	10,750	4,669	-	-	861,132	582,519	4,469	-	-	-	87,923	-	1,563,649	1,889,666
Foreign re-insurance contributions	38,842	18,521	674,432	633,133	1,105,693	1,084,141	3,328,694	3,085,498	384,192	226,170	4,661,670	5,249,050	487,209	252,971	10,695,232	11,252,484
Net Contributions	7,534,568	5,580,224	79,908	47,690	-	-	153,466	101,204	46,095	7,730	5,814,699	2,881,212	41,451	55,036	13,670,187	8,673,096
Add: Balance at the Beginning of the period																
Unearned Contributions' reserve	7,126,831	6,263,281	275,889	154,408	456,393	271,039	3,296,986	3,816,360	49,913	52,926	6,926,110	6,671,203	765,674	1,016,134	18,897,796	18,346,371
Less: Re-insurers' share	996,506	733,098	248,902	134,922	456,393	271,039	3,223,767	3,861,856	47,948	51,000	4,025,250	3,652,967	727,100	966,809	9,725,866	9,673,691
Net Unearned Contributions Reserve at the beginning of the period	6,130,325	5,530,183	26,987	19,486	-	-	73,219	54,524	1,955	1,926	2,900,860	3,018,236	39,574	47,325	9,171,930	8,671,680
Premium Deficiency Reserve at the beginning of the period	25,000	-	-	-	-	-	-	-	-	-	208,000	-	-	-	233,000	-
Net Premium Deficiency Reserve at the end of the period	25,000	-	-	-	-	-	-	-	-	208,000	-	-	-	-	233,000	-
Less: Balance at the end of the period																
Unearned contributions reserve	7,952,862	6,694,649	420,424	285,216	1,049,084	771,617	3,687,130	3,527,657	365,921	34,993	9,538,995	7,780,042	627,199	686,177	23,841,615	19,792,351
Re-insurers' share	737,197	1,109,087	376,816	259,832	1,049,084	771,617	3,554,301	3,441,617	326,029	33,013	4,521,259	5,151,403	591,667	640,440	11,166,553	11,405,009
Net Unearned Contributions Reserve at the end of the period	7,215,665	5,585,562	43,608	26,384	-	-	122,829	86,040	39,892	1,980	5,017,736	2,628,639	35,332	57,737	12,675,062	8,386,342
Net Revenue Earned from earned Contributions	6,449,228	5,524,845	63,287	40,792	-	-	103,855	69,668	8,168	7,676	3,697,823	3,270,809	44,693	44,624	10,367,055	8,959,434
Premium Deficiency Reserve	175,000	-	-	-	-	-	-	-	-	-	119,000	-	-	-	294,000	-
Net Premium Deficiency Reserve at the end of the period	175,000	-	-	-	-	-	-	-	-	119,000	-	-	-	-	294,000	-

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FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CLAIMS COST FOR GENERAL TAKAFUL INSURANCE ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021  
(REVIEWED NOT AUDITED)

	Motor		Marine		Aviation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	8,008,553	7,460,118	33,704	59,104	-	943,133	531,368	11,785	4,367	7,473,809	6,685,571	108,791	43,317	16,579,765	14,781,845	
Less: Recoveries	1,537,216	1,050,540	5,422	1,224	-	1,182	1,645	70	-	123,214	122,698	503	136	1,667,577	1,176,243	
Local re-insurers' share	218,702	212,999	-	-	-	26,656	3,244	229	-	-	-	-	-	245,567	216,243	
Foreign re-insurers' share	54,622	27,804	48,745	-	-	895,033	514,771	10,237	4,072	4,039,286	3,744,054	72,974	14,512	5,150,016	4,326,155	
Net Paid Claims	6,188,013	6,186,572	478	8,134	-	20,492	11,708	1,189	285	3,261,302	2,818,812	35,304	27,662	9,516,585	9,065,201	
Add: Outstanding claims Reserve at the end of the period	5,409,190	6,890,631	39,190	23,470	-	1,787,406	402,326	623,668	582,308	823,244	582,776	279,799	295,430	8,962,497	8,476,941	
Incurred and reported	1,700,000	1,715,000	7,500	7,500	-	17,500	17,500	7,500	7,500	691,785	716,553	8,500	8,500	2,432,785	2,472,553	
Incurred but not reported (IBNR)	1,084,267	895,169	33,476	18,824	-	1,762,404	389,887	602,298	561,738	723,662	767,817	214,414	219,404	4,420,521	2,822,539	
Less: Re-insurers' share	2,508,440	2,653,982	-	-	-	-	-	-	-	-	-	-	-	2,508,440	2,653,982	
Net Outstanding Claims Reserve at the end of the period	3,516,483	4,756,473	13,214	12,146	-	42,502	80,239	28,870	28,070	791,367	531,812	73,885	84,536	4,466,321	5,472,365	
Add: Unallocated Loss Adjustment Expenses at the end of period	220,000	-	500	-	-	700	-	700	-	50,000	-	2,535	-	274,435	-	
Net Unallocated Loss Adjustment Expenses	220,000	-	500	-	-	700	-	700	-	50,000	-	2,535	-	274,435	-	
Less: Outstanding Claims Reserve at the beginning of the period	5,620,894	7,629,149	47,006	52,468	-	2,640,161	614,650	564,733	509,584	938,824	648,311	386,007	253,241	10,197,625	9,706,503	
Incurred and reported	1,600,000	1,715,000	7,500	7,500	-	17,500	17,500	7,500	7,500	807,995	687,975	8,500	8,500	2,448,995	2,443,975	
Incurred but not reported (IBNR)	906,591	843,486	39,654	45,956	-	2,604,542	595,163	550,056	488,644	1,137,118	748,849	304,341	209,715	5,542,302	2,931,813	
Less: Re-insurers' share	2,432,756	2,320,746	-	-	-	-	-	-	-	-	-	-	172	2,493,756	2,370,925	
Recoveries	3,820,527	5,429,917	14,882	14,012	-	53,119	36,887	22,177	27,540	609,791	587,437	90,166	51,847	4,610,562	6,847,740	
Net Outstanding Claims Reserve at the beginning of the period	5,895,949	4,825,135	(1,160)	5,268	-	9,675	34,930	7,882	825	3,442,975	2,752,884	19,023	60,348	9,372,344	7,688,430	
Net Claims Cost	166,750	166,750	250	250	-	600	500	500	500	31,000	-	900	-	200,000	-	
Add: Unallocated Loss Adjustment Expenses at the beginning of the period	166,750	166,750	250	250	-	600	500	500	500	31,000	-	900	-	200,000	-	
Net Unallocated Loss Adjustment Expenses	166,750	166,750	250	250	-	600	500	500	500	31,000	-	900	-	200,000	-	

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FIRST INSURANCE COMPANY  
 (A PUBLIC SHAREHOLDING LIMITED COMPANY)  
 AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING (LOSS) PROFIT FOR GENERAL TAKAFUL INSURANCE ACTIVITIES FOR SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED, NOT AUDITED)

	2022		2021		2022		2021		2022		2021		2022		2021		2022		2021				
	Motor	Marine	Aviation	Fire and Other Damages to Properties	Liability	Medical	Other Branches	Total	Motor	Marine	Aviation	Fire and Other Damages to Properties	Liability	Medical	Other Branches	Total	Motor	Marine	Aviation	Fire and Other Damages to Properties	Liability	Medical	Other Branches
Net revenue earned from underwriting contributions	6,449,228	5,524,845	63,287	40,792	-	103,856	69,688	8,168	7,676	3,697,823	44,624	44,624	10,367,035	8,958,434									
Less: Net paid claims cost	5,893,949	4,823,135	(1,160)	6,268	-	9,675	34,960	7,882	825	3,442,975	19,023	60,348	9,372,344	7,688,430									
Add: Received commissions	10,851	16,917	322,998	251,273	29,963	24,712	862,017	121,271	76,674	704,775	115,410	60,218	2,167,285	1,930,314									
Takaful policies issuance fees	707,176	585,984	19,109	16,848	10,488	13,466	101,530	8,813	4,100	404,969	24,207	48,062	1,276,292	1,108,802									
Revenue from Investments related to underwriting accounts	14,771	11,728	1,383	1,165	2,006	1,842	7,868	1,005	397	19,938	895	534	46,866	37,074									
Total Revenue	1,288,077	1,316,339	407,937	303,810	42,457	40,020	1,065,596	815,901	131,875	1,383,530	165,182	93,090	4,485,154	4,346,194									
Less: Takaful policies acquisition cost fees	281,399	226,599	21,632	15,932	-	-	60,845	41,998	8,232	13,365	7,054	5,562	482,705	386,230									
Excess of loss contributions	66,350	67,500	-	-	-	-	59,479	53,250	-	-	-	-	125,829	120,750									
Owners' equity share from takaful management operations	1,230,938	1,004,152	161,964	135,715	26,967	22,241	684,943	612,445	65,214	1,625,763	89,445	46,235	3,895,234	3,343,797									
Other expenses	188,314	128,646	11,122	4,661	1,771	2,192	41,897	39,620	5,222	2,096	9,426	23,270	686,862	501,269									
Total Expenses	1,757,001	1,426,897	194,718	156,288	28,738	24,433	847,164	747,313	78,678	47,632	115,825	75,067	5,190,630	4,352,046									
Underwriting (Loss) Profit	(478,924)	(110,558)	213,219	147,522	13,719	15,587	218,432	69,588	52,697	(774,876)	(185,004)	18,033	(706,476)	(5,852)									

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES -  
GENERAL TAKAFUL

FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED NOT AUDITED)

	<u>2022</u>	<u>2021</u>
Written Contributions	JD	JD
Direct Operations	<u>2,995,998</u>	<u>2,335,019</u>
Total Contributions	2,995,998	2,335,019
<u>Less:</u> Re-insurance Premiums - outside	<u>2,253,230</u>	<u>1,657,038</u>
Net Contributions	<u>742,768</u>	<u>677,981</u>
<u>Add:</u> Unearned contributions reserve at the beginning of the period	242,058	292,824
<u>Less:</u> Re-insurers' share	<u>112,026</u>	<u>166,411</u>
Net Unearned contributions reserve Provision at the beginning of the period	<u>130,032</u>	<u>126,413</u>
<u>Less:</u> Unearned contributions reserve at the end of the period	256,180	293,276
<u>Less:</u> Re-insurers' share	<u>135,532</u>	<u>169,519</u>
Net Unearned contributions reserve at the end of the period	<u>120,648</u>	<u>123,757</u>
Net Earned Revenue from Contributions	<u>752,152</u>	<u>680,637</u>

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**FIRST INSURANCE COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CLAIMS COST FOR LIFE INSURANCE ACTIVITIES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021**  
**(REVIEWED NOT AUDITED)**

	Life	
	2022 JD	2021 JD
Paid Claims	1,905,683	4,645,179
<u>Less:</u> Foreign re-insurers' share	<u>1,496,015</u>	<u>3,782,091</u>
Net Paid Claims	409,668	863,088
<u>Add:</u> Outstanding claims Reserve at the end of the period - Incurred and reported	811,499	1,090,955
Incurred but not reported (IBNR)	345,000	292,965
<u>Less:</u> Re-insurers' share	<u>925,339</u>	<u>1,160,059</u>
Net Outstanding Claims Reserve at the end of the period	<u>231,160</u>	<u>223,861</u>
<u>Less:</u> Outstanding claims Reserve - beginning of the period - Incurred and reported	617,773	1,785,882
Incurred but not reported (IBNR)	345,000	277,965
<u>Less:</u> Re-insurers' share	<u>776,437</u>	<u>1,690,970</u>
Net Outstanding Claims Reserve - beginning of the period	<u>186,336</u>	<u>372,877</u>
Net Claims Cost	<u><u>454,492</u></u>	<u><u>714,072</u></u>

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING (LOSS) FOR LIFE INSURANCE  
ACTIVITIES

FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED NOT AUDITED)

	<u>Life</u>	
	<u>2022</u>	<u>2021</u>
	<u>JD</u>	<u>JD</u>
Net earned revenue from written contributions	752,152	680,637
<u>Less:</u> Net claims cost	454,492	714,072
<u>Add:</u> Received commissions	31,364	4,124
Takaful Insurance policies issuance fees	86,940	105,647
Revenue from investment related to underwriting accounts	<u>5,415</u>	<u>3,979</u>
Total Revenue	<u>421,379</u>	<u>80,315</u>
<u>Less:</u> Commissions paid	24,458	29,725
Owners' equity share from Takaful operations management	405,355	340,857
Other expenses for underwriting	<u>142,079</u>	<u>129,131</u>
Total Expenses	<u>571,892</u>	<u>499,713</u>
Underwriting (Loss)	<u>(150,513)</u>	<u>(419,398)</u>

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FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED NOT AUDITED)

	Motor		Marine		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Written premiums	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inward voluntary re-insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross written premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Local re-insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign re-insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net earned premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Balance at the beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned premiums reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unearned premiums reserve at the beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Balance at the end of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned premiums reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unearned premiums reserve at the end of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenues from Written Premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED NOT AUDITED)

	Motor		Marine		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	-	-	-	333	-	-	-	-	-	-	-	-	333	4,985
Less: Recoveries	3,732	5,608	-	-	-	-	-	-	-	-	-	-	3,732	5,608
Local re-insurers' share	-	-	-	-	-	-	-	3,531	-	-	-	-	-	3,531
Foreign re-insurers' share	-	-	-	314	-	-	-	1,236	-	-	-	-	314	1,236
Net Paid claims	(3,732)	(5,608)	-	19	-	-	-	218	-	-	-	-	(3,713)	(5,390)
Add: Outstanding claims Reserve at the end of the period	-	10,000	-	2,291	-	2,291	16,000	81,000	-	-	-	-	18,291	93,291
Inurred and reported	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inurred but not reported (IBNR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Re-insurers' share	-	-	-	2,113	-	2,113	9,925	74,438	-	-	-	-	12,038	76,551
Net Outstanding Claims Reserve at the end of the period	-	10,000	-	178	-	178	6,075	6,562	-	-	-	-	6,253	16,740
Less: Outstanding claims Reserve at the beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inurred and reported	-	10,000	-	2,291	-	2,291	16,000	109,483	-	-	-	-	18,291	121,774
Inurred but not reported (IBNR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurers' share	-	-	-	2,113	-	2,113	9,925	102,758	-	-	-	-	12,038	104,881
Net Outstanding Claims Reserve at the beginning of the period	-	10,000	-	178	-	178	6,075	6,715	-	-	-	-	6,253	16,893
Net Cost of Claims	(3,732)	(5,608)	-	19	-	-	-	65	-	-	-	-	(3,713)	(5,543)

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED NOT AUDITED)

	Motor		Marine		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net revenue from the written premiums	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Less: Net paid claims cost	(3,732)	(5,608)	-	-	19	-	-	65	-	-	-	-	(3,713)	(5,543)
Underwriting Profits	3,732	5,608	-	-	(19)	-	-	(65)	-	-	-	-	3,713	5,543

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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES  
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED NOT AUDITED)

	Life	
	2022	2021
	JD	JD
Written premiums		
Direct operation	-	-
Voluntary re-insurance	-	-
Gross written premium	-	-
<u>Less:</u> Local re-insurance premiums	-	-
Foreign re-insurance premiums	-	-
Net premiums	-	-
<u>Add:</u> Mathematical reserve at the beginning of the period	-	-
<u>Less:</u> Reinsurers' share	-	-
Net Mathematical reserve at the beginning of the period	-	-
<u>Less:</u> Mathematical reserve at the end of the period	-	-
<u>Less:</u> Reinsurers' share	-	-
Net mathematical reserve at the end of the period	-	-
Net Earned Revenues from Written Premiums	-	-

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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED NOT AUDITED)

	Life	
	2022	2021
	JD	JD
Paid Claims	-	-
<u>Less:</u> Local re-insurers' share	-	-
Foreign re-insurers' share	-	-
Net Paid Claims	-	-
<u>Add:</u> Outstanding claims reserve at the end of the period	-	6,000
<u>Less:</u> Re-insurers' share	-	1,800
Net Outstanding claims reserve at the end of the period	-	4,200
<u>Less:</u> Outstanding claims reserve at the beginning of the period	-	6,000
<u>Less:</u> Re-insurers' share	-	1,800
Net Outstanding claims reserve at the beginning of the period	-	4,200
Net Claims Cost	-	-

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF  
THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ  
WITH THE ACCOMPANYING REVIEW REPORT.

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF UNDERWRITING FOR LIFE INSURANCE

ACTIVITIES - GENERAL INSURANCE

FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(REVIEWED NOT AUDITED)

	Life	
	2022	2021
	JD	JD
Net earned revenue from written premiums	-	-
<u>Less:</u> Net paid claims cost	-	-
<u>Add:</u> Received commissions	-	-
Insurance policies issuance fees	-	-
Total Revenue	-	-
<u>Less:</u> Paid commissions	-	-
Administrative expenses related to underwriting accounts	-	-
Total Expenses	-	-
Net Underwriting	-	-

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WITH THE ACCOMPANYING REVIEW REPORT.

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE LIFE INSURANCE

	June 30, 2022	December 31, 2021
	(Reviewed not Audited)	(Audited)
<u>ASSETS</u>	JD	JD
Deposits at banks	2,167,818	750,000
Total Investments	2,167,818	750,000
Checks Under Collection	-	7,774
Receivables - net	418,644	812,588
Re-insurers' receivables - net	28,745	1,068,358
<b>TOTAL ASSETS</b>	<b>2,615,207</b>	<b>2,638,720</b>
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES:</u>		
Mathematical reserve -net	120,648	130,032
Outstanding Claims reserve - net	231,160	186,336
Total Technical Reserves	351,808	316,368
Re-insurers payables	457,240	433,782
Head Office's current account-credit	1,645,258	1,928,964
<b>TOTAL LIABILITIES</b>	<b>2,454,306</b>	<b>2,679,114</b>
<u>Head Office's Equity</u>		
Accumulated (losses)	(190,907)	(40,394)
Net / Total Head Office's Equity	(190,907)	(40,394)
<b>TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY</b>	<b>2,615,207</b>	<b>2,638,720</b>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF  
THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ  
WITH THE ACCOMPANYING REVIEW REPORT.

FIRST INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOME OF JORDAN  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(REVIEWED NOT AUDITED)

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1. General

- a. First Insurance Company was established on December 28, 2006 and registered as a public shareholding limited company under license No. (424) with an authorized paid-up capital of JD 24 million of a par value of JD 1 per share.

On April 2, 2015, First Insurance Company acquired a percentage of 76.25% of the Yarmouk Insurance Company's capital (a Public Shareholding Limited Company), on November 2, 2015 a final approval took place on the merger between the Yarmouk Insurance Company and the First Insurance Company and the result of the merger will be the First Insurance Company with an authorized and paid up capital of JD 28 million at 1 JD per share.

- b. The accompanying condensed consolidated interim financial information were approved by the Board of Directors on July 25, 2022.

2. Basis of preparation

a. Basis of preparation of the Condensed Consolidated Interim Financial Information.

- The accompanying condensed consolidated interim financial information and its subsidiary have been prepared in accordance with International Accounting Standard IAS (34) relating to (Interim Financial Reporting).
- The condensed consolidated interim financial information are stated in Jordanian Dinar. Which represents the functional currency for the Company and its subsidiaries.
- The consolidated condensed interim financial information are prepared in accordance with the historical cost except for the financial assets and financial liabilities, which are presented at their fair value as of the condensed consolidated interim financial information date.
- The condensed consolidated interim financial information do not include all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read with the Company's annual report for the year ended December 31, 2021. Moreover, the results of operations for the six-months period ended June 30, 2022 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2022. No appropriation occurred on the profit of the period ended June 30, 2022 which is performed at the end of the financial year.

Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on June 30, 2022 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2021. However, the revised international financial reporting standards, which became effective for financial periods beginning on or after the first of January 2021, were followed in preparing the company's condensed consolidated interim financial information, which did not materially affect the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements.

### **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

### **Amendments to IFRS 3 – Reference to the Conceptual Framework**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

### **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

### **Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

## **Annual improvements for the International Financial Reporting Standards 2018-2020**

### **IFRS 1 First-time Adoption of International Financial Reporting Standards**

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

### **IFRS 9 Financial Instruments**

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

### **IAS 41 Agriculture**

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

#### Basis of Preparation the consolidated condensed interim financial information

- The consolidated condensed interim financial information include the financial information of the Company and its subsidiaries under its control, Meanwhile, control exists when the Company has control over the investee company, or it is exposed to variable returns or holds rights for its participation in the investee company, and the Company is able to use its control over the investee company to affect those returns.
- The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.
- When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
  - The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
  - Potential voting rights held by the Company, other vote holders or other parties,
  - Rights arising from other contractual arrangements.
  - Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect the investee's returns,

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When it loses control of a subsidiary, the Company performs the following:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests,
- Derecognizes transfer differences accumulated in Owners' Equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the income statement.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement as appropriate.

The subsidiaries' financial information are prepared under the same accounting policies adopted by the Company, If the subsidiaries apply different accounting policies than those used by the Company, the necessary modifications shall be made to the subsidiaries' financial information to make them comply with the accounting policies used by the Company.

The non-controlling interests represent the portion not owned by the Company relating to ownership of the subsidiaries.

- All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated,
- The subsidiaries financial information are prepared under the same accounting policies adopted by the Company, if the subsidiaries apply different accounting policies than those used by the Company, the necessary modifications shall be made to the subsidiaries' financial information to make them comply with the accounting policies used by the Company.
- The results of the subsidiaries' operations are consolidated in the consolidated statement of profit or loss effective from their acquisition date, which is the date on which control over subsidiaries is effectively transferred to the Company, Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Company loses control over the subsidiaries.
- The non-controlling interests represent the portion not owned by the Company in the subsidiaries, Non-controlling interests are shown in the subsidiaries' net assets as a separate line item within the Company's statement of shareholders' equity.
- The Company owned the following subsidiaries as of June 30, 2022 through direct or indirect methods:

Company's Name	Principal Activity	Ownership Percentage	Capital	Year of Incorporation
Mulkiyat for Investment and Trade Company	Investment	100%	50,000	2010

The most important financial information of the subsidiary companies for the period ended June 30, 2022 is as follows:

Company's Name	Total Assets	Total Liabilities	Total Revenue	Total Expenses
	JD	JD	JD	JD
Mulkiyat for Investment and Trade Company	252,607	6,260	200,829	45,065

### 3. Judgments, estimates and risk management

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual consolidated financial statements for the year ended December 31, 2021.

4. Deposits at Banks - Net

This item consists of the following:

	June 30, 2022 (Reviewed)				December 31, 2021 (Audited)							
	Deposits maturing within one month		Deposits maturing within one to three months		Deposits maturing within three months to one year		Total					
	Policyholders'	Owners' Equity	Policyholders'	Owners' Equity	Policyholders'	Owners' Equity	Policyholders'	Owners' Equity				
	JD	JD	JD	JD	JD	JD	JD	JD	JD			
Inside Jordan	-	3,129,622	-	-	2,185,951	6,900,000	2,185,951	10,029,622	12,215,573	2,179,110	9,224,693	11,403,803
Outside Jordan	-	462,999	-	1,738,237	-	378,864	-	2,580,100	2,580,100	-	3,039,008	3,039,008
(Less): Expected credit losses provision	-	(19,192)	-	(9,286)	(18,133)	(38,882)	(18,133)	(67,360)	(85,493)	(18,133)	(67,360)	(85,493)
	-	3,573,429	-	1,728,951	2,167,818	7,239,982	2,167,818	12,542,362	14,710,180	2,160,977	12,196,341	14,357,318

- Return rates on the deposits at banks in Jordanian Dinar range from 3.3% to 3.9%, while the return rates on the deposits outside Jordan in US Dollar range from 3.1% to 3.6%.

5. Financial assets at amortized cost - net

This item consists of the following:

	June 30, 2022 (Reviewed)			December 31, 2021 (Audited)		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Sukuk	992,997	3,539,453	4,532,450	992,436	3,058,052	4,050,488
(Less): Expected credit losses provision	(790)	(5,564)	(6,354)	(790)	(5,564)	(6,354)
Total	992,207	3,533,889	4,526,096	991,646	3,052,488	4,044,134

The sukuk above is of fixed yield ranging between 3.88% to 6.26% annually.

6. Cash on Hand and at Banks

This item consists of the following:

	June 30, 2022 (Reviewed)			December 31, 2021 (Audited)		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Cash on hand	136,461	6,087	142,548	339,326	3,852	343,178
Current accounts at banks	1,835,865	232,661	2,068,526	1,277,749	114,773	1,392,522
	1,972,326	238,748	2,211,074	1,617,075	118,625	1,735,700

7. Receivables - Net

This item consists of the following:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Policyholders' receivable	17,858,970	12,746,199
Brokers' receivable	16,714	17,897
Employees' receivable	86,104	73,422
Owners' equity receivable	4,390	6,590
Others	90,748	40,770
<b>Total</b>	<b>18,056,926</b>	<b>12,884,878</b>
<u>Less: Expected credit losses provision*</u>	<u>(1,851,001)</u>	<u>(1,751,001)</u>
	<u>16,205,925</u>	<u>11,133,877</u>

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

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	1,751,001	1,601,001
<u>Add: Expected credit losses during the period / year</u>	<u>100,000</u>	<u>150,000</u>
Balance at the end of the period / year	<u>1,851,001</u>	<u>1,751,001</u>

The table below shows the aging of receivables:

	Past Due Receivables					
	Un-due Receivables	1-90 Days	91-180 Days	181-360 Days	More than 361 Days	Total
	JD	JD	JD	JD	JD	JD
<u>June 30, 2022</u>						
Policyholders receivable	7,604,302	5,600,870	1,594,021	1,274,455	1,785,322	17,858,970
Brokers' receivable	-	56	-	3,470	13,188	16,714
Employee receivable	86,104	-	-	-	-	86,104
Owners' equity receivable	-	4,054	-	-	336	4,390
Other receivables	-	75,270	2,840	5,401	7,237	90,748
Account Receivables	<u>7,690,406</u>	<u>5,680,250</u>	<u>1,596,861</u>	<u>1,283,326</u>	<u>1,806,083</u>	<u>18,056,926</u>

	Past Due Receivables					
	Un-due Receivables	1-90 Days	91-180 Days	181-360 Days	More than 361 Days	Total
	JD	JD	JD	JD	JD	JD
<u>December 31, 2021</u>						
Policyholders receivable	4,979,842	3,353,848	1,471,107	1,244,335	1,697,067	12,746,199
Brokers' receivable	-	2,291	1,063	5,686	8,857	17,897
Employees' receivable	73,422	-	-	-	-	73,422
Owners' equity receivable	-	6,520	70	-	-	6,590
Other receivables	-	37,007	811	2,159	793	40,770
Account Receivables	<u>5,053,264</u>	<u>3,399,666</u>	<u>1,473,051</u>	<u>1,252,180</u>	<u>1,706,717</u>	<u>12,884,878</u>

8. Reinsurance Receivables - Net

This item consists of the following:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Local insurance companies	1,272,957	1,312,885
Foreign reinsurance companies	348,965	1,593,007
Total reinsurance receivables	1,621,922	2,905,892
<u>Less: Expected credit losses provision*</u>	<u>(559,090)</u>	<u>(170,000)</u>
	<u>1,062,832</u>	<u>2,735,892</u>

\* The following is the movement on expected credit losses:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period/year	170,000	170,000
<u>Add: Expected Credit losses during the period / year</u>	<u>389,090</u>	<u>-</u>
Balance at the end of the period/year	<u>559,090</u>	<u>170,000</u>

The table below shows the aging reinsurance receivables:

	Un-due Receivables	Past Due Receivables				Total
		1-90 Days	91-180 Days	181-360 Days	More 361 Days	
		JD	JD	JD	JD	
<u>June 30, 2022</u>	JD	JD	JD	JD	JD	JD
Local insurance companies	289,489	249,584	160,656	213,216	360,012	1,272,957
Foreign reinsurance companies	-	193,154	60,041	38,163	57,607	348,965
Net reinsurance receivables	<u>289,489</u>	<u>442,738</u>	<u>220,697</u>	<u>251,379</u>	<u>417,619</u>	<u>1,621,922</u>
<u>December 31, 2021</u>						
Local insurance companies	481,419	172,093	108,344	400,803	150,226	1,312,885
Foreign reinsurance companies	-	730,987	757,271	89,976	14,773	1,593,007
Net reinsurance receivables	<u>481,419</u>	<u>903,080</u>	<u>865,615</u>	<u>490,779</u>	<u>164,999</u>	<u>2,905,892</u>

9. Income Tax

a. Income tax provision

Movement on the income tax provision is as follows:

	June 30, 2022 (Reviewed)			December 31, 2021 (Audited)		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Balance at beginning of the period / year	152,999	(108,499)	44,500	156,208	354,657	510,865
<u>(Less): Income tax paid</u>	<u>(1,407)</u>	<u>(24,121)</u>	<u>(25,528)</u>	<u>(5,477)</u>	<u>(572,083)</u>	<u>(577,560)</u>
Income tax expense for the period / year	(213,387)	480,656	267,269	2,268	108,927	111,195
Balance at end of the period / year	<u>(61,795)</u>	<u>348,036</u>	<u>286,241</u>	<u>152,999</u>	<u>(108,499)</u>	<u>44,500</u>

- b. Income tax in the condensed consolidated interim statement of policyholders' revenue and expenses and the condensed consolidated interim statement of profit or loss is as follows:

	June 30, 2022 (Reviewed)		June 30, 2021 (Reviewed)	
	Policyholders'	Owners'	Policyholders'	Owners'
	JD	Equity	JD	Equity
Accrued income tax on the period profits	(213,387)	480,656	(137,115)	372,715
Impact of deferred tax assets	(66,207)	-	(29,364)	-
Income tax (surplus) expense for the period	<u>(279,594)</u>	<u>480,656</u>	<u>(166,479)</u>	<u>372,715</u>

c. Tax status:

- The Company has obtained a final settlement with Income and Sales Tax Department until the end of year 2018, it has also submitted the tax return for the years 2019 - 2021 and paid the declared amount but it has not been reviewed yet.
- In the opinion of the management and the tax consultant, the Income tax provision is sufficient as of June 30, 2022.

d. Deferred Tax:

The items of deferred tax assets are the result of temporary differences in terms of items that appear in the Company's condensed interim condensed financial information and details as follows:

	For the six months ended on June 30, 2022 (Reviewed)					For the year ended on December 31, 2021 (Audited)
	Beginning Balance	Added Amounts	Released Amounts	Ending Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
<b>Deferred Tax Assets:</b>						
Expected Credit Losses – Receivables	1,751,001	100,000	-	1,851,001	481,260	455,260
Expected Credit Losses – Reinsurance Receivables	170,000	389,090	-	559,090	145,363	44,200
Expected Credit Losses –Banks deposits	85,494	-	-	85,494	22,228	22,228
Expected Credit Losses – Sukuk	6,355	-	-	6,355	1,652	1,652
Expected Credit Losses – Checks under collection	62,500	-	-	62,500	16,250	16,250
Cumulative change in fair value of financial assets through other comprehensive income	320,838	316,988	320,838	316,988	31,699	32,085
Outstanding Claims Provision IBNR – net	993,774	154,643	-	1,148,417	298,588	258,381
Premium Deficiency Reserve	233,000	61,000	-	294,000	76,440	60,580
Unallocated Loss Adjustment Expense Reserve	200,000	74,435	-	274,435	71,353	52,000
	<u>3,822,962</u>	<u>1,096,156</u>	<u>320,838</u>	<u>4,598,280</u>	<u>1,144,833</u>	<u>942,636</u>
<b>Deferred Tax Liabilities:</b>						
Cumulative change in fair value of financial assets through comprehensive income	43,965	82,544	43,965	82,544	17,061	11,431
	<u>43,965</u>	<u>82,544</u>	<u>43,965</u>	<u>82,544</u>	<u>17,061</u>	<u>11,431</u>

- Deferred tax assets were calculated at a rate of 24% for items in the Kingdom and 10% for items outside the Kingdom.
- The deferred taxes have not been calculated on the subsidiaries, since the profits of investment in shares are not subject to tax according to the amended Income Tax Law for the year (38/2018).

**10. Payables:**

This item consists of the following:

	June 30, 2022 (Reviewed)			December 31, 2021 (Audited)
	Policyholders	Owners' Equity	Total	Total
	JD	JD	JD	JD
Agents' Payable	173,486	-	173,486	154,114
Brokers' Payable	166,258	-	166,258	175,679
Employees' Payable	181	4,852	5,033	5,087
Suppliers' Payable	962,726	34,174	996,900	528,462
Others*	1,415,121	31,194	1,446,315	1,352,235
Total	<u>2,717,772</u>	<u>70,220</u>	<u>2,787,992</u>	<u>2,215,577</u>

\* This item includes customer receivables, losses adjuster, lawyers, advisors, and medical network provider.

**11. Reinsurance Payables:**

This item consists of the following:

	June 30, 2022 (Reviewed)			December 31, 2021 (Audited)
	Policyholders	Owners' Equity	Total	Total
	JD	JD	JD	JD
Local insurance companies	575,783	6,193	581,976	277,191
Uncollected re-insurance companies	6,542,601	-	6,542,601	6,773,395
	<u>7,118,384</u>	<u>6,193</u>	<u>7,124,577</u>	<u>7,050,586</u>

**12. Other Liabilities:**

This item consists of the following:

	June 30, 2022 (reviewed)			December 31, 2021 (audited)		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Various governmental deposits	552,672	50,179	602,851	238,698	48,456	287,154
Uncollected Dividends*	-	1,315,420	1,315,420	-	361,975	361,975
Various deposits	170,427	166,957	337,384	146,436	44,572	191,008
	<u>723,099</u>	<u>1,532,556</u>	<u>2,255,655</u>	<u>385,134</u>	<u>455,003</u>	<u>840,137</u>

\* This item includes unpaid dividends of JD 1,315,420, including an amount of JD 896,812 for the parent Company (note 23).

**13. Reserve to Cover Policyholders' Fund Deficit (Contingency Provision)**

- This account represents what has been transferred from the policyholders' fund surplus during this year and previous years.

- Below is a summary movement of the reserve to cover deficit (contingency provision):

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	14,160	3,411
Transfers from reserve to cover the policyholders' fund deficit	(14,160)	10,749
Balance at the end of the period / year	<u>-</u>	<u>14,160</u>

**14. Policyholders Accumulated Surplus**

This item consists of the following:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	-	-
Policyholders' (deficit) surplus during the period / year	(780,822)	10,749
Transferred to reserve to cover policyholders' fund deficit (contingency provision)	14,160	(10,749)
Al-Qard Al-Hasan granted by Owners' Equity to cover policyholders' deficit	766,662	-
Balance at the end of the period / year	<u>-</u>	<u>-</u>

**15. Al Qard Al Hasan Granted by the Owners Equity to Cover the Policyholders' Fund Deficit**

This item consists of the following:

	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	-	-
Al Qard Al Hassan granted by Owners' equity to cover the deficit	766,662	-
Transferred to policyholders' fund deficit	(766,662)	-
Balance at the end of the period / year	<u>-</u>	<u>-</u>

**16. Capital and Statutory Reserve**

- The paid-up capital is JD 28 million as of June 30, 2022 and December 31, 2021 divided into 28 million shares, par value of each share is 1 JD.
- The amounts collected in statutory reserve account represent the transferred annualized profit before tax of 10% during the year and prior years in accordance with the Companies Law and is not distributable to shareholders.

**17. Retained Earnings**

This item consists of the following:

	June 30, (reviewed)	
	2022	2021
	JD	JD
Balance at the beginning of the year	2,726,966	3,522,266
Prior years adjustments	(388,149)	(320,420)
Profit for the year	-	2,080,560
(Losses) resulted from a sale of a subsidiary Company	-	(1,508,528)
Transferred to statutory reserve	-	(66,912)
Profits distributed to shareholders	(1,120,000)	(980,000)
Balance at the end of the period / year	<u>1,218,817</u>	<u>2,726,966</u>

#### 18. Owners Equity Share for Takaful Operations Management

- The contractual relationship between owners' equity and policyholders represents an agent relationship to manage the insurance business through a specialized staff which were appointed for this mission.
- Wakala fees for first half of the year 2022 were determined at 17% for Motors department (2021: 17%) and 19% for Medical department deducting the administrative fees (2021: 19%) and 25% for marine department (2021: 25%) and 7% for aviation department (2021: 7%) and 20% for fire department and other damages (2021: 20%) and 25% for the liability and other departments (2021: 25%) and 15.5% for Takaful insurance department - life (2021: 15.5%) and decreasing it to a rate of 10% for policies issued from the departments owned by policyholders from insurance contributions utilized against real estate rentals, except for 100% reinsured polices, 10% of the premium were deducted while it should not exceed 90% from the reinsurances commission. As for investing policyholders' surplus, the contractual relation between the shareholders and policyholders is based on the Islamic trading (Modaraba) against a percentage of 35% from the investments gain in 2022.
- The determined compensation for the investment management is based on the Islamic principles (Modaraba & Wakala) based on budgets prepared by the Company and on a fair basis to the policyholders. The Company has a strict separation between the assets and liabilities of the policyholders and shareholders and hence the investment returns of the assets of the policyholders are determined accurately.

#### 19. Investment Income – Takaful Insurance

This item consists of the following:

	<u>June 30, 2022 (reviewed)</u>		<u>June 30, 2021 (reviewed)</u>	
	<u>Policyholders</u>	<u>Owners' Equity</u>	<u>Policyholders</u>	<u>Owners' Equity</u>
	JD	JD	JD	JD
Income from deposits	48,581	232,132	31,582	216,524
Shareholders share in return to managing the investments portfolio	(17,003)	17,003	(11,054)	11,054
Total	<u>31,578</u>	<u>249,135</u>	<u>20,528</u>	<u>227,578</u>

- The compensation for managing the investments is determined based on the Islamic principle Modaraba, which is based on the budgets prepared by the Company and on a fair basis to policyholders.
- The Company strictly separates the assets and liabilities of the policyholders and those of equity owners. Therefore, the investment returns of the assets of the policyholders are determined accurately.
- As for the investing policyholders' surplus, the contractual relation between the equity owners and policyholders is based on the Islamic principle Modaraba against a percentage from the investment's income.
- The Al-Sharia Supervisory Committee determined the owners' equity Mudaraba share in return to management for the years 2022 and 2021, the percentage from the investment's income was 35%.

## 20. Gains from Financial Assets and Investments

This item consists of the following:

	June 30, 2022 (reviewed)			June 30, 2021 (reviewed)		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	
Rental income - net	4,095	1,765	5,860	3,850	72,641	76,491
Dividends received from financial assets at fair value through other comprehensive income	-	33,080	33,080	-	28,760	28,760
Returns on sukuk and wakala investments	27,756	79,246	107,002	27,726	128,853	156,579
Currency differences	-	-	-	-	-	-
Other revenues	-	12,500	12,500	-	-	-
<b>Total gains from financial assets and investments</b>	<b>31,851</b>	<b>126,591</b>	<b>158,442</b>	<b>31,576</b>	<b>230,254</b>	<b>261,830</b>
Shareholders' share in return of investment property portfolio management	(11,148)	11,148	-	(11,051)	11,051	-
	<u>20,703</u>	<u>137,739</u>	<u>158,442</u>	<u>20,525</u>	<u>241,305</u>	<u>261,830</u>

## 21. Earnings per Share

Earnings per share is calculated by dividing the net earnings for the period over the weighted average common stock and it is calculated as follows:

	For the Six Months Ended June 30 (reviewed)	
	2022	2021
	JD	JD
Profit for the period	839,581	718,044
	Share	Share
Number of shares - Weighted average	28,000,000	28,000,000
	JD / Share	JD / Share
Earnings per share for the period - (basic & diluted)	0.029	0.026

## 22. Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statements consist of the amount shown in the condensed consolidated interim statement of financial position, which are detailed as follows:

	June 30,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Cash on hand and at banks	2,211,074	550,715
<u>Add: Bank deposits maturing in three months</u>	<u>5,302,380</u>	<u>4,889,913</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>7,513,454</u></b>	<b><u>5,440,628</u></b>

### 23. Related Party Balances and transactions

- The Company engaged in transactions with major owners' equity and key management within the company's normal business. All of the deferred insurance accounts receivables and financing due to the related parties are performing, and no provisions were recorded.
- The Company's management depends on the pricing policy and conditions for these transactions.
- Below is a summary of related parties' transactions during the period / year:

	Related Party				Total	
	Major Shareholders and Directors	Upper Management	Holding Company	Sister Company	June 30, 2022	December 31, 2021
	JD	JD	JD		JD	JD
<b><u>Condensed Consolidated Interim Statement of Financial Position Items</u></b>						
Accounts receivable	4,390	33,309	-	-	37,699	37,869
Deposits at banks outside of Jordan	-	-	-	2,580,100	2,580,100	3,039,008
Unpaid Dividends	-	-	896,812	-	896,812	-
<b><u>Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income Items</u></b>						
Investments revenues	-	-	-	53,072	53,072	116,511
Takaful Insurance contribution	808	-	-	-	808	952

Below is a summary of the executive management benefits (salaries, bonuses, and other benefits):

	June 30,	
	2022 (Reviewed)	2021 (Reviewed)
Salaries and bonuses	501,512	492,102
Others	-	-
	<u>501,512</u>	<u>492,102</u>

### 24. Lawsuits against the Company

There are lawsuits held against the Company for various types of claims, the determined lawsuits at courts is about JD 1,323,196 as of June 30, 2022 (JD 1,265,770 as of December 31, 2021). In the management and the legal advisors' opinion, the Company will not have claims that exceed the outstanding claims provision amount.

### 25. Fair Value Hierarchy

#### a. Fair Value of Financial Assets and Financial Liabilities Continuously Determined at Fair Value

Fair value is the price that would be received to sell an asset or as a payment to transfer a liability in an organized transaction between market participants at the measurement date, regardless of whether if price can be directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants take those characteristics into account when pricing the asset or liability at the measurement date.

Some of the financial assets and financial liabilities of the Company are estimated at fair value at the end of each financial period. The following table provides information about the manner in which financial assets and financial liabilities are determined (Evaluation methods and input used):

Financial assets / liabilities	Fair Value		Fair Value Level	Evaluation Method and Used Entries	Significant Intangible Entries	Relation Significant Intangible Entries and
	June 30, 2022	December 31, 2021				
	JD	JD				
<b>Financial assets at fair value through profit or loss</b>						
<b>Financial assets at fair value through comprehensive income</b>						
Financial assets at fair value through profit or loss	234,575	-	First Level	Prices stated in financial markets	N/A	N/A
Shares with quoted prices	1,709,835	1,431,188	First Level	Prices stated in financial markets	N/A	N/A
Shares with un-quoted prices	53,930	50,210	Third Level	Based on the latest available financial information	N/A	N/A
<b>Total</b>	<b>1,998,340</b>	<b>1,481,398</b>				

There were no transfers between first level and second level during the six months of June 30, 2022 and the ended year December 31, 2021.

**b. Fair Value of Financial Assets and Financial Liabilities Continuously Undetermined at Fair Value**

Except for what is stated in the schedule below, we believe that the carrying amount of the financial assets and financial liabilities stated in the Company's condensed consolidated interim financial information approximates their fair value. Moreover, the Company's management believes that the book value of the items below approximates their fair value due to either their short-term maturity or the re-pricing of interest rates during the period.

	June 30, 2022		December 31, 2021		Fair Value Layer
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial assets of undetermined fair value					
Deposits at banks	14,710,180	14,960,253	14,357,318	14,848,002	Third Level
Real-estate investments	6,701,405	7,179,701	6,665,787	7,110,083	Third Level
Financial assets at amortized cost	4,526,096	4,873,108	4,044,134	4,117,825	Third Level
<b>Total Financial assets of undetermined fair value</b>	<b>25,937,681</b>	<b>27,013,062</b>	<b>25,067,239</b>	<b>26,075,910</b>	

For the items shown above the fair value of assets and liabilities for the second and third level were determined according to agree upon pricing models that reflects credit risks related to the parties that are being dealt with.

**26. Impact of Coronavirus (Covid-19)**

There were no significant changes due to Covid-19 in the company's financial position and financial performance as of June 30, 2022 and there were no material changes in its main accounting judgments and estimates from those applied in the annual financial statements as of December 31, 2021.