

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

INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED MARCH 31, 2021

JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED FINANCIAL INFORMATION AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2021

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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

AM/ 007608

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

### **Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Jordan Insurance Company (A Public Shareholding Limited Company) "the Company", as of March 31, 2021 and the related interim condensed statements of profit or loss and comprehensive income for the three-months period ended March 31, 2021, and the interim condensed statements of changes in shareholders' equity and cash flows for the three-months period then ended, and a summary of significant accounting policies and other explanatory information. The management is responsible for the preparation and fair presentation of these interim condensed financial information in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial information 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 Company". A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared in all material respects, in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

### **Other Matter**

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

Amman – The Hashemite Kingdom of Jordan  
April 29, 2021

Deloitte & Touche (M.E.) – Jordan

ديلويت أند توش (الشرق الأوسط)  
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JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Note</u>	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD
Deposits at banks	4	26,983,327	18,151,137
Financial assets at fair value through statement of profit or loss	5	2,337,760	2,251,681
Financial assets at fair value through statement of comprehensive income	6	19,410,065	16,896,521
Investment properties	7	16,424,004	16,398,445
Life insurance policyholders' loans		38,539	44,539
Total Investments		<u>65,193,695</u>	<u>53,742,323</u>
Cash on hand and at banks		4,179,501	7,869,376
Notes receivable and checks under collection		3,337,712	3,000,514
Receivables - net	8	17,195,378	14,588,428
Reinsurance receivables - net	9	4,028,935	3,837,982
Deferred tax assets	17/d	2,990,572	3,167,997
Property and equipment - net		1,020,504	1,029,524
Intangible assets - net		227,216	237,112
Other assets	10	<u>3,086,574</u>	<u>2,233,204</u>
TOTAL ASSETS		<u>101,260,087</u>	<u>89,706,460</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		12,574,186	11,438,068
Outstanding claims reserve - net		14,637,377	14,817,111
Mathematical reserve - net		1,345,698	1,472,226
Premiums deficiency reserve		111,314	113,540
Total Insurance Contracts Liabilities		<u>28,668,575</u>	<u>27,840,945</u>
Due to Banks	11	16,241,186	11,029,220
Payables		3,286,328	2,540,997
Reinsurance payables	12	7,343,976	5,718,710
Various provisions		1,226,589	1,199,366
Income tax provision	17/a	300,662	255,662
Deferred tax liabilities	17/d	479,804	275,659
Other liabilities		1,088,642	842,319
TOTAL LIABILITIES		<u>58,635,762</u>	<u>49,702,878</u>
<u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve		(580,022)	(2,736,253)
Retained earnings		5,239,835	5,239,835
Profit for the period		464,512	-
TOTAL SHAREHOLDERS' EQUITY		<u>42,624,325</u>	<u>40,003,582</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>101,260,087</u>	<u>89,706,460</u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL  
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.



JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS  
FOR THE THREE-MONTHS PERIOD ENDED MARECH 31, 2021

	Note	For the Three-Months Period	
		Ended March 31,	
		2021 (Reviewed) JD	2020 (Reviewed) JD
Revenue:			
Gross written premiums - general insurance		13,569,178	13,539,074
Gross written premiums - life		5,402,088	5,096,070
Less: Re-insurers' share - general insurance		6,471,038	6,553,820
Re-insurers' share - life		3,145,441	2,887,920
Net Written Premiums		9,354,787	9,193,404
Net change in unearned premiums reserve		(1,136,118)	(447,729)
Net change in mathematical reserve		126,528	(8,446)
Net change in premiums deficiency reserve		2,226	4,850
Net Earned Written Premiums		8,347,423	8,742,079
Commissions' revenues		657,752	714,642
Insurance policies issuance fees		396,087	376,058
Credit Interest		55,987	97,561
(Loss) gain from financial assets and investments		161,081	(74,727)
Other revenues		(124,043)	372,053
Total Revenue		9,494,287	10,227,666
Claims, Losses and Expenses:			
Paid claims		12,378,350	10,842,292
Less: Recoveries		967,271	592,835
Less: Re-insurers' share		5,779,359	4,291,793
Add: Matured and dissolved policies		3,500	3,000
Net Paid Claims		5,635,220	5,960,664
Net change in outstanding claims reserve		(179,724)	(255,199)
Allocated employees' expenses		1,039,147	1,112,441
Allocated general and administrative expenses		495,748	414,547
Excess of loss premiums		144,035	153,923
Policies acquisition costs		704,305	788,831
Other expenses related to underwritings		379,925	430,370
Net Paid Claims Costs		8,218,656	8,605,577
Unallocated employees' expenses		189,483	193,189
Depreciation and amortization		64,433	64,324
Unallocated general and administrative expenses		96,026	73,007
Allowance for expected credit loss	8	-	-
Bank interests and charges		350,966	166,884
Other expenses		40,954	37,539
Total Expenses		741,862	534,943
Profit for the period before Tax		533,769	1,087,146
Less: Income tax surplus (expense)	17/b	69,257	40,031
Profit for the period		464,512	1,127,177
Earnings Per Share for the Period (Basic and Diluted)	13	-/015	-/038

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL  
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2021

	For the Three-Months	
	Period Ended March 31,	
	2020 (Reviewed)	2020 (Reviewed)
	JD	JD
Profit for the period	464,512	1,127,177
Other Comprehensive Income Statement Items:		
<u>Items that will not be reclassified subsequently</u>		
<u>to the interim condensed statement of profit or loss:</u>		
Change in fair value - financial assets at fair value through statement		
of comprehensive income - net	2,156,231	(3,984,391)
Total Comprehensive Income / (Comprehensive Loss) for the Period	2,620,743	(2,857,214)

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL  
 PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2021

	Paid - up Capital	Statutory Reserve	Financial Assets Evaluation Reserve		Realized	Retained Earnings		Profit for the Period	Total
			JD	JD		Unrealized	Total		
<b>For the Three-Months Period Ended March 31, 2021</b>									
Balance at the beginning of the period (Audited)	30,000,000	7,500,000	(2,736,253)		3,719,193	1,520,642	5,239,835	-	40,003,582
Profit for the period	-	-	-	-	-	-	-	464,512	464,512
Other comprehensive income items for the period - net	-	-	2,156,231	-	-	-	-	-	2,156,231
Total (Comprehensive Loss) for the Period	-	-	2,156,231	-	-	-	-	464,512	2,620,743
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	(580,022)		3,719,193	1,520,642	5,239,835	464,512	42,624,325
<b>For the Three-Months Period Ended March 31, 2020</b>									
Balance at the beginning of the period (Audited)	30,000,000	7,500,000	(4,197,641)		1,217,741	1,520,642	2,738,383	-	36,040,742
Profit for the period	-	-	-	-	-	-	-	1,127,177	1,127,177
Other comprehensive income items for the period - net	-	-	(3,984,391)	-	-	-	-	-	(3,984,391)
Total (Comprehensive Loss) for the Period	-	-	(3,984,391)	-	-	-	-	1,127,177	(2,857,214)
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	(8,182,032)		1,217,741	1,520,642	2,738,383	1,127,177	33,183,528

a. Retained earnings balance includes a restricted amount of JD 2,260,785 as of March 31, 2021 representing deferred tax assets (JD 2,285,042 as of December 31, 2020).

b. Retained earnings balance includes a restricted balance of JD1,221,061 as of March 31, 2021, representing the effect of the early adoption of IFRS (9), which represents revaluation of financial assets at fair value through statement of profit or loss according to the directives of Securities Exchange Commission.

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 20201

	Note	For the Three-Months Period Ended March 31,	
		2021 (Reviewed)	2020 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the period before tax		533,769	1,087,146
Adjustments:			
Depreciation and amortization		64,433	64,324
Expected credit loss	8	-	-
End of service indemnity provision		-	-
Net losses of financial assets and investments		-	74,727
Net change in unearned premiums reserve		1,136,118	447,729
Net change in outstanding claims reserve		(179,734)	(255,199)
Net change in mathematical reserve		(126,528)	8,446
Net change in premiums deficiency reserve		(2,226)	(4,850)
Cash Flows from Operating Activities before Changes in Working Capital Items		1,425,832	1,422,323
(Increase) decrease in checks under collection and notes receivable		(337,198)	292,138
(Increase) decrease in financial assets through statement of profit or loss		(86,079)	89,992
(Increase) in receivables		(2,606,950)	(3,991,493)
(Increase) decrease in re-insurance receivables		(190,953)	133,502
(Increase) in other assets		(853,370)	(420,547)
Increase (decrease) in payables		745,331	(359,688)
Increase in re-insurance payables		1,625,266	1,010,634
Increase in various provisions		27,223	6,402
Increase in other liabilities		246,323	147,854
Net Cash Flows (Used in) Operating Activities before Income tax Paid		(4,575)	(1,668,883)
Income tax paid	17 /a	-	(23,071)
Net Cash Flows (Used in) Operating Activities		(4,575)	(1,691,954)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in deposits at banks maturing in a period more than 3 months		-	93,625
Decrease in Life insurance policyholders' loans		6,000	-
(Increase) in property and equipment and intangible assets		(17,894)	-
(Increase) in investments properties		(53,182)	-
Net Cash Flows (Used in) Investment Activities		(65,076)	93,625
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in due to banks		5,211,966	(165,187)
Net Cash Flows from (Used in) Financing Activities		5,211,966	(165,187)
Net increase (decrease) in Cash		5,142,315	(1,763,516)
Cash and cash equivalents - beginning of the year		23,586,890	21,104,815
Cash and Cash Equivalents - End of the period	14	28,729,205	19,341,299

THE ACCOMPANYING NOTES FROM (1) TO (22) CONSTITUTE AN INTEGRAL  
PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.



JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

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1. Incorporation and Activities

- a. Jordan Insurance Company ("the Company") was established in 1951 and registered as a Jordanian public shareholding limited Company under number (11) with an authorized capital of JD 100 thousand. On July 12, 1981, the Company's capital was increased to JD 1.1 million. On May 1, 1988, General Insurance Society for Near East Company (Al – Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after revaluating both companies' assets. Consequently, the Company's capital was increased to JD 5 million, divided into 5 million shares at JD 1 per share. Furthermore, the Company's capital was increased in stages, the latest of which was during the year 2006. Accordingly, the Company's authorized and paid-up capital was increased by JD 10 million to become JD 30 million, divided into 30 million shares of JD 1 per share. The Company's address is Amman - Prince Mohammed Street, P.O. Box 279 Amman 11118, The Hashemite Kingdom of Jordan.

The Company conducts all types of insurance activities inside the Hashemite Kingdom of Jordan and has branches in Abu Dhabi, Sharja and Dubai. It also markets insurance policies in Kuwait through an agency.

2. Basis of Preparation

- The accompanying interim condensed financial information for the three-months period ended March 31, 2021 have been prepared in accordance with the International Accounting Standard No. (34) (Interim Financial Reporting).
- The interim condensed financial information are prepared in Jordanian dinar, which represents the Company's functional and presentation currency.
- The interim condensed financial information do not include all information and disclosures required for the annual financial statements and should be read with the Company's annual financial statements for the year ended December 31, 2020. Moreover, the results of operations for the three-months period ended March 31, 2021 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2020. No appropriation occurred on the profit of the period ended March 31, 2021 which is performed at the end of the financial year.

Judgments, Estimates and Risk Management

The preparation of the interim condensed 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 financial statements for the year ended December 31, 2020.

3. Significant Accounting Policies

The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2020.

However, the Company has adopted the following amendments and interpretations that apply for the period starting in or after January first 2021 in preparing the interim condensed financial information for the company which did not have a material effect on the amounts and disclosures in the interim condensed financial information for the period and prior years, noting that it might have an impact on the accounting treatment of future transactions and arrangements:

#### **Interest Rate Benchmark Reform - Phase 2 amendments**

Effective from January 1, 2021, the Group has implemented Interest Rate Benchmark Reform - Phase 2 amendments which address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IAS 39 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting.

The amendments require an Company to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. In addition it provides certain exceptions to hedge accounting requirements.

#### **4. Deposits at Banks**

This item consists of the following:

	March 31, 2021 (Reviewed)			December 31, 2020 (Audited)
	Deposits Maturing Within Three Months JD	Deposits Maturing In more than Three Months JD	Total JD	Total JD
Deposits at banks inside Jordan	2,486,706	485,334	2,972,040	4,084,908
Deposits at banks outside Jordan	22,062,998	1,948,289	24,011,287	14,066,229
Total	<u>24,549,704</u>	<u>2,433,623</u>	<u>26,983,327</u>	<u>18,151,137</u>

- Deposits pledged as collaterals to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of March 31, 2021 and December 31, 2020 and its maturity exceed three-months.
- Interest rates on bank deposit balances in Jordanian Dinars ranges from 2% to 4% and US Dollar from 0,05% to 0,25%.

#### **5. Financial Assets at Fair Value through Statement of Profit or Loss**

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Quoted shares	<u>2,337,760</u>	<u>2,251,681</u>
	<u>2,337,760</u>	<u>2,251,681</u>



6. Financial Assets at Fair Value through Statement of Comprehensive Income

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
<u>Inside Jordan</u>	JD	JD
Quoted shares	4,504,170	3,915,061
Unquoted shares	21,843	21,843
	<u>4,526,013</u>	<u>3,936,904</u>
<u>Outside Jordan</u>		
Quoted shares	10,644,608	8,720,173
Unquoted shares *	4,239,444	4,239,444
	<u>14,884,052</u>	<u>12,959,617</u>
Total Financial assets at Fair Value through comprehensive income	<u>19,410,065</u>	<u>16,896,521</u>

- \* This item represents an amount of JD 4,069,983 (net after increasing the impact of revaluation amounting to JD 731,133 as of March 31, 2021), investment in Asia Insurance Company's shares (Iraq), and the shares registered in the Company's name reached an amount of 5,925,000,000 Share / Iraqi Dinar equivalent to 19,75% of the company's paid-up capital as of March 31, 2021 and December 31, 2020.

7. Investment Properties

- a. This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Lands *	12,803,008	12,753,008
Net buildings after depreciation	3,620,996	3,645,437
	<u>16,424,004</u>	<u>16,398,445</u>

- b. Additions to investment properties amounted to JD 53,183 during the period ended March 31, 2021.
- c. The fair value of investment property has been evaluated by real estate appraisers at JD 28,116,536 as of March 31, 2021 and December 31, 2020.

8. Receivables - Net

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Policyholders' receivable	16,520,148	13,517,178
Agents' receivable	2,810,038	3,287,171
Employees' receivable	94,271	101,074
Other receivables	1,199,333	1,111,417
	<u>20,623,790</u>	<u>18,016,840</u>
(Less): Expected credit loss *	<u>(3,428,412)</u>	<u>(3,428,412)</u>
Net Receivables	<u>17,195,378</u>	<u>14,588,428</u>

\* Movement on the expected credit loss related to receivables is as follows:

	For the Three Months Period Ended March 31, 2021 (Reviewed)	For the Year Ended December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	3,428,412	3,712,160
(Released) during the year	-	(193,000)
(Less): Written-off debts	-	(90,748)
Balance at the End of the Period / Year	<u>3,428,412</u>	<u>3,428,412</u>

**9. Re-insurance Receivable - Net**

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local insurance companies	2,529,162	2,539,096
Foreign re-insurance companies	<u>2,461,415</u>	<u>2,260,528</u>
	4,990,577	4,799,624
(Less): Expected credit loss for re-insurance receivables	<u>(961,642)</u>	<u>(961,642)</u>
	<u>4,028,935</u>	<u>3,837,982</u>

- The Company follows the settlement policy on local insurance companies' receivables within three months of the claim.

**10. Other Assets**

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Refundable deposits	1,389,908	1,381,748
Accrued revenue	64,166	35,605
Prepaid expenses	1,289,422	480,813
Other	<u>343,078</u>	<u>335,038</u>
	<u>3,086,574</u>	<u>2,233,204</u>

**11. Due to Banks**

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Bank of Jordan *	5,000,000	5,000,000
Cairo Amman Bank **	6,156,538	6,029,220
Arab Bank ***	<u>5,084,648</u>	<u>-</u>
	<u>16,241,186</u>	<u>11,029,220</u>

- \* This item represents the utilized balance as of March 31, 2021 of the overdraft facilities granted by Bank of Jordan at the ceiling of JD 5 million at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.



\*\* This item represents the utilized balance as of March 31, 2021 of the overdraft facilities granted by Cairo Amman Bank at a ceiling of JD 6/9 million and an interest rate of 8% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.

\*\*\* This item represents the utilized balance as of March 31, 2021 of the overdraft facilities granted by Arab bank at a ceiling of JD 5/5 million at an interest rate of 8,375% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial Company. The main objective of these facilities is to finance the Company's activities.

## 12. Re-insurance Payables

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local insurance companies	2,135,638	2,355,663
External reinsurance companies	5,208,338	3,363,047
	<u>7,343,976</u>	<u>5,718,710</u>

## 13. Earnings Per Share for the Period (Basic and Diluted)

The details of this item are as follows:

	For the Three-Months Period Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Profit for the period	464,512	1,127,177
	Share	Share
Weighted average number of shares	30,000,000	30,000,000
	JD / Share	JD/Share
Earnings Per Share for the Period (Basic and Diluted)	<u>0/015</u>	<u>0/038</u>

## 14. Cash and Cash Equivalents

This item consists of the following:

	For the Three-Months Period Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Cash on hand	222,461	58,216
Deposits maturing within three months	24,549,704	15,172,473
Current accounts at banks	3,957,040	4,110,610
	<u>28,729,205</u>	<u>19,341,299</u>

#### 15. Balances and Transactions with Related Parties

Related parties, as defined in International Accounting Standard No. (24) (Related Party Disclosures), include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The balances and movements resulting from transactions with related parties are as follows:

	March 31, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
<u>Interim Condensed Statement of Financial Position</u>		
<u>Items</u>		
Accounts receivable	538,313	1,433,024
Accounts payable	650,306	5,881
For the Three-Months Period Ended March 31,		
	2021 (Reviewed) JD	2020 (Reviewed) JD
<u>Interim Condensed Statement of Profit or Loss Items</u>		
Insurance premiums	554,298	381,841

All transactions with related parties are related to the Board of Directors and their relatives.

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

	For the Three-Months Ended March 31,	
	2021 (Reviewed) JD	2020 (Reviewed) JD
Salaries and other benefits	135,706	159,255
	<u>135,706</u>	<u>159,255</u>

#### 16. Assets and Liabilities Distribution by Sector

Information regarding the Company's reportable segments is set out below in accordance with IFRS No. (8). IFRS No. (8) requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Company's chief operating decision maker ("CODM") and used to allocate resources to the segments and to assess their performance. The Company is mainly engaged in various insurance activities. The majority of the Company's revenue, profits and assets relate to its operations in the Hashemite Kingdom of Jordan. Inter-segment sales are charged at selling prices in natural conditions.

Distribution of the assets and liabilities as of March 31, 2021 and December 31, 2020 is as follows:

		March 31, 2021 (Reviewed)	
		Assets	Liabilities and Shareholders' Equity
		JD	JD
a. By Insurance Activity:			
Life and Medical		22,218,135	22,218,135
General Insurance		79,041,952	79,041,952
Total		101,260,087	101,260,087
b. By Geographical Distribution:			
Inside Jordan		71,490,878	91,715,729
Outside Jordan		29,769,209	9,544,358
		101,260,087	101,260,087

		December 31, 2020 (Audited)	
		Assets	Liabilities and Shareholders' Equity
		JD	JD
a. By Insurance Activity:			
Life and Medical		21,326,587	21,326,587
General Insurance		66,687,880	66,687,880
Total		88,014,467	88,014,467
b. By Geographical Distribution:			
Inside Jordan		66,850,386	66,850,386
Outside Jordan		21,164,081	21,164,081
		88,014,467	88,014,467

#### 17. Income Tax

##### a. Income tax provision

- Movement on the income tax provision is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	255,662	103,822
Income tax paid	45,000	516,000
Income tax expense for the period / year	-	(364,160)
	300,662	255,662

##### b. Income Tax (Surplus) Expense

The income tax expense stated in the interim condensed statement of profit or loss represent the following:

	For the Three-Months Period Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Income tax expense for the period	45,000	225,000
Deferred tax impact	24,257	(265,031)
Expense (Surplus) Income Tax for the Period	69,257	(40,031)



c. Tax Status:

- A final settlement of income tax has been reached in Jordan until the end of 2016 and 2018. The Company submitted its tax return and paid the declared tax for the years of 2017 and 2019. The company's returns are still under the review of the Income and Sales Tax Department.
- The Company's branches profits in the United Arab Emirates are not taxable, the Company's profit in Kuwait is subject to income tax rate at 10%, which has been settled up to the end of 2018 and the declared taxes were paid for the end of the year of 2018. The company also submitted the self-assessment form for the year 2019 and paid the stated tax, the form is under the review of the Kuwaiti Ministry of Finance – Tax Sector.
- The income tax due for the three months ended March 31, 2021 has been calculated. In the opinion of the Company's management and tax advisor, the provisions in the interim condensed financial information are sufficient to mitigate any tax liabilities.

d. Deferred Tax Assets and Liabilities:

- The movement on the deferred tax assets is as follows:

	March 31, 2021 (Reviewed)				December 31, 2020 (Audited)	
Deferred Tax Assets Includes the following accounts:	Beginning Balance of the Period	Released amounts	Addition amounts	Balance at the End of Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Expected Credit Loss	3,251,624	-	-	3,251,624	845,422	845,422
End of service Indemnity Provision	369,057	-	13,207	382,264	95,389	95,955
IBNR provision	3,007,608	20,432	-	2,987,176	776,666	781,978
Financial assets at fair value valuation losses through statement of profit or loss	2,160,334	86,071	-	2,074,263	539,308	561,687
Financial assets valuation losses through statement of comprehensive income	3,395,983	589,110	-	2,806,873	729,787	882,955
	<u>12,184,606</u>	<u>695,613</u>	<u>13,207</u>	<u>11,502,200</u>	<u>2,990,572</u>	<u>3,167,997</u>

- The movement on the deferred tax liabilities is as follows:

	March 31, 2021 (Reviewed)				December 31, 2020 (Audited)	
Deferred Tax Liabilities Includes the following accounts:	Beginning Balance of the Period	Released amounts	Addition amounts	Balance at the End of Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Gain on financial assets valuation at fair value through statement of profit or loss	2,297,161	-	-	2,297,161	275,659	275,659
Gain on financial assets valuation at fair value through other comprehensive income	-	-	1,701,210	1,701,210	204,145	-
	<u>2,297,161</u>	<u>-</u>	<u>1,701,210</u>	<u>3,998,371</u>	<u>479,804</u>	<u>275,659</u>



- The Movement of the Deferred Tax Assets during the period / year is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	3,167,997	1,520,642
Addition	3,434	1,672,683
Released	(180,859)	(25,328)
Balance at the End of the Period / year	<u>2,990,572</u>	<u>3,167,997</u>

- The Movement of the Deferred Tax Liabilities during the period / year is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	275,659	-
Addition	204,145	275,659
Released	-	-
Balance at the End of the Period / year	<u>479,804</u>	<u>275,659</u>

In the opinion of the company's management and its tax advisor, the company has the future ability to benefit from the deferred tax balances resulting from the reserves stated above.

#### 18. Lawsuits Against the Company

There are lawsuits raised against the Company seeking compensation on various accidents., Lawsuits at courts with determinable values amounted to approximately JD 1,786,807 as of March 31, 2021 (JD 1,854,235 as of December 31, 2020). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions booked within the claims provision shall arise.

#### 19. Contingent Liabilities

As of the date of the interim condensed financial information the Company had contingent liabilities represented in bank guarantees in an amount of JD 3,046,049 and it is guaranteed by the Company's financial solvency as of March 31, 2021 (JD 3,046,800 as of December 31, 2020).

#### 20. Approval of Interim Condensed Financial Information

The interim condensed financial information were approved by the Board of Directors and authorized for issue on April 28, 2021.

#### 21. Solvency Margin

The Company achieved the required solvency margin according to the instructions of the Insurance Management, which should not be less than 200% as of March 31, 2021, noting that the solvency margin of the Company is 200% without taking into consideration the excesses approved by the Insurance Management.

## 22. Fair Value Hierarchy

### a. Fair value of financial assets for the Company that are continuously determined at fair value:

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Some of the financial assets for the Company are measured at fair value at the end of each financial period, the following table gives information about how the fair value of these financial assets are determined (evaluation methods and inputs used).

Financial Assets	Fair Value		Fair Value Hierarchy	Valuation Methods and Inputs Used	Significant Intangible Inputs	Relationship between Significant Intangible Inputs to fair value
	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)				
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through statement of profit or loss:						
Shares	2,337,760	2,251,681	Level one	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income:						
Shares with available market prices	15,148,778	12,635,234	Level one	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market prices	21,834	21,843	Level three	The net asset value through the most recent financial information available	Not Applicable	Not Applicable
Shares with unavailable market prices	4,239,444	4,239,447	Level three	Cash flow discount method	Applicable	Applicable
	19,410,065	19,321,922				
Total Financial Assets at Fair Value	21,747,825	21,649,276				

There were no transfers between level one, level two and level three during the three months ended March 31, 2021 and the year ended December 31, 2020.

### b. Fair value of financial assets and financial liabilities for the company that are not continuously determined at fair value:

Except to what is mentioned in the table below, we believe that the carrying amounts of the financial assets and financial liabilities stated in the Company's financial information approximate their fair values:

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		Fair value Hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets with undetermined fair value					
Deposits at banks	26,983,327	27,522,994	18,151,137	18,514,160	Level three
Life insurance policyholders' loans	38,539	39,310	44,539	45,430	Level three
Investment properties	16,424,004	28,116,536	16,398,445	28,116,536	Level three
Total Financial assets with undetermined fair value	43,445,870	55,678,840	34,594,121	46,676,126	

The fair values of the financial assets included in level three hierarchy above have been determined in accordance with the generally accepted pricing models based on the discounted cash flow method taking into consideration the interest rate as the most critical component of the calculation.