

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

CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION FOR
THE PERIOD ENDED
MARCH 31, 2022

FIRST INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION WITH REVIEW REPORT FOR
THE INDEPENDENT AUDITOR
FOR THE THREE MONTHS ENDED MARCH 31, 2022

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Review Report for the independent auditor

AM/ 012534

To the Chairman and Members of the Board of Directors
First Insurance Company
(A Public Shareholding Limited Company)
Amman – 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 March 31, 2022 and the related condensed consolidated interim statements of policyholders revenue and expenses, profit or loss and comprehensive income, changes in owners' equity, changes in policyholders' equity and cash flows for the three-months period ended then, 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 No. (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 Consolidated Interim Financial Information Performed by the Independent Auditor of the Company". A review of the consolidated interim financial information consists of making inquiries, primarily from the personnel's responsible for financial and accounting matters, applying analytical and other review procedures. The 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 all material respects in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Amman – The Hashemite Kingdom of Jordan
April 27, 2022


Deloitte & Touche (M.E) - Jordan

Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
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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>	March 31, 2022 (Reviewed) JD	December 31, 2021 (Audited) JD
Investments:			
Deposits at banks - net	4	14,882,667	14,357,318
Financial assets at fair value through profit or loss	25	183,825	-
Financial assets at fair value through other comprehensive income	25	1,489,685	1,481,398
Financial assets at amortized cost - net	5	4,525,516	4,044,134
Real-estate investments - net	25	6,652,921	6,665,787
Total Investments		<u>27,734,614</u>	<u>26,548,637</u>
Cash on hand and at banks	6	401,805	1,735,700
Checks under collection - net		3,612,767	3,961,386
Receivables - net	7	15,579,510	11,133,877
Reinsurance receivables - net	8	1,163,320	2,735,892
Deferred tax assets		1,015,477	942,636
Property and equipment - net		10,241,172	10,334,975
Intangible assets - net		825,306	856,118
Other assets	9	1,084,884	582,799
TOTAL ASSETS		<u>61,658,855</u>	<u>58,832,020</u>
<u>LIABILITIES AND POLICY HOLDERS' EQUITY</u> <u>AND OWNERS' EQUITY</u>			
<u>LIABILITIES:</u>			
Unearned contributions reserve - net		11,261,365	9,171,930
Premiums deficiency reserve		294,000	233,000
Outstanding claims reserve - net		4,791,887	4,803,151
Unallocated loss adjustment reserve		274,435	200,000
Mathematical reserve - net		130,777	130,032
Total Insurance Contracts Liabilities		<u>16,752,464</u>	<u>14,538,113</u>
Payables	11	2,933,679	2,215,577
Reinsurance payables	12	6,693,256	7,050,586
Accrued expenses		19,246	23,419
Various provisions		53,950	45,000
Income tax provision	10	123,264	44,500
Deferred tax liabilities		11,630	11,431
Other liabilities		845,735	840,137
TOTAL LIABILITIES		<u>27,433,224</u>	<u>24,768,763</u>
<u>POLICY HOLDERS' EQUITY:</u>			
Al-Qard al-hasan granted by owner's equity to cover policy holder's deficit	13	-	-
Reserve to cover deficit (contingency provision)	14	-	14,160
Accumulated surplus (deficit) for policyholders' fund	15	-	-
Total Policyholders' Equity		<u>-</u>	<u>14,160</u>
<u>OWNERS' EQUITY:</u>			
Authorized and paid-up capital	16	28,000,000	28,000,000
Statutory reserve	17	3,561,202	3,561,202
Financial assets valuation reserve - net after tax		(230,540)	(239,071)
Retained earnings		2,626,744	2,726,966
Income for the period		268,225	-
Total Owners' Equity		<u>34,225,631</u>	<u>34,049,097</u>
Total Policyholders' and Owners' Equity		<u>34,225,631</u>	<u>34,063,257</u>
TOTAL LIABILITIES AND POLICYHOLDERS' AND OWNERS' EQUITY		<u>61,658,855</u>	<u>58,832,020</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION AND SHOULD BE READ 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' REVENUE AND EXPENSES

		For the Three-Months Ended March 31,	
	Note	2022 (Reviewed) JD	2021 (Reviewed) JD
<u>Takaful Insurance Revenue:</u>			
Gross written contributions		16,027,209	14,473,862
<u>Less: Re-insurers' share</u>		(8,603,087)	(9,038,961)
Net Written Contributions from Takaful Insurance Operations for Policyholders		7,424,122	5,434,901
Net change in unearned contributions reserve		(2,089,435)	(472,476)
Net change in mathematical reserve		(745)	(3,994)
Net Earned Contributions Revenue from Takaful Insurance operations for Policyholders		5,333,942	4,958,431
Commissions' revenue		1,275,016	1,253,820
Takaful policies issuance revenue		679,540	699,034
Policyholders' share of investment income		39,995	30,728
<u>Less: Owners' equity share for managing the investment portfolio</u>		(13,998)	(10,755)
Total Revenue from Takaful Insurance operations for Policyholders'		7,314,495	6,931,258
<u>Claims, Losses and Expenses from Takaful Insurance Operations:</u>			
Paid claims		9,800,746	9,419,280
<u>Less: Recoveries</u>		(778,135)	(503,665)
Re-insurers' share		(4,078,031)	(3,724,386)
Net Paid Claims from Takaful Insurance Operations		4,944,580	5,191,229
Net change in outstanding claims reserve		(11,264)	(631,308)
Owners' equity share for managing the operations of takaful insurance	18	2,655,600	2,344,073
Excess of loss contributions		62,915	60,375
Takaful policies acquisition costs		259,159	230,090
Other underwriting expenses		463,317	364,892
Net Claims Costs		8,374,307	7,559,351
<u>Less: Policyholders' share of Takaful Insurance operations:</u>			
Expected credit losses		50,000	50,000
Depreciation and amortization		18,867	18,767
Other expenses		37,962	40,710
Total Policyholders' share of Takaful Insurance		106,829	109,477
Policyholders' (deficit) before tax		(1,166,641)	(737,570)
<u>Add: Income tax surplus for the period</u>	10	305,259	193,710
Policyholders' (Deficit) from Takaful Insurance operations		(861,382)	(543,860)

Chairman of the Board of Directors

Chief Executive Officer

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FIRST INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	For the Three-Months Ended March 31,	
		2022	2021
		(Reviewed)	(Reviewed)
		JD	JD
Owners' equity revenue from Al-Takaful Insurance operations:			
Owners' equity share for managing the takaful insurance operations	18	2,655,600	2,344,073
Owners' equity share of investments income		115,993	110,295
Owners' equity share of profits from financial assets and investments income		63,884	117,392
Owners' equity share for managing the investments portfolio		13,998	10,755
Other revenue		44,385	-
Total Owners' Equity Revenues from General and Takaful Insurance Operations		<u>2,893,860</u>	<u>2,582,515</u>
<u>Claims, losses and expenses from general insurance operations:</u>			
Paid claims		-	-
Less: Recoveries		-	(5,580)
Reinsurers' share		-	-
Net paid claims		-	(5,580)
Net change in outstanding claims reserve		-	-
Net Claims from General Insurance operations		-	(5,580)
Unallocated employees' expenses		922,812	870,509
Unallocated general and administrative expenses		378,908	327,163
Expense for Al Qard Al Hasan granted to policyholders'	13	847,222	540,449
Depreciation and amortization		114,959	119,687
Other Expenses		-	9,581
Total Claims, Losses and Expenses from General Insurance Operations		<u>2,263,901</u>	<u>1,867,389</u>
Income for the period before tax		629,959	720,706
Less: Income tax expense for the period	10	<u>(361,734)</u>	<u>(314,459)</u>
Income for the period		<u>268,225</u>	<u>406,247</u>
Earning per share for the period (Basic and Diluted)	19	<u>0.010</u>	<u>0.015</u>

Chairman of the Board of Directors

Chief Executive Officer

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FIRST INSURANCE COMPANY
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the Three - Months	
	Ended March 31,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Income for the period	268,225	406,247
Comprehensive Income Statement Items:		
<u>Add</u> : Other comprehensive income items after tax not to be transferred to profit or loss in the subsequent periods		
Owners' equity share from the change in fair value of financial assets at fair value through other comprehensive income	8,531	27,375
Total Comprehensive Income for the Period	<u>276,756</u>	<u>433,622</u>

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FIRST INSURANCE COMPANY
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

	Financial Assets				Income for	Total Owners'
	Paid-up	Statutory	Valuation	Retained	the period	Equity
	Capital	Reserve	Reserve - Net	Earnings *		
	JD	JD	JD	JD	JD	JD
<u>For the Three months ended March 31, 2022</u>						
Balance at the beginning of the period (Audited)	28,000,000	3,561,202	(239,071)	2,726,966	-	34,049,097
Prior years adjustments	-	-	-	(100,222)	-	(100,222)
Total comprehensive income for the period	-	-	8,531	-	268,225	276,756
Balance - End of the Period (Reviewed)	28,000,000	3,561,202	(230,540)	2,626,744	268,225	34,225,631
<u>For the Three months ended March 31, 2021</u>						
Balance at the beginning of the period (Audited)	28,000,000	3,494,290	(1,917,805)	3,522,266	-	33,098,751
Total comprehensive income for the period	-	-	27,375	-	406,247	433,622
Balance - End of the Period (Reviewed)	28,000,000	3,494,290	(1,890,430)	3,522,266	406,247	33,532,373

* An amount from retained earnings equivalent to the negative financial assets valuation reserve balance is restricted in accordance with the related regulations as of March 31, 2022.

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FIRST INSURANCE COMPANY
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN POLICYHOLDERS' EQUITY

	Reserve to cover deficit (Contingency provision)		Accumulated Deficit		Al-Qard Al-Hasan granted by Owners' equity to Cover the Policyholders' Deficit		Net Policyholders' Equity	
	JD	JD	Realized	Unrealized	JD	JD	JD	JD
For the Three months ended March 31, 2022								
Balance at the beginning of the period (audited)	14,160	-	-	-	-	-	14,160	
Policyholders' (deficit) from Takaful Insurance operations	-	(861,382)	-	-	-	-	(861,382)	
Transfers to policyholders' deficit	-	847,222	-	-	(847,222)	-	-	
Transfers from reserve to cover deficit (contingency provision)	(14,160)	14,160	-	-	-	-	-	
Al Qard Al Hasan granted by owners' equity	-	-	-	-	847,222	847,222	847,222	
Balance at the end of the period (reviewed)	-	-	-	-	-	-	-	
For the Three months ended March 31, 2021								
Balance at the beginning of the period (audited)	3,411	-	-	-	-	-	3,411	
Policyholders' (deficit) from Takaful Insurance operations	-	(543,860)	-	-	-	-	(543,860)	
Transfers to policyholders' deficit	-	540,449	-	-	(540,449)	-	-	
Transfers from reserve to cover deficit (contingency provision)	(3,411)	3,411	-	-	-	-	-	
Al Qard Al Hasan granted by owners' equity	-	-	-	-	540,449	540,449	540,449	
Balance at the end of the period (reviewed)	-	-	-	-	-	-	-	

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FIRST INSURANCE COMPANY
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		For the Three Months Ended	
		March 31,	
	Note	2022 (Reviewed) JD	2021 (Reviewed) JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) for the period before tax		(536,682)	(16,864)
Adjustments:			
Depreciation and amortization		133,826	138,454
Expected credit losses	7	50,000	50,000
Net change in unearned contributions reserve		2,089,435	472,476
Net change in outstanding claims reserve		(11,264)	(631,308)
Net change in mathematical reserve		745	3,994
Net change in financial assets at fair value through profit or loss		(33,514)	-
Returns from sukuk		(36,965)	(66,961)
Expense for Al-Qard Al-Hasan granted to policyholders'	13	847,222	540,449
Net Cash Flows from Operating Activities before Changes in Working Capital		2,502,803	490,240
Decrease in checks under collection		348,619	412,999
(Increase) in receivables		(4,495,633)	(4,026,881)
Decrease (increase) in re-insurance receivables		1,572,572	(282,095)
(Increase) in other assets		(502,085)	(392,828)
Increase in accounts payable		718,102	805,214
(Decrease) in accrued expenses		(4,173)	(9,319)
(Decrease) increase in re-insurance payables		(357,330)	2,674,143
Increase in other liabilities		6,427	824,797
Increase in various provisions		8,950	5,000
Net Cash Flow (used in) from Operating Activities before income tax paid		(201,748)	501,270
Income tax paid	10/A	(15,725)	(134,392)
Net Cash Flows (used in) from Operating Activities		(217,473)	366,878
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks		(1,176,157)	(342,697)
(Purchase) of financial assets at fair value through profit or loss		(150,311)	-
Change in property and equipment and projects under construction and intangible assets		3,655	(121,181)
(Purchase) of sukuk		(482,404)	-
Proceeds from sukuk returns		36,965	66,961
Sukuk amortization		1,022	2,338
Net Cash Flows (used in) Investing Activities		(1,767,230)	(394,579)
Net (Decrease) in Cash and Cash Equivalent		(1,984,703)	(27,701)
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	20	672,858	2,325,335

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FIRST INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Establishment and Activities

First Insurance Company was established on 28 December 2006 in Amman - The Hashemite kingdom of Jordan 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 Public Shareholding Limited Company's capital, 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.

2. Basis of Preparation

- The condensed consolidated interim financial information for the Company and its subsidiaries have been prepared for the three months ended March 31, 2022 in accordance with International Accounting Standard number (34) related 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 condensed consolidated interim financial information doesn't 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 three months period ended March 31, 2022 do not necessarily provide an indication of the results of operations for the year ending December 31, 2022. No appropriation occurred on the profit of the period ended March 31, 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 March 31, 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 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 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 derecognise 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.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

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.

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.

This item consists of the following:

Return rates on the deposits at banks in Jordanian Dinar ranges from 2.5 % to 3.9%, while the return on the deposits balances outside Jordan in US Dollar ranges from 3.1% to 3.6% as of March 31, 2022.

Balances at banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of Jordan and central banks of each respective country the Company has accounts in. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. Considering the historical default experience and the current credit ratings of the banks, the management of the Company have assessed that there is an impairment, and hence have recorded a loss allowances on these balances.

5. Financial assets at amortized cost - Net

This item consists of the following:

	March 31, 2022 (Reviewed)			December 31, 2021 (Audited)		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Sukuk	992,997	3,538,873	4,531,870	992,436	3,058,052	4,050,488
(Less): Expected credit losses provision	(790)	(5,564)	(6,354)	(790)	(5,564)	(6,354)
	<u>992,207</u>	<u>3,533,309</u>	<u>4,525,516</u>	<u>991,646</u>	<u>3,052,488</u>	<u>4,044,134</u>

- The Sukuk above have fixed return ranges between 3.88 % to 6.26 % annually.
- During the period, the company has purchased Sukuk by an amount of JD 482,404.
- The Sukuk were amortized by an amount of JD 1,022 during the period.

6. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2022 (Reviewed)			December 31, 2021 (Audited)		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Cash on hand	58,378	4,240	62,618	339,326	3,852	343,178
Current accounts at banks	<u>222,924</u>	<u>116,263</u>	<u>339,187</u>	<u>1,277,749</u>	<u>114,773</u>	<u>1,392,522</u>
	<u>281,302</u>	<u>120,503</u>	<u>401,805</u>	<u>1,617,075</u>	<u>118,625</u>	<u>1,735,700</u>

7. Receivables - Net

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Policyholders' receivable	17,204,013	12,746,199
Brokers' receivable	18,590	17,897
Employees' receivable	99,680	73,422
Owners' Equity receivable	1,052	6,590
Others	57,176	40,770
Total	<u>17,380,511</u>	<u>12,884,878</u>
(Less): Expected credit losses provision*	<u>(1,801,001)</u>	<u>(1,751,001)</u>
	<u>15,579,510</u>	<u>11,133,877</u>

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

	For the Three Months Ended March 31, 2022 (Reviewed)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	1,751,001	1,601,001
Additions during the period / year	50,000	150,000
Balance at the end of the period / year	<u>1,801,001</u>	<u>1,751,001</u>

- The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

8. Reinsurance Receivables - Net

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Local insurance companies	1,138,540	1,312,885
Foreign reinsurance companies	194,780	1,593,007
Total reinsurance receivables	1,333,320	2,905,892
(Less): Expected credit losses provision	(170,000)	(170,000)
	1,163,320	2,735,892

- The Company always measures the loss allowance for reinsurance receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on reinsurance receivables are estimated using a provision matrix by reference to past default experience with the reinsurers and an analysis of the debtor's current financial position, adjusted for factors that are specific to the reinsurers, general economic conditions of the industry in which the reinsurers operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

9. Other assets

This item consists of the following:

	March 31, 2022 (Reviewed)			December 31, 2021 (Audited)		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Accrued and not received revenues	154,840	261,088	415,928	26,489	340,419	366,908
Prepaid expenses	188,744	440,679	629,423	-	176,436	176,436
Refundable deposits	5,510	34,023	39,533	5,510	33,945	39,455
	349,094	735,790	1,084,884	31,999	550,800	582,799

10. Income Tax

a. Income tax provision

Movement on the income tax provision is as follows:

	March 31, 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
Accrued Income tax on the period's profits	(267,245)	361,734	94,489	2,268	108,927	111,195
Income tax paid	-	(15,725)	(15,725)	(5,477)	(572,083)	(577,560)
Balance at end of the period / year	(114,246)	237,510	123,264	152,999	(108,499)	44,500

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

	For the Three Months Ended in March 31			
	2022 (Reviewed)		2021 (Reviewed)	
	Policyholders'	Owners'	Policyholders'	Owners'
	JD	Equity JD	JD	Equity JD
Accrued income tax on the period's profits	(267,245)	361,734	(104,918)	314,459
Impact of deferred taxes	(38,014)	-	(88,792)	-
Income tax (surplus) expense	(305,259)	361,734	(193,710)	314,459

- The Company has a final settlement with Income and Sales Tax Department until the end of year 2018, and the Company's self-assessment statement for 2019 and 2020 was accepted by the Income and Sales Tax Department within the sampling system.
- In the opinion of the management and the tax consultant, the Income tax provision is sufficient as of March 31, 2022.
- The income tax provision for the period ended March 31, 2022 and 2021 were calculated for the parent Company in accordance with the Income Tax Law at a rate of 26% for balances inside the Kingdom while a rate of 10% for the balances outside the kingdom, and this is in according to the amended Income Tax Law (38/2018).
- The provision for income tax was calculated for the period ended March 31, 2022 and 2021 for subsidiaries companies in accordance with Income Tax Law (38/2018) with a percentage of 20%.

11. Payables

This item consists of the following:

	March 31, 2022 (Reviewed)			December 31, 2021 (Audited)
	Policyholders	Owners'	Total	Total
	JD	Equity JD	JD	JD
	JD	JD	JD	JD
Agents' Payable	124,566	-	124,566	154,114
Brokers' Payable	176,079	-	176,079	175,679
Employees' Payable	-	4,539	4,539	5,087
Suppliers Payable	1,046,949	31,992	1,078,941	528,462
Others*	1,514,664	34,890	1,549,554	1,352,235
Total	2,862,258	71,421	2,933,679	2,215,577

- * This item includes payables to customers, loss adjuster, lawyers, consultants and medical service provider's.

12. Reinsurance Payables

This item consists of the following:

	March 31, 2022 (Reviewed)			December 31, 2021 (Audited)
	Policyholders	Owners'	Total	Total
	JD	Equity JD	JD	JD
	JD	JD	JD	JD
Local insurance companies	850,554	6,193	856,747	277,191
Foreign reinsurance companies	5,836,518	-	5,836,518	6,773,395
	6,687,072	6,193	6,693,256	7,050,586

13. Al Qard Al Hasan Granted by the Owners to Cover the Policyholders' Fund Deficit

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	-	-
Policyholders' (deficit) during the period / year	-	-
Al Qard Al Hasan granted by owners to cover the deficit for the period	847,222	-
Transferred from fund reserve deficit (contingency provision)	(847,222)	-
Balance at the end of the period / year	-	-

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

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

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

	March 31, 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	-	14,160

15. Policyholders Accumulated Fund Deficit

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	-	-
Policyholders' (deficit) during the period / year	(861,382)	10,749
Transfers from reserve to cover fund deficit (contingency provision)	14,160	(10,749)
Transferred from Al Qard Al Hasan to cover the fund deficit for the period/ year	847,222	-
Balance at the end of the period / year	-	-

16. Capital

The paid-up capital is JD 28 million as of March 31, 2022 and December 31, 2021 divided into 28 million shares, par value of each share is 1 JD.

17. Statutory Reserve

The amounts collected in this account represent the transferred annualized profit before tax of 10% during the prior years in accordance with the Companies Law and is not distributable to shareholders.

18. Owner's 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 quarter 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 an optional 100% reinsured policies, 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. Earnings per Share for the Period

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 Three Months Ended March 31,	
	2022 (Reviewed) JD	2021 (Reviewed) JD
Net shareholders' profit for the period	268,225	406,247
	Share	Share
Weighted average number of shares	28,000,000	28,000,000
	JD / Share	JD / Share
Earnings per share for the period – (basic and diluted)	- /010	- /015

20. Cash and Cash Equivalents

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

	For the Three Months Ended March 31,	
	2022 (Reviewed) JD	2021 (Reviewed) JD
Cash on hand and at banks	401,805	793,237
Add: Bank deposits maturing within three months - net	271,053	1,532,098
Cash and cash equivalents at the end of the period	672,858	2,325,335

21. Main Segments Analysis

a. Information on the Company's Operating Segments

The Company was organized to include the general takaful sector (general insurance), in accordance with the reports used by the Executive Manager and the primary decision maker which includes (motor, marine, fire, general accidents, medical insurance). This sector is the base used by the company to disclose information related to key sectors, the above-mentioned sector also includes the Company's investments and cash above management. Transactions between business sectors are based on estimated market prices with the same terms used with other.

25. Fair Value Hierarchy

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

The fair value is the price that is 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 assessing the fair value of an asset or a liability, the company takes into account 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 between Significant Intangible Entries and Fair Value
	March 31, 2022 (Reviewed) JD	December 31, 2021 (Audited) JD				
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Shares with quoted prices	183,825	-	First Level	Prices stated in financial markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income						
Shares with quoted prices	1,435,755	1,431,188	First Level	Prices stated in financial markets Based on the latest available financial information	Not Applicable	Not Applicable
Shares with un-quoted prices	53,930	50,210	Third Level		Not Applicable	Not Applicable
Total	<u>1,673,510</u>	<u>1,481,398</u>				

There were no transfers between first level and second level during the three months of March 31, 2022 and the year ended 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.

	March 31, 2022		December 31, 2021		Fair Value Layer
	Book Value JD	Fair Value JD	Book Value JD	Fair Value JD	
Financial assets not evaluated at fair value					
Deposits at banks	14,882,667	15,068,429	14,357,318	14,848,002	Third Level
Investments Property	6,652,921	7,110,083	6,665,787	7,110,083	Third Level
Financial assets at amortized cost	<u>4,525,516</u>	<u>4,599,207</u>	<u>4,044,134</u>	<u>4,117,825</u>	Third Level
Total	<u>26,061,104</u>	<u>26,777,719</u>	<u>25,067,239</u>	<u>26,075,910</u>	

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