

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

INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTHS ENDED JUNE 30, 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 SIX-MONTHS ENDED JUNE 30, 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 June 30, 2021 and the related interim condensed statements of profit or loss and comprehensive income for the three-months and six-months period ended June 30, 2021, and the interim condensed statements of changes in shareholders' 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 interim condensed financial information in accordance with 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 International Standard on Review Engagements number 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 information in the Arabic language to which reference should be made.

Amman – The Hashemite Kingdom of Jordan
July 19 2021

Deloitte & Touche (M.E.)
ديلويت أند توش (الشركة) (م.ع.)
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Deloitte & Touche (M.E.) – Jordan
(وسط)

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

<u>ASSETS</u>	<u>Note</u>	<u>June 30, (Reviewed) 2021</u>	<u>December 31, (Audited) 2020</u>
		JD	JD
Deposits at banks	4	27,478,365	18,151,137
Financial assets at fair value through profit or loss	5	2,657,839	2,251,681
Financial assets at fair value through comprehensive income	6	23,914,492	16,896,521
Investments property - net	7	16,351,064	16,398,445
Life insurance policy holders' loans	8	38,539	44,539
Total Investments		<u>70,440,299</u>	<u>53,742,323</u>
 Cash on hand and at banks	9	3,680,038	7,869,376
Notes receivable and checks under collection - net	10	3,272,486	3,000,514
Receivables - net	11	17,141,759	14,588,428
Reinsurance receivable - net	12	5,208,821	3,837,982
Deferred tax assets	13/d	2,673,774	3,167,997
Property and equipment - net	14	1,015,294	1,029,524
Intangible assets - net		210,706	237,112
Other assets	15	2,613,728	2,233,204
TOTAL ASSETS		<u>106,256,905</u>	<u>89,706,460</u>
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		11,585,126	11,438,068
Outstanding claims reserve - net		15,599,922	14,817,111
Mathematical reserve - net	16	1,342,667	1,472,226
Premiums deficiency reserve		91,952	113,540
Total Insurance Contracts Liabilities		<u>28,619,667</u>	<u>27,840,945</u>
 Due to banks	17	16,812,888	11,029,220
Payables		3,294,761	2,540,997
Reinsurance payables	18	7,557,921	5,718,710
Various provisions		1,118,139	1,199,366
Income tax provision	13/a	129,489	255,662
Deferred tax liabilities	13/d	921,026	275,659
Other liabilities	19	648,286	842,319
TOTAL LIABILITIES		<u>59,102,177</u>	<u>49,702,878</u>
 <u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital	20	30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve - net	21	3,268,012	(2,736,253)
Retained earnings	22	5,239,835	5,239,835
Profit for the period	22	1,146,881	-
TOTAL SHAREHOLDERS' EQUITY		<u>47,154,728</u>	<u>40,003,582</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>106,256,905</u>	<u>89,706,460</u>

Chairman of the Board of Director

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (31) 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 AND THE SIX-MONTHS ENDED JUNE 30, 2021

	Note	For the Three-Months		For the Six-Months	
		Ended June 30,		Ended June 30,	
		2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
		JD	JD	JD	JD
Revenue:					
Gross written premiums - general insurance		11,044,987	10,373,399	24,614,165	23,912,473
Gross written premiums - life		5,082,094	5,092,232	10,484,182	10,188,302
Less: Re-insurers' share - general insurance		6,007,189	5,011,552	12,478,227	11,565,372
Re-insurers' share - life		3,402,847	3,061,104	6,548,288	5,949,024
Net Written Premiums		6,717,045	7,392,975	16,071,832	16,586,379
Net change in unearned premiums reserve		1,063,179	912,081	(72,939)	464,352
Net change in mathematical reserve		3,031	89,550	129,559	81,104
Net change in premiums deficiency reserve		23,662	69,975	25,888	74,825
Net Earned Written Premiums		7,806,917	8,464,581	16,154,340	17,206,660
Commissions' revenue		886,845	688,677	1,544,597	1,403,319
Insurance policies issuance fees		348,186	291,061	744,273	667,119
Credit interest		67,722	70,104	123,709	167,665
Gain from financial assets and investments - net	23	607,739	131,104	768,820	56,377
Other revenue		559,987	83,290	435,944	455,343
Total Revenue		10,277,396	9,728,817	19,771,683	19,956,483
Claims, Losses and Expenses					
Paid claims		12,370,274	7,615,459	24,748,624	18,457,751
Less: Recoveries		765,100	734,934	1,732,371	1,327,769
Re-insurers' share		6,754,767	3,516,900	12,534,126	7,808,693
Add: Matured and dissolved policies		12,211	100,879	15,711	103,879
Net Paid Claims		4,862,618	3,464,504	10,497,838	9,425,168
Net change in outstanding claims reserve		875,769	914,745	696,045	659,550
Allocated employees' expenses		1,080,727	1,129,205	2,119,874	2,241,646
Allocated general, administrative and marketing expenses		562,937	625,267	1,058,685	1,039,810
Excess of loss premiums		144,034	133,685	288,069	287,608
Policies acquisition costs		739,659	686,249	1,443,964	1,475,080
Other expenses related to underwritings		358,013	376,344	737,938	806,714
Net Paid Claims Costs		8,623,757	7,329,999	16,842,413	15,935,576
Unallocated employees' expenses		186,018	201,772	375,501	394,961
Depreciation and amortization		59,555	63,727	123,988	128,051
Unallocated general, administrative and marketing expenses		98,002	130,112	194,028	203,119
Allowance for expected credit losses	11&12	-	250,000	-	250,000
Bank interests and charges		351,195	226,643	702,161	393,527
Other expenses		34,873	38,043	75,827	75,582
Total		729,643	910,297	1,471,505	1,445,240
Total Expenses		9,353,400	8,240,296	18,313,918	17,380,816
Profit for the Period before Tax		923,996	1,488,521	1,457,765	2,575,667
Less: Income tax (expense)	13/b	(241,627)	(170,549)	(310,884)	(130,518)
Profit for the Period		682,369	1,317,972	1,146,881	2,445,149
Earnings Per Share for the Period (Basic and Diluted)	24			-/038	-/082

Chairman of the Board of Director

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (31) CONSTITUTE AN INTEGRAL
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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTHS AND THE SIX-MONTHS ENDED JUNE 30, 2021

	For the Three-Months Ended June 30,		For the Six-Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD
Profit for the period	682,369	1,317,972	1,146,881	2,445,149
Other Comprehensive Income Items :				
Items that will not be reclassified subsequently to the interim condensed statement of profit or loss:				
Change in fair value - financial assets at fair value through statement				
of comprehensive income - net	3,848,034	673,281	6,004,265	(3,311,110)
Total Comprehensive Income / (Comprehensive Loss) for the Period	4,530,403	1,991,253	7,151,146	(865,961)

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

	Note	For the Six-Months Period Ended June 30,	
		2021 (Reviewed)	2020 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the period before tax		1,457,765	2,575,667
Adjustments:			
Depreciation and amortization		123,988	128,051
Expected credit losses	11 & 12	-	250,000
(Gain) Loss on revaluation of financial assets at fair value through profit or loss		(406,158)	241,615
Net change in unearned premiums reserve		(72,939)	(464,352)
Net change in outstanding claims reserve		696,045	659,550
Net change in mathematical reserve		129,559	(81,104)
Net change in premiums deficiency reserve		25,888	(74,825)
Cash Flows from Operating Activities before Changes in Working Capital Items		1,954,148	3,234,602
(Increase) in checks under collection and notes receivable		(271,972)	(72,234)
(Increase) in receivables		(2,553,331)	(3,537,413)
(Increase) in re-insurance receivables		(1,370,839)	(597,975)
(Increase) in other assets		(380,524)	(476,873)
(Decrease) increase in payables		753,764	(664,237)
Increase in re-insurance payables		1,839,211	1,451,098
(Decrease) increase in various provisions		(81,227)	(38,589)
(Decrease) in other liabilities		(194,033)	(233,917)
Net Cash Flows (used in) Operating Activities before Income Tax Paid		(304,803)	(935,538)
Income tax paid	13/a	(311,173)	(119,690)
Net Cash Flows (used in) Operating Activities		(615,976)	(1,055,228)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in deposits at banks maturing after more than three months		(42,000)	108,000
Decrease in life insurance policy holders' loans		6,000	-
Change in property and equipment and intangible assets - net		22,064	(33,489)
(Increase) in investments property		(57,866)	-
Net Cash Flows (used in) from Investment Activities		(71,802)	74,511
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (Decrease) in due to banks	17	5,783,668	(908,891)
Net Cash Flows from (used in) Financing Activities		5,783,668	(908,891)
Net (Increase) in cash		5,095,890	(1,889,608)
Cash and cash equivalents - beginning of the year		23,586,890	21,104,815
Cash and Cash Equivalents - End of the Period	25	28,682,780	19,215,207

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JORDAN INSURANCE COMPANY
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Note	Paid - up Capital	Statutory Reserve	Financial Assets			Retained Earnings		Profit for the Period		Total
			Valuation Reserve	JD	JD	Realized	Unrealized	JD	JD	
For the Six-Months Period Ended June 30, 2021										
Balance at the beginning of the Period (audited)	30,000,000	7,500,000	(2,736,253)			3,719,193	1,520,642			40,003,582
Profit for the period	-	-	-			-	-		1,146,881	1,146,881
Total other comprehensive income items for the period - net	-	-	6,004,265			-	-		-	6,004,265
Total Comprehensive Income for the Period	-	-	6,004,265			-	-		1,146,881	7,151,146
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	3,268,012			3,719,193	1,520,642		1,146,881	47,154,728
For the Six-Months Period Ended June 30, 2020										
Balance at the beginning of the Period (audited)	30,000,000	7,500,000	(4,197,641)			1,217,741	1,520,642			36,040,742
Profit for the period	-	-	-			-	-		2,445,149	2,445,149
Total other comprehensive income items for the period - net	-	-	(3,311,110)			-	-		-	(3,311,110)
Total (Comprehensive Loss) for the Period	-	-	(3,311,110)			-	-		2,445,149	(865,961)
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	(7,508,751)			1,217,741	1,520,642		2,445,149	35,174,781

a. Retained earnings includes a restricted amount of JD 1,878,365 as of June 30, 2021, against deferred tax assets (JD 2,285,042 as of December 31, 2020).

b. Retained earnings include a restricted balance of JD 1,221,061 as of June 30, 2021, representing the effect of the early adoption of IFRS (9). This amount 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 (31) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

INTERIM CONDENSED STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

THE ACCOMPANYING NOTES FROM (1) TO (31) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHIMITE KINGDOM OF JORDAN

INTERIM CONDENSED STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES.

	Major		Marine and Transportation		Fire and Other		Damaged to Properties		Liability		Medical		Other Branches		Total	
	For the Six-Months Ended June 30,	2021 (Reviewed)	For the Six-Months Ended June 30,	2020 (Reviewed)	For the Six-Months Ended June 30,	2021 (Reviewed)	For the Six-Months Ended June 30,	2020 (Reviewed)	For the Six-Months Ended June 30,	2021 (Reviewed)	For the Six-Months Ended June 30,	2020 (Reviewed)	For the Six-Months Ended June 30,	2021 (Reviewed)	For the Six-Months Ended June 30,	2020 (Reviewed)
Paid claims	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Less: Recoveries	5,623,542	5,273,231	86,215	324,147	1,034,043	725,051	302	1,602	3,104,479	2,818,094	83,209	20,719	9,932,090	9,163,144	867,118	28,165
Local reinsurers' share	1,282,595	865,253	39,073	93	6,672	1,500	107	272	-	-	-	-	93,908	-	-	-
Foreign reinsurers' share	(324)	-	-	-	94,232	28,165	-	-	-	-	-	-	-	-	-	-
Net Paid Claims	52,220	92,019	33,138	231,370	890,809	674,880	139	1,071	1,313,456	1,243,236	58,457	14,455	2,248,219	2,257,031	2,450,628	2,450,628
Add: Incurred and reported claims Reserve - End of the Period	4,272,051	4,316,059	14,004	92,884	42,330	20,505	56	459	1,791,023	1,574,858	25,052	6,284	6,151,516	6,010,830	23,624,673	23,624,673
Incurred but not reported claims Reserve (IBNR)	10,753,883	9,016,628	927,646	1,567,248	7,330,270	11,056,813	474,523	1,415,735	383,926	417,016	260,518	171,233	20,130,766	3,326,254	3,326,254	3,326,254
Less: Reinsurers share - end of the period	2,670,000	2,650,000	18,000	18,000	5,000	5,000	6,000	6,000	627,254	654,493	-	-	9,298,699	14,328,685	14,328,685	14,328,685
Recoveries	327,909	225,236	751,266	1,297,704	7,135,322	10,827,428	457,372	1,399,532	430,342	447,807	196,488	130,988	2,516,615	2,516,615	2,516,615	2,516,615
Net Claims Reserve - End of the Period	2,516,615	2,450,628	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Incurred and reported Claims Reserve - Beginning of the Period	10,579,359	8,990,764	194,380	287,544	159,948	214,385	23,151	22,213	580,838	623,702	64,030	40,245	11,641,706	10,178,853	10,178,853	10,178,853
Incurred but not reported claims Reserve (IBNR)	9,894,976	8,785,252	936,012	1,262,744	9,804,872	5,892,222	1,419,037	2,034,812	301,205	329,310	221,410	192,733	22,577,512	18,497,073	18,497,073	18,497,073
Re-insurers' share - beginning of the period	2,670,000	1,973,000	18,000	18,000	5,000	5,000	6,000	6,000	534,532	500,000	-	-	3,233,532	2,502,000	2,502,000	2,502,000
Recoveries	302,345	276,600	755,610	951,989	9,591,944	5,893,981	1,403,739	2,018,361	354,219	373,190	166,142	146,968	12,572,999	9,460,089	9,460,089	9,460,089
Net Claims Reserve - Beginning of the Period	2,362,608	2,465,486	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Paid Claims Cost	9,895,023	8,016,166	198,402	328,755	212,828	203,241	21,298	22,451	481,518	456,120	55,268	46,765	10,868,437	9,072,498	9,072,498	9,072,498
	4,963,387	5,280,657	9,982	51,473	24,350	31,650	1,809	221	1,880,243	1,742,440	33,814	(256)	6,922,785	7,116,185	7,116,185	7,116,185

THE ACCOMPANYING NOTES FROM (1) TO (31) 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 UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES.

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,		For the Six-Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
Net revenue from the written premiums														
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
	6,182,084	6,609,961	80,404	85,549	245,501	170,790	13,657	13,110	2,931,070	2,706,554	24,749	27,491	9,477,465	9,613,455
Less: Net sold claims cost														
	4,963,387	5,290,657	9,982	51,473	24,350	31,650	1,009	221	1,890,343	1,742,440	33,814	(256)	6,923,785	7,116,185
	1,218,697	1,319,304	70,422	34,076	221,151	139,140	11,748	12,889	1,040,727	964,114	(3,065)	27,747	2,553,680	2,497,270
Add: Received commissions														
	80,460	89,183	132,473	97,325	1,100,510	966,274	69,052	44,797	-	-	8,224	6,708	1,370,719	1,184,287
Insurance policies issuance fees														
	319,565	301,638	7,921	6,636	92,277	87,967	4,659	4,347	149,759	132,232	880	1,177	575,061	534,017
Other revenue														
	18,966	14,711	27,416	-	-	987	-	-	-	441	-	-	46,382	16,139
Total Revenue	1,617,688	1,704,836	238,232	138,057	1,413,838	1,194,368	85,458	62,033	1,130,486	1,096,787	39	35,632	4,545,842	4,231,713
Less: Paid commissions														
	229,492	269,792	15,994	10,112	100,854	114,157	5,196	3,025	84,745	96,577	1,995	2,737	438,276	496,400
Excess of loss premiums														
	83,742	74,140	17,760	13,664	122,961	133,772	-	-	-	-	-	-	224,463	221,576
Administrative expenses related to underwriting accounts														
	439,599	515,188	49,690	20,426	633,991	629,005	19,947	15,610	383,414	391,352	3,216	3,937	1,529,857	1,575,118
Other expenses														
	178,436	237,815	4,924	2,716	43,463	50,092	-	-	347,780	354,315	-	-	574,383	644,038
Total Expenses	931,269	1,096,935	88,369	46,918	901,069	927,026	25,143	18,635	815,919	842,244	5,211	6,274	2,766,979	2,938,022
Net Written Profit	686,419	607,901	149,864	91,139	512,869	267,342	60,316	43,398	374,567	254,543	(5,172)	29,358	1,778,863	1,293,691

THE ACCOMPANYING NOTES FROM (1) TO (31) 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 UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

	For the Six-Months Ended June 30,	
	2021 (Reviewed) JD	2020 (Reviewed) JD
Written Premiums:		
Direct operations	10,484,182	10,188,302
Inward voluntary re-insurance	-	-
Gross Written Premiums	10,484,182	10,188,302
<u>Less: Local re-insurers' share</u>	94,572	120,737
Foreign re-insurers' share	6,453,716	5,828,287
Net Earned Written Premiums	3,935,894	4,239,278
 <u>Add: Mathematical reserve - beginning of the period</u>	 2,071,353	 2,236,443
<u>Less: Re-insurers' share</u>	599,127	657,654
Net Mathematical Reserve - Beginning of the Period	1,472,226	1,578,789
 <u>Less: Mathematical reserve - End of the Period</u>	 1,673,222	 1,943,310
Re-insurers' share	330,555	445,625
Net Mathematical Reserve - End of the Period	1,342,667	1,497,685
Net Earned Revenue from Written Premiums	4,065,453	4,320,382

THE ACCOMPANYING NOTES FROM (1) TO (31) 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 PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

	For the Six-Months Ended June 30,	
	<u>2021 (Reviewed)</u>	<u>2020 (Reviewed)</u>
	JD	JD
Claims paid	12,348,130	6,719,462
Policies settlements and maturities	15,711	103,879
<u>Less:</u> Local re-insurers' share	105,119	99,711
Foreign re-insurers' share	<u>9,368,679</u>	<u>4,867,909</u>
Net Paid Claims	<u>2,890,043</u>	<u>1,855,721</u>
<u>Add:</u> Reported claims reserve - end of the period	9,572,199	5,854,836
<u>Less:</u> Re-insurers' share	<u>7,856,960</u>	<u>4,605,226</u>
Net Reported Claims Reserve - End of the period	<u>1,715,239</u>	<u>1,249,610</u>
<u>Less:</u> Reported claims reserve - beginning of the period	7,408,318	4,569,174
<u>Less:</u> Re-insurers' share	<u>6,029,807</u>	<u>3,747,100</u>
Net Reported Claims Reserve - Beginning of the Period	<u>1,378,511</u>	<u>822,074</u>
Net Claims Paid Cost	<u><u>3,226,771</u></u>	<u><u>2,283,257</u></u>

THE ACCOMPANYING NOTES FROM (1) TO (31) 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 UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

	For the Six-Months Ended June 30,	
	<u>2021 (Reviewed)</u> JD	<u>2020 (Reviewed)</u> JD
Net earned revenue from the written premiums	4,065,453	4,320,382
<u>Less:</u> Net paid claims cost	<u>3,226,771</u>	<u>2,283,257</u>
	838,682	2,037,125
<u>Add:</u> Received commissions	16,102	19,491
Insurance policies issuance fees	166,948	130,695
Revenue from investment related to underwriting accounts	50,000	50,000
Other revenue	<u>23,868</u>	<u>368,352</u>
Total Revenue	<u>1,095,600</u>	<u>2,605,663</u>
<u>Less:</u> Paid commissions	642,067	562,043
Administrative expenses related to underwriting accounts	748,557	817,540
Other expenses	<u>87,365</u>	<u>94,784</u>
Total Expenses	<u>1,477,989</u>	<u>1,474,367</u>
Net Underwriting (Losses) Profit	<u>(382,389)</u>	<u>1,131,296</u>

THE ACCOMPANYING NOTES FROM (1) TO (31) CONSTITUTE AN INTEGRAL
 PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

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

	June 30, (Reviewed) 2021 JD	December 31, (Audited) 2020 JD
<u>ASSETS</u>		
Deposits at banks	1,155,620	2,999,439
Financial assets at fair value through profit or loss	711,111	446,576
Life insurance policy holders' loans	38,539	44,539
Total Investments	<u>1,905,270</u>	<u>3,490,554</u>
Cash on hand and at banks	1,596,318	2,389,596
Checks under collection	1,133,990	870,106
Accounts receivable	9,302,145	9,642,306
Re-insurance companies' receivable	3,427,525	1,248,529
Property and equipment	23,043	24,937
Other assets	408,355	488,367
TOTAL ASSETS	<u>17,796,646</u>	<u>18,154,395</u>
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	1,247,591	1,348,322
Re-insurance companies' payable	1,944,583	2,453,574
Other liabilities	25,249	29,263
<u>TECHNICAL RESERVES</u>		
Net outstanding claims reserve	2,296,077	1,898,868
Net mathematical reserve	1,342,667	1,472,226
Other technical reserves	135,539	135,539
TOTAL LIABILITIES	<u>6,991,706</u>	<u>7,337,792</u>
<u>HEAD OFFICE'S EQUITY</u>		
Head Office's current account	11,187,329	9,574,468
(Loss) profit for the period / year	(382,389)	1,242,135
TOTAL HEAD OFFICE'S EQUITY	<u>10,804,940</u>	<u>10,816,603</u>
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	<u>17,796,646</u>	<u>18,154,395</u>

THE ACCOMPANYING NOTES FROM (1) TO (31) 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 UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other		Liability		Medical		Other Branches		Total
	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)
Written premiums:													
Direct operations	2,056,010	2,534,529	178,215	313,295	367,426	395,966	33,554	26,760	661,989	586,243	54,554	59,472	3,351,748
					18,585	20,709	-	-	-	-	-	-	18,585
Inward voluntary re-insurers'													
Gross Written Premiums	2,056,010	2,534,529	178,215	313,295	386,011	416,675	33,554	26,760	661,989	586,243	54,554	59,472	3,370,333
													3,956,974
Less: Local re-insurance premiums	-	-	-	-	-	-	-	-	273	-	-	-	273
Foreign re-insurance premiums	75,593	52,325	145,327	261,607	310,445	353,934	29,463	21,510	370,292	317,746	7,390	7,555	938,515
													1,014,677
Net Earned Written Premiums	1,980,417	2,482,204	32,888	51,688	75,566	62,741	4,091	5,250	291,419	268,497	47,164	51,917	2,431,545
													2,922,297
Add: Unearned premiums reserve - beginning of the period	2,352,440	2,949,600	91,396	215,640	412,003	580,312	45,667	51,384	630,851	755,083	54,392	86,558	3,586,749
													4,638,577
Less: Reinsurers' share - beginning of the period	57,275	70,966	74,312	179,530	359,072	518,192	40,310	44,102	398,024	474,344	2,465	3,460	931,458
													1,290,594
Net Unearned Premiums Reserve - Beginning of the Period	2,295,165	2,878,634	17,084	36,110	52,931	62,120	5,357	7,282	232,822	260,739	51,927	83,098	2,655,291
													3,347,983
Less: Unearned premiums reserve - End of the period	2,179,276	2,776,587	84,955	158,169	377,799	447,855	39,226	36,788	617,408	590,745	53,519	64,669	3,352,183
													4,074,813
Reinsurers' share - End of the Period	72,291	58,746	68,849	136,761	327,636	394,091	34,816	30,712	342,250	374,587	5,039	7,629	850,881
													1,002,531
Net Unearned Premiums Reserve - End of the Period	2,106,985	2,717,841	16,106	21,408	50,163	53,764	4,410	6,071	275,158	216,158	48,480	57,040	2,601,302
													3,072,282
Add: Premiums deficiency reserve Beginning of the period	22,857	-	9,240	34,977	57,615	107,243	-	-	28,127	44,981	-	-	117,839
													187,201
Less: Premiums deficiency reserve End of the Period	-	-	6,929	12,975	56,895	54,420	-	-	28,127	44,981	-	-	91,951
													112,376
Net Premiums Deficiency Reserve	22,857	-	2,311	22,002	720	52,823	-	-	-	-	-	-	25,888
													74,825
Net Earned Revenues from the Written Premiums	2,191,454	2,642,997	36,177	88,392	79,054	123,920	5,038	6,461	249,088	333,078	50,611	77,975	2,611,422
													3,272,823

THE ACCOMPANYING NOTES FROM (1) TO (31) 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 PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES.

	Motor		Marine and Transportation		Fire and Other		Liability		Medical		Other Branches		Total
	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)
Paid claims	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Less: Recoveries	1,757,560	1,919,171	163,950	50,121	59,216	181,850	-	-	487,623	418,965	53	5,038	2,468,404
Less: Recoveries	393,924	460,189	-	-	-	462	-	-	-	-	-	-	393,924
Local reinsurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign reinsurers' share	138,308	19,654	141,632	41,107	7,648	160,332	-	-	330,413	332,284	-	-	618,201
Net Paid claims	1,225,328	1,439,328	22,318	7,014	51,370	21,056	-	-	157,210	85,181	53	5,038	1,456,279
Add: Incurred and reported claims reserve - End of the Period	2,454,544	3,103,491	671,618	753,860	121,886	493,576	-	-	79,050	61,928	114,002	109,666	3,441,110
Incurred but not reported claims reserve (IBNR)	639,019	865,000	49,520	69,372	88,429	104,510	-	-	106,859	125,920	18,685	21,450	902,512
Less: Reinsurers' share - End of the Period	384,411	381,881	638,709	706,650	199,858	490,321	-	-	129,350	144,450	-	-	1,352,328
Recoveries	748,317	1,054,490	-	-	-	-	-	-	-	-	-	-	748,317
Net Claims Provision - End of the Period	1,960,835	2,539,120	82,428	116,982	10,427	107,765	-	-	58,599	43,398	132,687	131,136	2,242,977
Less: Incurred and reported claims reserve - beginning of the period	2,823,296	3,404,047	784,991	720,812	150,297	396,511	-	-	71,138	59,269	114,002	112,308	3,943,724
Incurred but not reported (IBNR)	707,000	1,481,495	55,571	46,369	109,336	42,307	-	-	118,400	129,338	21,478	16,007	1,010,785
Reinsurers' share - beginning of the period	483,890	368,361	736,883	674,174	218,955	318,040	-	-	133,283	180,785	-	-	1,573,011
Recoveries	725,569	1,102,761	-	-	-	-	-	-	-	-	-	-	725,569
Net Claims Provision - Beginning of the Period	2,320,927	3,414,430	103,672	93,007	39,678	120,778	-	-	58,255	47,822	135,480	128,315	2,655,929
Net Cost of Claims	865,276	557,058	1,068	30,599	22,112	8,043	-	-	157,554	81,757	(2,740)	7,859	1,043,327
													655,276

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

INTERIM CONDENSED STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES.

	Motor		Marine and Transportation		Fire and Damages Other for Properties		Liability		Medical		Other Branches		Total	
	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,	For the Six-Months Ended June 30,
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
Net earned revenue from the written premiums														
Less: Net paid claims cost														
	2,191,454	2,642,997	36,177	88,392	79,054	123,920	5,038	6,461	249,088	333,078	50,611	77,975	2,611,422	3,272,823
	855,336	557,028	1,068	30,589	22,119	8,043	-	-	157,554	91,757	(2,240)	7,859	1,043,327	685,276
Add: Received commissions	1,326,128	2,005,969	35,109	57,803	56,935	115,877	5,038	6,461	91,534	251,321	53,351	70,116	1,568,095	2,587,547
Insurance policies issuance fees	18,921	15,698	39,088	70,739	88,526	102,885	8,471	7,385	-	-	2,270	2,833	157,776	189,541
	644	643	525	647	943	908	39	88	12	19	101	102	2,364	2,407
Other Revenue	7,304	6,560	-	-	-	-	-	-	-	-	-	-	7,304	6,560
Total Revenue	1,352,987	2,108,870	74,722	128,189	146,404	219,671	13,548	13,834	91,546	251,340	55,222	72,051	1,735,439	2,795,055
Less: Paid commissions	250,512	288,089	23,860	41,288	41,504	41,690	3,746	4,181	37,194	34,056	6,805	7,323	363,621	416,637
Excess of loss premiums	28,127	29,231	7,240	10,336	28,239	26,465	-	-	-	-	-	-	63,606	66,032
Administrative expenses related to underwriting accounts	597,758	672,853	34,506	48,238	76,534	75,989	5,904	2,882	177,477	79,442	7,886	7,390	900,145	888,794
Other expenses	21,404	5,748	-	-	730	942	-	56	54,056	60,121	-	135	76,180	65,922
Total Expenses	897,801	995,921	65,606	100,872	147,007	146,085	9,730	7,119	268,727	173,618	14,691	14,838	1,403,562	1,438,455
Net Underwritten Profit	455,186	1,112,949	9,116	28,317	(63)	73,585	3,818	6,815	(177,181)	77,721	41,531	58,213	331,877	1,357,600

THE ACCOMPANYING NOTES FROM (1) TO (31) CONSTITUTE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL INFORMATION.

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

1. Incorporation and Activities

- a. Jordan Insurance Company ("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 of JD 1 each. Furthermore, the Company's capital was increased in stages, the last 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 each. 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 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 as of June 30, 2021 have been prepared in accordance with International Accounting Standard No. (34) (Interim Financial Reporting).
- The interim condensed financial information are prepared in Jordanian dinar, which is 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 six-months period ended June 30, 2021 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2021. No appropriation occurred on the profit of the period for the six-months ended June 30, 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, except for the impact of the application of the new and amended International Financial Reporting Standards, which have become effective in the current period, as shown below:

- **Amendment to the international financial reporting standard number (9) financial instruments, International accounting standard number (39) Financial instruments: Recognition and Measurement and the international financial reporting standard number (7) financial instruments disclosures related to Interest Rate Benchmark Reform**

These amendments modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform; those amendments are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform.

These amendments are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required);

These amendments require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

- **Amendment to the international financial reporting standard number (3) "Business Combination" in terms of the Definition of a business**

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

- **Amendments to references to the conceptual framework in IFRS Standards**

The Company applied the amendments to IFRS (2),(6),(15);IAS (1),(8),(34),(37),(38) IFRIC (12),(19),(20),(22) and IFRIC (21) in the current year

- **Amendments to IAS (1) Presentation of Financial Statements and IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors in term of the definition of 'material'**

Three new aspects of the new definition should especially be noted:

- **Obscuring.** The existing definition only focused on omitting or misstating information, however, the Board concluded that obscuring material information with information that can be omitted can have a similar effect. Although the term obscuring is new in the definition, it was already part of IAS 1 (IAS 1.30A)

- Could reasonably be expected to influence. The existing definition referred to 'could influence' which the Board felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote.

- Primary users. The existing definition referred only to 'users' which again the Board feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose

• **Amendments to IFRS (16) Leases in terms of Covid-19 Related Rent Concessions**

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

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

Effective from January 1, 2021, the Company 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 the 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:

	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)
	Deposits Maturing Within Three Months	Deposits Maturing In more than Three Months up to One Year	Deposits Matured after one year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan:					
Arab Jordan Investment Bank	719,465	-	-	719,465	2,019,327
Jordan Commercial Bank	199,249	-	-	199,249	197,86
Arab Bank *	-	-	485,334	485,334	485,334
Ahli Bank	34,186	-	-	34,186	632,568
Societe General Bank	33,039	-	-	33,039	32,906
BLOM Bank	249,440	-	-	249,440	711,570
Jordan Kuwait Bank	5,414	-	-	5,414	5,377
Total Banks Inside Jordan	1,240,793	-	485,334	1,726,127	4,084,908
Outside Jordan:					
Arab Bank	11,589,505	-	1,152,000	12,741,505	7,374,464
Emirates Islamic Bank	7,995,094	-	-	7,995,094	4,884,610
Mashreq Bank	4,177,350	-	-	4,177,350	-
Abu Dhabi Commercial Bank	-	-	-	-	968,866
National Kuwait Bank	-	-	838,289	838,289	838,289
Total Banks Outside Jordan	23,761,949	-	1,990,289	25,752,238	14,066,229
Total	25,002,742	-	2,475,623	27,478,365	18,151,137

- * Deposits pledged to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of June 30, 2021 and December 31, 2020 and its maturity exceed three-months.
- Interest rates on bank deposit balances in Jordanian Dinars range 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:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Listed companies shares	2,657,839	2,251,681
	<u>2,657,839</u>	<u>2,251,681</u>

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

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
<u>Inside Jordan</u>		
Listed shares	5,331,753	3,915,061
Unlisted shares	21,834	21,843
	<u>5,353,596</u>	<u>3,936,904</u>
<u>Outside Jordan</u>		
Listed shares	14,321,452	8,720,173
Unlisted shares *	4,239,444	4,239,444
	<u>18,560,896</u>	<u>12,959,617</u>
Total Financial Assets at Fair Value Through Statement of Comprehensive Income	<u>23,914,492</u>	<u>16,896,521</u>

- * This item includes an amount of JD 4,069,983 (net after deducting the effect of the revaluation amounting to JD 731,133 as of June 30, 2021), representing the investment in Asia Insurance Company (Iraq). Moreover, the shares registered in the Company's name amounted to 5,925,000,000 Share/Iraqi Dinar equivalent to 19.75% of the paid-up capital as of June 30, 2021 and December 31, 2020.

7. Investments Property - Net

a. This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Plots of land	12,757,190	12,753,008
Net buildings after depreciation	3,593,874	3,645,437
	<u>16,351,064</u>	<u>16,398,445</u>

- b. Additions to investments property amounted JD 57,866 during the period ended June 30, 2021.
- c. The fair value of investments property is evaluated by real estate appraisers at JD 28,116,536 as of June 30, 2021 and December 31, 2020.

8. Life Insurance Policy Holders' Loans

This item consists of the following:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Life insurance policy holders' loans not exceeding the policy liquidation value	38,539	44,539
	<u>38,539</u>	<u>44,539</u>

9. Cash on Hand and at Banks

This item consists of the following:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Cash on hand	181,618	178,688
Current accounts at banks	3,498,420	7,690,688
	<u>3,680,038</u>	<u>7,869,376</u>

10. Notes Receivable and Cheques under Collection - Net

This item consists of the following:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Notes receivable	58,550	60,550
Checks under collection *	3,384,931	3,106,014
	3,443,481	3,166,564
<u>Less: Expected credit loss</u>	<u>(170,995)</u>	<u>(166,050)</u>
	<u>3,272,486</u>	<u>3,000,514</u>

- * The maturity date of the checks under collection extend until February 2023.
- Movement of expected credit loss related checks under collection as follows:

	For the Six- Months Ended June 30, 2021 (Reviewed) JD	For the Year Ended December 31, 2020 (Audited) JD
Balance at the beginning of the period / year	166,050	166,050
Effect of currency differences	4,945	-
Adjusting balance	170,995	166,050
Balance at the End of the Period / Year	<u>170,995</u>	<u>166,050</u>

11. Receivables - Net

This item consists of the following:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Policyholders' receivables	16,722,477	13,517,178
Agents' receivables	2,592,702	3,287,171
Employees' receivables	106,439	101,074
Trade receivables and others	1,191,449	1,111,417
	20,613,067	18,016,840
<u>Less: Expected credit loss *</u>	<u>(3,471,308)</u>	<u>(3,428,412)</u>
	<u>17,141,759</u>	<u>14,588,428</u>

- The Company follows a policy of dealing with creditworthy counterparties to mitigate the risk of financial losses arising from non-performance of commitments. The following are the accounts receivable that are not impaired as at the date of the interim condensed financial information:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Not Due	3,038,718	2,482,149
Less than 60 days	7,689,861	6,364,558
From 61-90 days	1,108,797	911,654
From 91-180 days	2,839,505	2,140,096
From 181-360 days	2,464,878	2,689,971
Total	<u>17,141,759</u>	<u>14,588,428</u>

- * Movement on the allowance for expected credit losses related to receivables are as follows:

	For the Six- Months Ended June 30, 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
Effect of currency differences	43,069	-
Adjusted balance	<u>3,471,481</u>	<u>3,712,160</u>
(Released) during the period / year	-	(193,000)
Less: Written-off debts	<u>(173)</u>	<u>(90,748)</u>
Balance at the End of the Period / Year	<u>3,471,308</u>	<u>3,428,412</u>

- The Company's management believes that the provision for expected credit losses related to accounts receivable is sufficient after taking into consideration the amounts due from related parties.

12. Reinsurance Receivable - Net

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local insurance companies *	2,289,071	2,539,096
Foreign re-insurance companies **	3,881,392	2,260,528
Less: Expected credit losses ***	<u>(961,642)</u>	<u>(961,642)</u>
	<u>5,208,821</u>	<u>3,837,982</u>

- * The Company follows the settlement policy of local insurance companies within three months from the date of the claim.

- ** The aging details of the foreign reinsurers' receivables as at the date of the interim condensed financial information are as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Less than 60 Days	2,205,024	76,822
61-90 Days	90,436	1,009,435
91-180 Days	917,676	266,558
181-360 Days	236,006	877,228
More than 360 Days	432,250	30,485
Total	<u>3,881,392</u>	<u>2,260,528</u>

*** The movement on the allowance for expected credit losses related to re-insurance receivables are as follows:

	For the Six-Months Ended June 30, 2021 (Reviewed)	For the Year Ended December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	961,642	861,642
Additions during the period / year	-	100,000
Balance at the End of the Period / Year	<u>961,642</u>	<u>961,642</u>

13. Income Tax

a. Income tax provision

Movement on the income tax provision is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	255,662	103,822
Accrued income tax of the profit period / year	185,000	516,000
Income tax paid	<u>(311,173)</u>	<u>(364,160)</u>
	<u>129,489</u>	<u>255,662</u>

b. Income Tax Expense

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

	For the Six-Months Period Ended June 30, 2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Accrued Income tax of the profit period	185,000	625,000
Deferred tax impact	125,884	(494,482)
Expense of the Income Tax for the Period	<u>310,884</u>	<u>130,518</u>

c. Summary of Accounting Profit Adjustment with Tax Profit:

	For the Six-Months Ended June 30, 2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Profit accounting profit for Jordan branches	1,071,509	1,144,713
Add: Expenses not subject to tax	99,074	1,284,373
Less: Profit not subject to tax	<u>(585,751)</u>	<u>(27,500)</u>
Taxable Profit for the Period	<u>584,832</u>	<u>2,401,586</u>
Income Tax Rate	<u>26%</u>	<u>26%</u>

- The tax for the period ended June 30, 2021 is calculated in accordance with the applicable income tax law.

d. Deferred Tax Assets and Liabilities

The details on the deferred tax assets is as follows:

Accounts included	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)	
	Beginning Balance of the Period	Addition amounts	Released amounts	Balance at the End of Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Allowance expected credit Loss	3,251,624	-	-	3,251,624	845,422	845,422
End of service Indemnity Provision	369,057	22,417	152,091	239,383	62,240	95,955
IBNR provision	3,00,608	51,657	-	3,059,265	795,409	781,978
Valuation losses for financial assets at fair value through statement of profit or loss	2,160,334	-	406,150	1,754,184	456,087	561,687
Valuation losses for financial assets through statement of comprehensive income	3,395,983	-	1,416,692	1,979,291	514,616	882,955
	<u>12,184,606</u>	<u>74,074</u>	<u>1,974,933</u>	<u>10,283,747</u>	<u>2,673,774</u>	<u>3,167,997</u>

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

Accounts included	June 30, 2021 (Reviewed)				December 31, 2020 (Audited)	
	Beginning Balance of the Period	Addition amounts	Released amounts	Balance at the End of Period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Gain from valuation of financial assets at fair value through statement of profit or loss	2,297,161	-	-	2,297,161	275,659	275,659
Gain from valuation of financial assets at fair value through statement of comprehensive income	-	5,378,055	-	5,378,055	645,367	-
	<u>2,297,161</u>	<u>5,378,055</u>	<u>-</u>	<u>7,675,216</u>	<u>921,026</u>	<u>-</u>

- The movement of the deferred tax assets during the period / year is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	3,167,997	1,520,642
Addition	19,259	1,672,684
Released	(513,482)	(25,328)
Balance at the End of the Period / Year	<u>2,673,774</u>	<u>3,167,998</u>

e. 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 for 2017 and 2019 and paid the declared tax. However, it is still under consideration by 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 income tax due for the six-months ended June 30, 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.

14. Property and Equipment - Net

The total additions on the property and equipment amounted to JD 39,167 during the six-months ended June 30, 2021.

15. Other Assets

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Refundable deposits	1,261,913	1,381,748
Accrued revenues	98,656	35,605
Prepaid expenses	898,861	480,813
Other	354,298	335,038
	<u>2,613,728</u>	<u>2,233,204</u>

16. Mathematical Reserve - Net

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Net mathematical reserve	1,342,667	1,472,226
	<u>1,342,667</u>	<u>1,472,226</u>

17. Due to Banks

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Bank of Jordan*	5,000,000	5,000,000
Cairo Amman Bank **	6,741,959	6,029,220
Arab Bank ***	5,070,929	-
	<u>16,812,888</u>	<u>11,029,220</u>

* This item represents the utilized balance as of June 30, 2021 of the overdraft facilities granted by the Bank of Jordan and 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 June 30, 2021 of the overdraft facilities granted by Cairo Amman bank with a ceiling of JD 6/9 million at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the financial solvency of the Company. The main objective of these facilities is to finance the Company's activities.

*** This item represents the utilized balance as of June 30, 2021 of the overdraft facilities granted by Arab Bank with a ceiling of JD 5/5 million and an interest rate 8.375% calculated on a daily basis and credited monthly and is guaranteed by the financial solvency of the Company. The main objective of these facilities is to finance the Company's activities.

18. Reinsurance Payable

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local insurance companies	2,575,697	2,355,663
Foreign re-insurance companies	4,982,224	3,363,047
	<u>7,557,921</u>	<u>5,718,710</u>

19. Other Liabilities

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Unearned revenue	266,100	395,989
Accrued expenses	162,968	212,023
Ministry of finance deposits	150,704	162,934
Life deposits	15,564	117
Car parking deposits	4,765	4,758
Unpaid Visa deposits	-	5,813
Individual policies deposits	5,685	5,685
Board of directors bonuses	42,500	55,000
	<u>648,286</u>	<u>842,319</u>

20. Paid-up Capital

Subscribed and paid capital amounted to JD 30 million distributed over 30 shares with a par value of JD 1 as of June 30, 2021 and December 31, 2020.

21. Financial Assets Valuation Reserve - Net

- The movement of this item during the period/ year is as the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	(2,736,253)	(4,197,641)
Net changes in fair value	5,083,239	1,185,729
Deferred tax liabilities	921,026	275,659
Balance at the End of the Period / Year	<u>3,268,012</u>	<u>(2,736,253)</u>

22. Retained Earnings

- The movement of this item during this period/ year is as the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	5,239,835	2,738,383
Profit for the period / year	1,146,881	3,011,696
(Loss) on sale of financial assets through comprehensive income	-	(510,244)
Balance at the End of the Period / Year	<u>6,386,716</u>	<u>5,239,835</u>

- a. The retained earnings balance includes an amount of JD 1,878,365 restricted against deferred tax assets as of June 30, 2021 (JD 2,285,042 as of December 31, 2020).
- b. Retained earnings include a restricted balance of JD 1,221,061 as of June 30, 2021, representing the effect of the early adoption of IFRS (9). This amount

represents revaluation of financial assets at fair value through statement of profit or loss according to the directives of Securities Exchange Commission.

23. Net Gain from Financial Assets and Investments

- This item consists of the following:

	For the Six-Months Ended June 30,	
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Dividends of financial assets at fair value through profit or loss	207,240	87,000
Gain (losses) on the valuation of financial assets at fair value through profit or loss	406,160	(241,623)
Net rent revenue	155,420	211,000
Total	<u>768,820</u>	<u>56,377</u>

24. Earnings per Share for the Period (Basic and Diluted)

The profit per share is calculated by dividing the profit for the period on the weighted average number of shares during the period and its was as follows:

	For the Six-Months Ended June 30,	
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Profit for the period	<u>1,146,881</u>	<u>2,445,149</u>
Weighted average number of shares	<u>Share 30,000,000</u>	<u>Share 30,000,000</u>
Earnings per Share for the Period (Basic and Diluted)	<u>JD / Share -/038</u>	<u>JD / Share -/082</u>

25. Cash and Cash Equivalents

- This item consists of the following:

	For the Six-Months Ended June 30,	
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Cash on hand	181,618	133,286
Current accounts at banks	3,498,420	6,771,308
Deposits maturing within three months	<u>25,002,742</u>	<u>12,310,613</u>
	<u>28,682,780</u>	<u>19,215,207</u>

26. 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:

The following item is a summary of the transactions with related parties during the period / year:

	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
<u>Interim Condensed Statement of Financial Position Items</u>		
Accounts receivable	328,627	1,433,024
Accounts payable	187,599	5,881
	For the Six-Months Ended June 30,	
	2021 (Reviewed) JD	2020 (Reviewed) JD
<u>Interim Condensed Statement of Profit or Loss Items</u>		
Insurance premiums	665,025	512,474
Net payments to re-insurers	298,767	560,557

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 Six-Months Ended June 30,	
	2021 (Reviewed) JD	2020 (Reviewed) JD
Salaries and other benefits	315,485	316,345

27. Lawsuits Against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts around JD 1,936,249 as of June 30, 2021 (JD 1,854,235 as of December 31, 2020). In the opinion of the Company's management and its lawyers, no liabilities in excess of the provisions booked within the outstanding claims provision shall arise.

28. 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 3,129,704 and it's guaranteed by the Company's financial solvency as of June 30, 2021 (JD 3,046,800 as of December 31, 2020).

29. 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 June 30, 2021, noting that the solvency margin of the Company is 214% without taking into consideration the excesses approved by the Insurance Management.

30. Approval of Interim Condensed Financial Information

The interim condensed financial information were approved by the Board of Directors and authorized for issue on July 18, 2021.

31. Fair Value Hierarchy

a. Fair value of financial assets 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	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Unobservable Inputs to fair value
	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD				

Financial Assets at Fair Value

Financial Assets at Fair Value Through Statement of Profit or Loss:

Shares

2,657,839	2,251,681	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
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Financial Assets at Fair Value Through Comprehensive Income:

Shares with available market price

19,653,205	12,635,234	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
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Shares with unavailable market price

21,843	21,843	Level 3	The net asset value for the most recent financial information available	Not Applicable	Not Applicable
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Shares with unavailable market price

4,239,444	4,239,447	Level 3	Cash flow discount method	Applicable	Applicable
23,914,492	16,896,524				
26,572,331	19,148,205				

Total Financial Assets at Fair Value

There were no transfers between level one, level two and level three during the six-months ended June 30, 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:

Financial Assets with Undetermined Fair Value	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		Fair value Hierarchy
	Book value JD	Fair value JD	Book value JD	Fair value JD	
Deposits at banks	27,478,365	28,027,932	18,151,137	18,514,160	Level 3
Policyholder's loans	38,539	39,310	44,539	45,430	Level 3
Real estate investment	16,351,064	28,116,536	16,398,445	28,116,536	Level 3
Total Financial Assets with Undetermined Fair Value	43,867,968	56,183,778	34,594,121	46,676,126	

The fair values of the financial assets included in level 3 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.