

الرقم : INS /711/04/2024
التاريخ : 2024/04/28

السادة هيئة الاوراق المالية المحترمين
عمان - الاردن

تحية واحتراماً ، ، ،

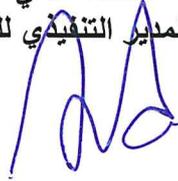
الموضوع: البيانات المالية للفترة المنتهية في 2024/03/31

بالإشارة الى الموضوع أعلاه ، نرفق لكم البيانات المالية باللغة الانجليزية للفترة المنتهية في 2024/03/31 حسب معيار المحاسبة الدولي رقم 17 " عقود التأمين " .

علماً بأن البيانات المالية للسنة المنتهية في 2023/12/31 خاضعة لموافقة البنك المركزي الاردني.

وتفضلوا بقبول فائق الاحترام ، ، ،

أحمد عادي
المدير التنفيذي للمالية



**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024
WITH INDEPENDENT AUDITORS' REVIEW REPORT**

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024

Contents	<u>Page</u>
Review Report on Condensed Consolidated Interim Financial Statements	1
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss	3
Supplementary Condensed Consolidated Interim Statement of Profit or Loss – Policyholders’	4
Supplementary Condensed Consolidated Interim statement of Profit or Loss – Shareholder	5
Condensed Consolidated Interim Statement of Other Comprehensive Income	6
Condensed Consolidated Interim Statement of Changes in Shareholders’ Equity	7
Condensed Consolidated Interim Statement of Cash Flows	8
Notes to the Condensed Consolidated Interim Financial Statements	9–37



Review Report on Condensed Consolidated Interim Financial Statements

To The Shareholders Of,
First Insurance Company
(Public Shareholding Limited Company)
Amman – Jordan
For The Period Ended March 31, 2024

Introduction

We have reviewed the condensed consolidated interim statement of financial position of **First Insurance Company – Public Shareholding Company – (“the Company”)** and its subsidiary (“the Group”) as of March 31, 2024, and the related condensed consolidated interim statements of profit or loss, supplementary condensed consolidated interim statement of profit or loss – policyholders’, supplementary condensed consolidated interim statement of profit or loss – shareholder, condensed consolidated interim statement of other comprehensive income for the three-month periods then ended, and the condensed consolidated interim financial statements changes in shareholders’ equity and cash flows for the three-month period then ended, and the notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 ‘Interim Financial Reporting’. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) “Review of Interim Financial Statements Performed by the Independent Auditor of the Entity”. A review of condensed consolidated interim financial statements 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 condensed consolidated interim financial statements as of March 31, 2024 for First Insurance Company and its subsidiary are not prepared, in all material respects, in accordance with International Accounting Standard number (34) “Interim Financial Reporting”.

Kawasmy and Partners
KPMG

Hatem Kawasmy شريك
License no. (656) القواسمي وشركاه



Amman – Jordan
April 25, 2024

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Jordanian Dinar	Note	As March 31, 2024 (Unaudited)	As of December 31, 2023 (Audited)
Assets			
Investments			
Bank deposits	5	15,611,454	14,585,531
Financial assets at fair value through other comprehensive income	6	5,764,231	5,702,203
Financial assets at amortized cost – net	7	9,093,334	8,804,598
Investment properties	8	5,278,563	5,291,858
Total Investments		35,747,582	34,384,190
Cash on hand and at banks	9	1,381,361	3,286,427
Reinsurance contract assets	10.2	12,683,017	11,874,467
Deferred tax assets	11	2,134,792	2,120,156
Property and equipment		9,538,313	9,598,295
Intangible assets		700,960	719,070
Right of use assets		483,930	490,161
Other assets		1,122,045	707,143
Total Assets		63,792,000	63,179,909
Liabilities, Shareholders and Policyholders Equities			
Liabilities			
Insurance contract liabilities	10.1	26,731,294	26,914,077
Total Contract Liabilities		26,731,294	26,914,077
Account payables		125,866	107,143
Accrued expenses		167,180	178,798
Other reserves		220,000	220,000
Income tax provision	11	624,854	601,335
Deferred tax liabilities	11	13,627	15,547
Liabilities against lease contracts		496,889	497,576
Other liabilities		1,252,108	1,075,715
Total Liabilities		29,631,818	29,610,191
Policyholders Equity			
Deficit reserve (convincingness provision)		-	33,309
Total Policyholders Equity		-	33,309
Shareholder Equity			
Paid-up capital	1	28,000,000	28,000,000
Statutory reserve		4,151,837	4,151,837
Fair value reserve		(173,085)	(551,268)
Retained earnings		2,181,430	1,935,840
Total Shareholder Equity		34,160,182	33,536,409
Total Policyholders and Shareholders Equities		34,160,182	33,569,718
Total Liabilities and Equities		63,792,000	63,179,909

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

<i>Jordanian Dinar</i>	Note	For the Three month ended March 31,	
		2024 (Unaudited)	2023 (Unaudited)
Insurance revenue	13	16,183,061	14,753,753
Insurance service expenses	13	(10,738,629)	(9,931,531)
Results of insurance contracts		5,444,432	4,822,222
Reinsurance contracts held	13	(7,435,192)	(5,592,164)
Recoveries from reinsurance contracts held	13	4,216,309	2,838,184
Net expense from reinsurance contracts held		(3,218,883)	(2,753,980)
Insurance Service Result		2,225,549	2,068,242
Net finance expense from insurance contract	14	(206,318)	(238,271)
Net finance income from reinsurance contract held	14	24,262	98,025
Net Insurance Finance Expense		(182,056)	(140,246)
Murabaha income		180,928	186,743
Investment income		159,738	91,076
Other income		21,657	20,861
Policyholders share of results		553,131	613,889
General and administrative expenses		(1,172,206)	(1,142,946)
Depreciation and amortization		(118,362)	(113,041)
Salaries and benefits		(435,401)	(409,710)
Al-Qard Al-Hassan		(519,822)	(590,738)
Profit before tax		713,156	584,130
Income tax for the period		(154,097)	(82,830)
Profit for the period attributable to the shareholders		559,059	501,300
Basic and Diluted Earnings per Share (JOD/ share)	12	0.020	0.018

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**SUPPLEMENTARY CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR
LOSS – POLICYHOLDERS'**

<i>Jordanian Dinar</i>	Note	For the Three month ended March 31,	
		2024 (Unaudited)	2023 (Unaudited)
Insurance revenue	13	16,183,061	14,753,753
Insurance service expenses	13	(10,738,629)	(9,931,531)
Results of insurance contracts		5,444,432	4,822,222
Reinsurance contracts held	13	(7,435,192)	(5,592,164)
Recoveries from reinsurance contracts held	13	4,216,309	2,838,184
Net expense from reinsurance contracts held		(3,218,883)	(2,753,980)
Insurance Service Result		2,225,549	2,068,242
Net finance expense from insurance contract	14	(206,318)	(238,271)
Net finance income from reinsurance contract held	14	24,262	98,025
Net Insurance Finance Expense		(182,056)	(140,246)
Policyholders share of investments income		39,026	30,328
Shareholders' equity shares for managing takaful insurance operations		(2,773,366)	(2,736,380)
General and administrative expenses		(61,892)	(108,808)
Policyholders' (deficit) before tax		(752,739)	(886,864)
Income tax surplus for the period		199,608	272,975
Policyholders' surplus from Takaful Insurance Operations		(553,131)	(613,889)

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**SUPPLEMENTARY CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS-
SHAREHOLDER**

	Note	For the Three month ended March 31,	
		2024 (Unaudited)	2023 (Unaudited)
<i>Jordanian Dinar</i>			
Shareholders' equity shares for managing takaful insurance operations		2,773,366	2,736,380
Shareholders' equity shares of murabaha income		136,802	140,084
Shareholders' equity shares of investments income		145,750	91,076
Shareholders' equity shares from managing the investments portfolio		21,014	16,331
Other income		19,731	20,861
Total shareholders' equity revenue from Takaful Insurance Operations		3,096,663	3,004,732
General and administrative expenses		(1,110,314)	(1,034,138)
Salaries and benefits		(435,401)	(409,710)
Depreciation and amortization		(118,362)	(113,041)
Al-Qard Al-Hassan		(519,822)	(590,738)
Total expenses		(2,183,899)	(2,147,627)
Profit for the period before income tax		912,764	857,105
Income tax expense for the period		(353,705)	(355,805)
Profit for the period attributable to the shareholders		559,059	501,300

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

	For the Three month ended March 31,	
<i>Jordanian Dinar</i>	2024	2023
	(Unaudited)	(Unaudited)
Profit for the period	559,059	501,300
Items that will not be reclassified subsequently to profit or loss:		
Shareholders' equity shares from the change in fair value of financial assets at fair value through other comprehensive income	378,183	(75,150)
Total comprehensive income (loss) items	378,183	(75,150)
Total Other Comprehensive Income for the period	937,242	426,150

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>Jordanian Dinar</i>	Note	Paid-up Capital	Statutory Reserve	Fair Value Reserve	Retained Earnings	Total
For the Three-Month Period Ended March 31, 2024						
Balance as of January 1, 2024 (Audited)		28,000,000	4,151,837	(551,268)	1,935,840	33,536,409
Profit for the period		-	-	-	559,059	559,059
Total comprehensive income items for the period		-	-	378,183	-	378,183
Total comprehensive income for the period		-	-	378,183	559,059	937,242
Loss from sale of financial assets at fair value through other comprehensive income		-	-	-	(313,469)	(313,469)
Balance as of March 31, 2024 (Unaudited)		28,000,000	4,151,837	(173,085)	2,181,430	34,160,182
For the Three-Month Period Ended March 31, 2023						
Balance as of January 1, 2023 (Unaudited)		28,000,000	3,810,741	(146,307)	428,470	32,092,904
Profit for the period		-	-	-	501,300	501,300
Total comprehensive income items for the period		-	-	(75,150)	-	(75,150)
Total comprehensive income for the period		-	-	(75,150)	501,300	426,150
Gain from sale of financial assets at fair value through other comprehensive income		-	-	-	62,275	62,275
Balance as of March 31, 2023 (Unaudited)		28,000,000	3,810,741	(221,457)	992,045	32,581,329

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

<i>Jordanian Dinar</i>	Note	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Cash Flow from Operating Activities			
Gain (loss) for the period before income tax		160,025	(29,759)
Adjustments:			
Depreciation and amortization		118,362	113,041
Murabaha income on deposits		(136,802)	(140,084)
Return on financial assets at fair value through other comprehensive income – sukuk		(36,069)	-
Returns from financial assets at amortized cost		(109,681)	(91,076)
Expected credit loss		50,000	50,000
Net insurance finance expense		182,056	140,246
Gain on sale of property and equipment		23,249	2,968
		251,140	45,336
Change in working capital items:			
Other assets		(414,902)	895,410
Other liabilities		176,393	353,807
Accrued expenses		(11,618)	(59,712)
Account payables		18,723	5,168
Reinsurance contracts assets		(808,550)	(1,641,998)
Insurance contract liabilities		(182,783)	(272,501)
Cash flows (used in) operating activities before income tax paid		(971,597)	(674,490)
Income tax paid	11	(181,898)	(213,388)
Net cash flow (used in) operating activities		(1,153,495)	(887,878)
Cash Flow from Investing Activities			
Bank deposits held (original maturity more than 3 month)		(2,152,377)	(1,690,378)
Bank deposits matured (original maturity more than 3 month)		4,449,781	4,967,494
Cash received from Murabaha income		136,802	140,084
Returns received from financial assets at other comprehensive		36,069	-
Returns received from financial assets at amortized cost		109,681	91,076
Purchases of intangible assets		(15,900)	(4,000)
Proceeds from sale of financial assets at fair value through other comprehensive income		37,448	62,247
Purchases of financial assets at fair value through other comprehensive income		-	(949,513)
Sale of financial assets at fair value through other comprehensive income		(313,469)	-
Purchases of financial assets at amortized cost		(425,613)	(856,259)
Issuance Premium		(4,923)	(1,180)
Purchases of property and equipment		(28,679)	(16,165)
Net cash flow from investing activities		1,828,820	1,743,406
Cash Flow from Financing Activities			
Payment of Lease Liability		(4,167)	-
Net cash flow financing activities		(4,167)	-
Net change in cash and cash equivalents		671,159	855,528
Cash and cash equivalents at the beginning of the period		4,166,503	4,445,618
Cash and cash equivalents at the end of the period	9	4,837,662	5,301,146

The accompanying notes from 1 to 20 form an integral part of these condensed consolidated interim financial statements.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

1) GENERAL

First Insurance Company (the Company) was established under Companies Law No, (13) for the year 1964 as a Jordanian Public Shareholding Company under No. (424) established on December 28, 2006. The issued, authorized, and paid-up capital of the Group is JOD 28M / share; JOD 1 per share. The Group's Head office located in Amman -The Hashemite Kingdom of Jordan and its address is in Dabouq.

The objectives of the Company are to engage in providing insurance on fire, natural hazards, accidents, medical and marine vehicles, cargo during transportation, and other damage of properties, liability of land-based vehicles, general liability, assistance insurance, ships insurance, ships liability, aircraft insurance, aircraft liability and life insurance in accordance with Islamic Sharia.

The Company's parent is Solidarity Group Holding- Bahrain and the ultimate parent is Al Salam Bank B.S.C – Bahrain.

The accompanying condensed consolidated interim financial statements were approved by the Board of Directors on April 25, 2024.

2) BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(a) Basis of preparation

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

In preparing the Group's condensed consolidated interim financial statements in compliance with IFRS, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances and unrealized gains and losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances. The condensed consolidated interim financial statements may not be considered indicative of the expected results for the full year.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards.

BASIS OF CONSOLIDATION OF FINANCIAL STATEMENTS

The condensed consolidated interim financial statements include the financial statements of the Group and the wholly owned subsidiary Company controlled by it, together referred as "the Group". Control exists when the Group has the ability to control the financial and operating policies of the subsidiary Company in order to achieve financial benefits out of their operations, all inter- Company transactions, balances, revenues and expenses between the Company and its subsidiary are eliminated.

The following are the details of its subsidiary as of March 31, 2024:

<u>Company's Name</u>	<u>Authorised capital</u>	<u>Company's ownership %</u>	<u>Company's activity nature</u>	<u>Registration centre</u>	<u>Date of acquisition</u>
	JOD				
Mulkyat Investment and Trade Company	50,000	100	Investment	Amman	2010

The condensed interim financial statements of the subsidiary for the same fiscal period are prepared using the same accounting policies adopted by the Group, changes are made to the accounting policies of the subsidiary, when necessary, to align them with accounting policies adopted by the Group.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

(b) Basis of measurement

The condensed consolidated interim financial statements are prepared under the going concern basis and the historical cost convention, except for the measurement of financial assets at fair value through other comprehensive income, which are measured at its fair value. Moreover, the insurance and reinsurance contracts are measured at the estimated fulfilment cash flows that are expected to arise as the Company fulfils its contractual obligations in accordance with IFRS 17.

(c) Functional and presentation currency

The condensed consolidated interim financial statements are shown in Jordanian dinar, which represents the Group's functional currency.

(d) Seasonality of operations

There are no seasonal changes that may affect the insurance operations of the Group.

3) MATERIAL ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023, except for the new and amended standards or Standards amendments that become effective after January 1, 2024, and are as follows:

A number of other amendments became applicable for the current reporting period i.e., for reporting periods beginning on or after January 01, 2024. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below:

<u>Interpretation</u>	<u>Description</u>
IAS 1	Classification of Liabilities as Current or Non-current – Amendments to IAS 1
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Narrow scope amendments to IAS 1, IFRS Practice Statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Certain new interpretations issued but not yet effective up to the date of issuance of the Group's condensed consolidated interim financial statements are listed below. The listing is of interpretations issued, which the Group reasonably expects to be applicable at a future date. Management is in the process of assessing the impact of such new interpretations on its financial statements. The Group intends to adopt these interpretations when they are effective.

<u>Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / Effective date deferred indefinitely

A. IFRS 17 Insurance Contracts

The nature of the implemented accounting policies can be summarized, as follows:

• Implemented accounting policies:

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF").

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

i. Classification and summary of measurement models

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts whereby the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if there is a specific uncertain future event (the present death of the insured) adversely affects the policyholder.

The Group issues non-life and group life insurance to individuals and businesses. Non-life insurance products offered include medical, energy, property, motor, engineering and others. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's actions. The Group does not issue any contracts with direct participating features. There is a non-material term life portfolio, for which the insurance liabilities were considered insignificant in a way that does not justify the deployment of related complex measurements models. Such contracts will continue to be reported on the basis of their net mathematical reserves. This perspective would change if the portfolio started growing.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

None of the insurance contracts issued by the Group contain embedded derivatives, investment components or any other goods and services.

ii. Level of aggregation

The Group identifies portfolios of insurance contracts. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:

- Any contracts that are onerous on initial recognition.
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the portfolio.

The portfolios are further divided by year of issue.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (Quarterly cohorts) into groups of: (a) contracts for which there is a net gain at initial recognition, if any; (b) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (c) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Group tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

The Group assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a policyholder-pricing-groups level.

iii. Recognition

The Group's recognises a group of insurance contracts issued from the earliest of the following:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

- For a group of onerous contracts, the date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

The Group's recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- For reinsurance contracts that provide proportionate coverage, at the later of:
 - (a) the beginning of the coverage period of the group of reinsurance contracts and
 - (b) the initial recognition of any underlying contract.
- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts.

However, if the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held, in this case, is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the quarter cohort's restriction. Composition of the groups is not reassessed in subsequent periods.

iv. Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group.

Insurance Contract

Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services.

A substantive obligation to provide services ends when:

- a. The Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- b. Both of the following criteria are satisfied:
 - The Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and
 - the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Reinsurance contracts:

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date and, therefore, may change over time.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

v. **Measurement**

The general measurement model (GMM), also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin. This is the default model under IFRS 17 to measure insurance contracts. However, the Premium Allocation Approach (PAA), which is a simplified measurement model, is permitted if, and only if, at the inception of the group:

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements; or
- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

The Group uses the PAA to simplify the measurement of groups of contracts on the following bases:

- **Insurance Contracts:**

The coverage period of Marine, Fire, Motor Third Party Liability (TPL), Motor Comprehensive, Medical, General accident, Motor Pools – Borders and Buses, and group life contracts in the group of contracts is one year or less and are therefore eligible to be measured under the PAA.

PAA eligibility testing has been performed for the Engineering group of contracts since the coverage period is more than one year. The Group reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA would not differ materially from the measurement that would be produced applying the general measurement model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

- **Reinsurance contracts:**

The Group reasonably expects that the resulting measurement under the PAA measurement model would not differ materially from the result of applying the general measurement model.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

Measurement on initial recognition under PAA:

On initial recognition of each group of insurance contracts that are not onerous, the carrying amount of the liability for remaining coverage (“LRC”) is measured at the premiums received on initial recognition less any insurance acquisition cash flows at that date, including any amount arising from the derecognition at that date of any asset recognised for insurance acquisition cash flows paid before that date, plus or minus any other assets or liabilities previously recognised for cash flows related to that group.

For reinsurance contracts held on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

On initial recognition of each group of insurance contracts except for engineering, the Group expects that the time between providing each part of the coverage and the related premium due date is no more than a year.

The Group tested the differences between the general measurement model and the premium allocation approach and considered the relevance of reflecting the time value of money for these portfolios. The Group determined that measuring the liability for remaining coverage using the premium allocation approach in line with the expected risk profile, and without factoring-in the time value of money would not have a material impact on the fairness of the reporting.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

Subsequent measurement under PAA:

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the Liability Incurred Claims (“LIC”), comprising the fulfilment cash flows (“FCF”) related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a. the remaining coverage; and
 - b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.
- For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:
- a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC.
 - b. decreased for insurance acquisition cash flows paid in the period.
 - c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period.
 - d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and
 - e. increased for any adjustment to the financing component, where applicable.
- For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:
- a. increased for ceding premiums paid in the period; and
 - b. decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. Fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows, and a risk adjustment for non-financial risk.

The Group’s objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the liability for incurred claims is also adjusted for the time value of money and the effect of financial risk.

Some insurance contracts permit the Group to sell (usually damaged) assets acquired in settling a claim (for example, salvage). Group may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the estimates of claims liability. The allowance is the amount that can reasonably be recovered from the disposal of the asset.

Onerous contract assessment:

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in insurance service expense and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows, determined under the general measurement model (GMM), that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the estimates of the fulfilment cash flows of future revenues. A loss component will be established for the amount of the loss recognised. Subsequently, the loss component will be remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the GMM relating to the future service and those relating to the future revenue. The onerous contract assessment is carried out on quarterly basis at cohort level.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

vi. De-recognition and contract modification

The Group derecognises a contract when it is extinguished i.e., when the specified obligations in the contract expire or are discharged or cancelled. The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in the estimates of fulfilment cash flows. There were no instances of modification or derecognition identified during the three-month period ended March 31, 2024.

vii. Acquisition & Attributable Cost

Insurance acquisition cash flows are the costs that directly associated with selling and handling acquired businesses. The Group considers underwriting, sales, and regulatory levies as acquisition costs. Acquisition costs are expensed when incurred and. While attributable costs are the costs that can fully or partially attributed to the insurance operations. The Group has in place allocation technique to allocate the costs based on direct to indirect costs ratio. Both acquisition and attributable costs fall under the insurance service expense while the non-attributable costs are reported under other operating expenses and are not allocated to the portfolios or groups of contracts.

viii. Presentation

Groups of insurance contracts that are assets and those that are liabilities, and groups of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. The Group recognised in the statement of profit or loss (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income and expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue:

Insurance revenue for the specified period represents the amount of expected insurance premium revenue distributed over the period. The expected premium revenue for each period of insurance contract services is based on the time period.

Insurance service expenses:

Insurance service expenses include the following:

- a. Incurred claims for the period.
- b. other incurred directly attributable expenses.
- c. insurance acquisition cash flows.
- d. changes that relate to past service – changes in the FCF relating to the LIC.
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

Net expenses from reinsurance contracts:

Net expenses from reinsurance contracts comprise reinsurance expenses less amounts recovered from reinsurers. The Group recognises reinsurance expenses as it receives coverage or other services under groups of reinsurance contracts. For contracts measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income and expenses:

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk, and changes therein. The Group includes all insurance finance income or expenses for the period in profit or loss.

Changes to classification, recognition, and measurement

The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- **Discount rate** – Under IFRS 17, the liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The Group has established discount yield curves using risk-free rates adjusted to reflect the appropriate illiquidity characteristics of the applicable insurance contracts. The changes in discounting methodology did not have a significant impact on transition. Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- **Risk Adjustment** -Under IFRS 17, the liability for incurred claims includes an explicit risk adjustment for non-financial risk ("risk adjustment") which replaces the risk margin under IFRS 4. The IFRS 4 risk margin reflected the inherent uncertainty in the net discounted claim liabilities estimates, whereas the IFRS 17 risk adjustment is the compensation required for bearing the uncertainty that arises from non-financial risk. Similar to the risk margin, the risk adjustment includes the benefit of diversification, therefore the two methodologies are fairly aligned. As a result, the changes in methodology did not have a significant impact on transition.
- **Onerous contracts** – IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. For onerous contracts, the loss component based on projected profitability is recognized immediately in Net income, resulting in earlier recognition compared to IFRS 4. Onerous contracts did not have a significant impact on transition to IFRS 17.

4) MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses, and the associated disclosures and disclosure of contingent liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty including risk management policies are the same as those applied to the annual consolidated financial statements as at and for the year ended December 31, 2023.

The significant accounting judgments and estimates in preparing these condensed consolidated interim financial statements are set out below:

a) Estimates of future cash flows to fulfill insurance contracts

When estimating future cash flows, the Group incorporates, in an unbiased manner, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, which is updated to reflect current expectations of future events. Estimates of future cash flows reflect the Group's view of conditions current at the reporting date, as long as estimates of any relevant market variables are consistent with observable market prices.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

Estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates the expected cash flows and the possibility of their occurrence as at the measurement date. In making these forecasts, the Group uses information about past events, current conditions, and projections of future conditions. The Group's estimate of future cash flows is an average of a set of expected events that reflects the full range of possible outcomes. Each expected event determines the amount, timing and probability of cash flows. The weighted average of future cash flows is calculated using a specific expected event that represents the weighted average probability of a set of expected events.

When estimating future cash flows, the Group takes into account current expectations of future events that may affect those cash flows. However, expectations of future changes in legislation that would alter or fulfill an existing obligation or create new obligations under existing contracts are not taken into account until a substantial change in legislation has occurred.

When projections of cash flows related to expenditures are determined at the portfolio level or above, they are allocated to groups of contracts on a regular basis. The Group determined that this method leads to an orderly and logical distribution. Similar methods are continually applied for allocating expenditures of similar nature. Expenses of the nature of maintenance of the administrative policy are allocated to groups of contracts based on the number of contracts in force within the groups. The Group performs regular expense studies to determine the extent to which fixed and variable overheads can be directly attributable to the fulfillment of insurance contracts.

The cash flows for the acquisition of insurance arise from the activities of selling, underwriting and commencing a portfolio of contracts that are directly attributable to the portfolio of contracts to which the Group belongs. Other costs incurred to fulfill contracts include claims handling, maintenance and administration costs and recurring commissions payable in installments receivable within contract limits. The cash flows for acquiring insurance and other costs incurred in executing contracts include both direct costs and an allocation of fixed and variable overheads. Attribute cash flows to acquisition activities, other implementation activities, and other activities at the local entity level using activity-based costing techniques. The cash flows attributable to acquisition and other implementation activities are allocated to groups of contracts using systematic and logical methods and are applied consistently to all costs that have similar characteristics. Other costs are recognized in profit or loss as incurred.

b) Discounting Methodology

Discount rates are used primarily to adjust estimates of future cash flows to reflect the time value of money and other financial risks of accruing interest on the liability for claims incurred.

The bottom-up approach was used to derive the discount rate. Under this approach, risk-free discount rates based on US dollars were used by the European Insurance and Occupational Pensions Authority (EIOPA) as a starting point for preparing the yield curve. An adjustment percentage is added to the base risk-free rate, and it calls "country risk premium". This rate is provided by country from New York University Website An illiquidity rate is estimated to be equal to 5% and for all countries. This is applied multiplicatively.

c) Risk Adjustment for Non-Financial Risks

The Group shall adjust the estimate of the present value of future cash flows to reflect the compensation required by the entity for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risks. Therefore, the purpose of risk adjustment for non-financial risks is to measure the impact of uncertainty in cash flows that arise from insurance contracts, other than the uncertainty arising from financial risks. The risks covered by the risk adjustment for non-financial risks are insurance risks and other non-financial risks such as outage risk and expense risk.

The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risks of the underlying insurance contracts. The Group has adopted the PAA simplification to calculate liability for remaining coverage. Therefore, the liability risk adjustment for residual coverage will only be estimated if a group of contracts is recognized as risky.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

Applying the confidence level method, the Group estimates the probability distribution of the expected present value of future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as an increase in the value at risk on the 75th. The percentage (target confidence level) on the expected present value of future cash flows.

d) Onerosity Determination

Under the premium allocation approach (PAA), the Group does not assume any contracts in the portfolio that carry a loss on initial recognition unless “the facts and circumstances” indicate otherwise. The Group evaluates loss-bearing contracts on a quarterly and underwriting quarter basis, in conjunction with updated information on product profitability. Furthermore, the evaluation should be repeated if the “facts and circumstances” indicate that there are significant changes in product pricing, product design, plans, and forecasts. This level of detail defines groups of contracts. The Group uses significant judgment to determine the level of detail to which the Group has sufficient reasonable and supportable information to conclude that all contracts within a group are sufficiently homogeneous and will be allocated to the same group without an individual contract evaluation.

The Group has established a process for the underwriting team to obtain loss-laden contracts that may be loss-laden and profitable by evaluating the profitability of different portfolios at the beginning of the subscription year, and the profitability of each portfolio must be evaluated separately.

e) Fair Value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and to make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5) BANK DEPOSIT

<i>Jordanian Dinar</i>	As of March 31, 2024 (Unaudited)			As of December 31, 2023 (Audited)		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Inside Jordan	2,494,423	10,328,107	12,822,530	3,685,911	10,299,050	13,984,961
Outside Jordan	-	2,827,417	2,827,417	-	639,063	639,063
(Less): ECL	(3,647)	(34,846)	(38,493)	(3,647)	(34,846)	(38,493)
	<u>2,490,776</u>	<u>13,120,678</u>	<u>15,611,454</u>	<u>3,682,264</u>	<u>10,903,267</u>	<u>14,585,531</u>

- Deposits subject to the order of the Central Bank amounted to JOD 800,000 as of March 31, 2023 (December 31, 2023: JOD 800,000).
- The rates of return on deposits with banks in Jordanian dinars range from 3.3 % to 4.5 % as on March 31, 2024 (2023: from 2% to 4.5%), and the return on deposit balances outside Jordan in US dollars ranges from 5.65 % to 6.39 % as on March 31, 2024 (2023: from 3.5% to 4%). Deposits mature in period ranged from April 30, 2024 to February 2, 2027, the bank deposits inside Jordan are denominated in JOD.
- The Company has deposit outside Jordan from Al Salam Bank as of March 31, 2024 amounted to JOD 2,827,418.
- Balances with banks are evaluated as having a low credit risk of default because these banks are subject to high supervision by the Central Bank of Jordan and the central banks of every country that has accounts with the Group.
- The Group deals with banks rated (A1 - Ba3) with no significant change in the credit rating during the period. Bank deposits classified as stage one.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

6) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

<i>Jordanian Dinar</i>	As of March 31, 2024 (Unaudited)			As of December 31, 2023 (Audited)		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Inside Jordan						
Quoted shares	-	2,473,385	2,473,385	-	2,427,279	2,427,279
Unquoted Shares *	-	26,600	26,600	-	26,600	26,600
Outside Jordan:						
Quoted shares	-	260,700	260,700	-	265,650	265,650
Unquoted shares *	-	-	-	-	1	1
Sukuk**	-	3,003,546	3,003,546	-	2,982,673	2,982,673
	-	5,764,231	5,764,231	-	5,702,203	5,702,203

* This item represents financial assets for which market prices are not available. The fair value was estimated by the Group's management.

** This represents the Group investment outside Jordan in perpetual (Islamic) Sukuks at a face value of JOD 3,102,796 as of March 31, 2024 (JOD 3,102,796 as of December 31, 2023) with coupon rate ranged from 3.9% to 6.5% per annum with no specific maturity date, the repayment of principle and commission under the discretion of the issuer. The Group has earned a commission income of JOD 35,782 during the period (March 31, 2023: JOD 16,837).

7) FINANCIAL ASSETS AT AMORTIZED COST - NET

<i>Jordanian Dinar</i>	As of March 31, 2024 (Unaudited)			As of December 31, 2023 (Audited)		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Sukuk	995,358	8,134,330	9,129,688	994,777	7,846,175	8,840,952
(Less): ECL	(790)	(35,564)	(36,354)	(790)	(35,564)	(36,354)
	994,568	8,098,766	9,093,334	993,987	7,810,611	8,804,598

This represents the Group investment in outside Jordan (Islamic) Sukuks with coupon rate ranged from 4.5% to 6.5% per annum. These Sukuks have a maturity duration of 6 month commencing from issued date. The Group has earned commission income of JOD 109,681 during the period (March 31, 2023: JOD 45,512).

- The Group deals with financial institutions rated (A1 - Baa3) with no significant change in the credit rating during the period. sukuk classified as stage one.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

8) INVESTMENTS PROPERTIES

<i>Jordanian Dinar</i>	As of March 31, 2024 (Unaudited)			As of December 31, 2023 (Audited)		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Land	-	3,674,900	3,674,900	-	3,674,900	3,674,900
Building & Offices	728,221	875,442	1,603,663	732,866	884,092	1,616,958
	<u>728,221</u>	<u>4,550,342</u>	<u>5,278,563</u>	<u>732,866</u>	<u>4,558,992</u>	<u>5,291,858</u>

- The fair value of the investment properties was estimated by three real estate independent valuers with an average amount of JOD 5,649,231 (2023: 5,649,231)
- The valuations of the investment properties as of March 31, 2024 were carried out by multiple valuers. The valuers are independent and not related to the Group. All valuers are Accredited Valuers and hold appropriate qualifications and relevant experience in assessing the valuation for the relevant land and properties. The fair value has been determined primarily on the basis of market practice, which reflects recent transaction prices for similar properties.
- The Group uses the following hierarchy for determining and disclosing the fair values of its investment properties by valuation techniques:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
March 31, 2024	-	5,649,231	-	5,649,231
December 31, 2023	-	5,649,231	-	5,649,231

- Buildings include an amount of JOD 728,221 owned by policyholders and intended for investment in rental activities.
- Depreciation on investments properties amounted to JOD 13,295 for the period ended March 31, 2024 (JOD 13,295 for the period ended March 31, 2023).

9) CASH ON HAND AND AT BANK

<i>Jordanian Dinar</i>	As of March 31, 2024 (Unaudited)			As of December 31, 2023 (Audited)		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Cash on hand	71,449	2,194	73,643	45,563	1,949	47,512
Cash at banks	1,157,565	150,153	1,307,718	3,080,059	158,856	3,238,915
	<u>1,229,014</u>	<u>152,347</u>	<u>1,381,361</u>	<u>3,125,622</u>	<u>160,805</u>	<u>3,286,427</u>

- The Group deals with banks rated (A1 - Ba3) with no significant change in the credit rating during the period. Cash at banks classified as stage one.

The cash and cash equivalent for cash flow purposes consist of the following:

<i>Jordanian Dinar</i>	As of March 31, 2024 (Unaudited)	As of December 31, 2023 (Audited)
Cash on hand and at bank	1,381,361	3,286,427
Bank deposits mature within three months	4,256,301	1,680,076
Less: Deposits to the order of Central Bank of Jordan	(800,000)	(800,000)
	<u>4,837,662</u>	<u>4,166,503</u>

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

10) INSURANCE CONTRACT ASSETS AND LIABILITIES

An analysis of the amounts presented on the condensed consolidated interim statement of financial position for insurance contracts and reinsurance contracts has been included in the table below:

<i>In Jordanian Dinar</i>	Motor Comprehensive	Motor Pools- Borders & Buses	Motor Third Party	Medical	Marine	Engineering	Fire	G & A	Life	Total
As of March 31, 2024 (Unaudited)										
Insurance contracts										
Insurance contract liabilities	3,564,014	246,622	9,735,188	4,456,769	8,954	538,737	3,315,748	1,734,194	3,131,068	26,731,294
Net insurance contract liabilities	3,564,014	246,622	9,735,188	4,456,769	8,954	538,737	3,315,748	1,734,194	3,131,068	26,731,294
Reinsurance contracts										
Reinsurance contract assets	1,309,320	646,947	298,275	3,056,983	187,093	451,612	3,330,049	1,817,692	1,585,046	12,683,017
Net reinsurance contract assets	1,309,320	646,947	298,275	3,056,983	187,093	451,612	3,330,049	1,817,692	1,585,046	12,683,017
As of December 31, 2023 (Audited)										
Insurance contracts										
Insurance contract liabilities	3,482,576	243,496	9,377,440	4,407,815	20,138	486,499	3,527,755	2,362,637	3,005,721	26,914,077
Net insurance contract liabilities	3,482,576	243,496	9,377,440	4,407,815	20,138	486,499	3,527,755	2,362,637	3,005,721	26,914,077
Reinsurance contracts										
Reinsurance contract assets	1,555,932	578,940	262,896	2,546,883	104,598	407,099	2,168,465	2,524,709	1,724,945	11,874,467
Net reinsurance contract assets	1,555,932	578,940	262,896	2,546,883	104,598	407,099	2,168,465	2,524,709	1,724,945	11,874,467

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

10.1 Analysis by remaining coverage and incurred claims Insurance contracts:

Insurance contracts:

	As of March 31, 2024 (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding Loss Component	Loss Component	Estimates of present value of FCF	Risk adjustment for non- financial risk	
<i>In Jordanian Dinar</i>					
Insurance contracts					
Insurance contract liabilities – opening	9,592,033	304,139	16,105,233	912,672	26,914,077
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net (Unaudited)	9,592,033	304,139	16,105,233	912,672	26,914,077
Insurance revenue	(16,183,061)	-	-	-	(16,183,061)
Insurance service expenses:					
Incurred claims and other directly attributable expenses	-	-	9,120,947	483,906	9,604,853
Onerous contracts recognized	-	(53,667)	-	-	(53,667)
Changes that relate to past service - adjustments to the LIC	-	-	1,328,376	(366,458)	961,918
Reversal of losses on onerous contracts	-	225,525	-	-	225,525
Insurance service expenses	-	171,858	10,449,323	117,448	10,738,629
Finance expense from insurance contracts	-	-	198,926	7,393	206,318
Total changes in the statement of profit and loss	(16,183,061)	171,858	10,648,249	124,841	(5,238,114)
Cashflows					
Premiums received	15,280,033	-	-	-	15,280,033
Claims and other directly attributable expenses paid	-	-	(10,224,702)	-	(10,224,702)
Total cash inflows / (outflows)	15,280,033	-	(10,224,702)	-	5,055,331
Insurance contracts					
Insurance contract liabilities – closing	8,689,005	475,997	16,528,780	1,037,512	26,731,294
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net (Unaudited)	8,689,005	475,997	16,528,780	1,037,512	26,731,294

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

As of December 31, 2023

(Audited)

	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding Loss Component	Loss Component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
<i>In Jordanian Dinar</i>					
Insurance contracts					
Insurance contract liabilities – opening	9,105,149	278,017	15,192,682	900,409	25,476,257
Insurance contract assets – opening	(85,173)	-	-	-	(85,173)
Opening balance – net	9,019,976	278,017	15,192,682	900,409	25,391,084
Insurance revenue	(59,716,668)	-	-	-	(59,716,668)
Insurance service expenses:					
Incurred claims and other directly attributable expenses	-	-	37,879,385	1,768,693	39,648,078
Onerous contracts recognized	-	(1,480,255)	-	-	(1,480,255)
Changes that relate to past service - adjustments to the LIC	-	-	837,577	(1,773,506)	(935,929)
Reversal of losses on onerous contracts	-	1,506,377	-	-	1,506,377
Insurance service expenses	-	26,122	38,716,962	(4,813)	38,738,271
Finance expense from insurance contracts			683,043	17,076	700,119
Total changes in the statement of profit and loss	(59,716,668)	26,122	39,400,005	12,263	(20,278,278)
Cashflows					
Premiums received	60,288,725	-	-	-	60,288,725
Claims and other directly attributable expenses paid	-	-	(38,487,455)	-	(38,487,455)
Total cash inflows / (outflows)	60,288,725	-	(38,487,455)	-	21,801,272
Insurance contracts					
Insurance contract liabilities – closing	9,592,033	304,139	16,105,233	912,672	26,914,077
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	9,592,033	304,139	16,105,233	912,672	26,914,077

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

**10.2 Analysis by remaining coverage and incurred claims reinsurance contracts:
Reinsurance contracts held:**

	As of March 31, 2024 (Unaudited)				
	Asset For Remaining Coverage		Asset For Incurred Claims		Total
	Excluding Loss- Recovery Component	Loss- Recovery Component	Estimates Of Present Value of FCF	Risk Adjustment for Non- Financial Risk	
<i>In Jordanian Dinar</i>					
Reinsurance contracts					
Reinsurance contract assets – opening	5,467,047	1,080	5,910,685	495,655	11,874,467
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net (Unaudited)	5,467,047	1,080	5,910,685	495,655	11,874,467
Allocation of reinsurance premium paid	(7,435,192)	-	-	-	(7,435,192)
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	378	3,797,339	214,908	4,012,625
Changes that relate to past service – adjustments to the LIC	-	(378)	377,221	(173,159)	203,684
Amounts recoverable from reinsurers – net	-	-	4,174,560	41,749	4,216,309
Finance income from reinsurance contracts	-	-	22,827	1,435	24,262
Total changes in the statement of profit and loss	-	-	22,827	1,435	24,262
Cashflows					
Premiums ceded and acquisition cashflows paid	8,140,186	-	-	-	8,140,186
Recoveries from reinsurance	-	-	(4,137,014)	-	(4,137,014)
Total cash (outflows) / inflows	8,140,186	-	(4,137,014)	-	4,003,172
Reinsurance contracts					
Reinsurance contract assets – closing	6,172,041	1,079	5,971,058	538,839	12,683,017
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net (Unaudited)	6,172,041	1,079	5,971,058	538,839	12,683,017

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

	As of December 31, 2023 (Audited)				
	Asset		Asset		Total
	For Remaining Coverage		For Incurred Claims		
	Excluding Loss- Recovery Component	Loss- Recovery Component	Estimates Of Present Value of FCF	Risk Adjustment for Non- Financial Risk	
<i>In Jordanian Dinar</i>					
Reinsurance contracts					
Reinsurance contract assets – opening	5,523,570	7,028	4,777,135	503,579	10,811,312
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	5,523,570	7,028	4,777,135	503,579	10,811,312
Allocation of reinsurance premium paid	(25,456,555)	-	-	-	(25,456,555)
Amounts recoverable from reinsurers:					
Claims recovered and other directly attributable expenses	-	(570,126)	12,675,848	1,008,167	13,113,889
Changes that relate to past service – adjustments to the LIC	-	564,179	704,494	(1,017,879)	250,794
Amounts recoverable from reinsurers	-	(5,948)	13,380,342	(9,712)	13,364,683
Finance income from reinsurance contracts	-	-	89,380	1,788	91,168
Total changes in the statement of profit and loss	-	-	89,380	1,788	91,168
Cashflows					
Premiums ceded and acquisition cashflows paid	25,400,032	-	-	-	25,400,032
Recoveries from reinsurance	-	-	(12,336,172)	-	(12,336,172)
Total cash (outflows) / inflows	25,400,032	-	(12,336,172)	-	13,063,860
Reinsurance contracts					
Reinsurance contract assets – closing	5,467,047	1,080	5,910,685	495,655	11,874,467
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	5,467,047	1,080	5,910,685	495,655	11,874,467

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

11) INCOME TAX

a- Income Tax:

The following is the movement on income tax provision:

<i>Jordanian Dinar</i>	As of March 31, 2024 (Unaudited)			As of December 31, 2023 (Audited)		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Balances beginning of the period	228,899	372,436	601,335	312,363	357,591	669,954
Income tax expense for the period	(148,288)	353,705	205,417	76,496	686,243	762,739
Payments during the period	(1,454)	(180,444)	(181,898)	(159,960)	(671,398)	(831,358)
Balance Ending of the period	79,157	545,697	624,854	228,899	372,436	601,335

The income tax expense for the period as presented in condensed consolidated interim statement of profit or loss is as follow:

<i>Jordanian Dinar</i>	For the Three-Month Period Ended March 31,			
	2024		2023	
	(Unaudited)		(Unaudited)	
	Policyholder	Shareholder	Policyholder	Shareholder
Current tax expense for the period	(148,288)	353,705	76,496	686,243
Deferred tax assets – net	(51,320)	-	(152,224)	-
Income tax expense for the period	(199,608)	353,705	(75,728)	686,243

- The Company has reached to a final settlement with the Income and Sales Tax Department until the end of 2018. Moreover, the Company has submitted its tax returns for the years 2019, 2020, 2021, 2022 and 2023 and it has not been reviewed by the Income and Sales Tax Department yet. According to the opinion of the management and the tax consultant, the income tax provision is sufficient as of March 31, 2024.
- The income tax provision for the period ending on March 31, 2023 and 2023 for the Company was calculated according to the income tax law at a rate of 26% for balances inside the Kingdom and a rate of 10% for balances outside the Kingdom, according to the amended income tax law (38/2018).
- Income tax provision for the subsidiary was calculated in accordance with the Income Tax Law (38/2018) at 20%.
- The subsidiary has reached to a final settlement for the subsidiary with the Income and Sales Tax Department until the end of 2018. Moreover, the subsidiary has submitted its tax returns for the years 2019, 2020, 2021, 2022 and 2023 and it has not been reviewed by the Income and Sales Tax Department yet. According to the opinion of the management and the tax consultant, the income tax provision is sufficient as of March 31, 2024.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

b- Deferred Tax Assets:

	As of March 31, 2024 (Unaudited)			As of December 31, 2023 (Audited)		
	Beginning Balance	Amounts added	Amounts released	Balance at the End of the period	Deferred Tax	Deferred Tax
Deferred Tax Assets:						
Expected Credit Losses – Receivables	2,618,001	50,000	-	2,668,001	693,680	680,680
Expected Credit Losses – Reinsurance	559,090	-	-	559,090	145,363	145,364
Expected Credit Losses – Banks deposits	38,493	-	-	38,493	10,008	10,008
Expected Credit Losses – Sukuk	36,354	-	-	36,354	9,452	9,452
Expected Credit Losses – Checks under collection	22,500	-	-	22,500	5,850	5,850
Cumulative change in fair value of financial assets through other comprehensive income	518,889		366,839	152,050	15,205	51,889
Insurance contract liabilities	4,680,435	147,385	-	4,827,820	1,255,234	1,216,913
	8,473,762	197,385	366,839	8,304,308	2,134,792	2,120,156
Deferred Tax Liabilities:						
Cumulative change in fair value of financial assets through comprehensive income	59,797		7,387	52,410	13,627	15,547
	59,797	-	7,387	52,410	13,627	15,547

12) BASIC AND DILUTED EARNINGS PER SHARE

	2024 (Unaudited)	2023 (Unaudited)
Profit for the period	559,059	501,300
Weighted average of number of shares	28,000,000	28,000,000
Basic earnings per share of current period profit	0.020	0.018
Diluted earnings per share of current period profit	0.020	0.018

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

13) INSURANCE REVENUE AND EXPENSES

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for March 31, 2024 and March 31, 2023 is included in following tables. Additional information on amounts recognized in condensed consolidated interim statement of profit or loss is included in the insurance contract balances reconciliation.

<i>In Jordanian Dinar</i>	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical	Marine	Engineering	Fire	G & A	Life	Total
For the period ended March 31, 2024 (Unaudited)										
Insurance revenue from contracts measured under PAA	2,608,004	636,900	2,262,339	5,109,536	405,574	267,269	2,100,270	1,404,359	1,388,810	16,183,06
Insurance revenue – total	2,608,004	636,900	2,262,339	5,109,536	405,574	267,269	2,100,270	1,404,359	1,388,810	16,183,06
Incurrd claims and other directly attributable expenses – net	(1,649,159)	(165,054)	(2,531,643)	(3,939,565)	(30,065)	(49,740)	(215,168)	(80,358)	(944,101)	(9,604,853)
Changes that relate to past service - adjustments to the LIC	(274,379)	(5,379)	(40,045)	(303,464)	(13,101)	(8,049)	(62,363)	(30,472)	(107,218)	(844,470)
(Losses) reversal of losses on onerous contracts – net	21,547	-	(198,891)	5,486	-	-	-	-	-	(171,858)
Risk adjustment	(48,484)	(4,169)	(2,460)	1,475	(4,212)	(9,720)	(23,262)	(4,790)	(21,826)	(117,448)
Insurance service expenses	(1,950,475)	(174,602)	(2,773,039)	(4,236,068)	(47,378)	(67,509)	(300,793)	(115,620)	(1,073,145)	(10,738,629)
Net income/(expense) from insurance contracts	657,529	462,298	(510,700)	873,468	358,196	199,760	1,799,477	1,288,739	315,665	5,444,43
Allocation of reinsurance premium paid - contracts measured under the PAA	(193,730)	(326,257)	(14,750)	(2,977,709)	(213,543)	(227,477)	(1,470,201)	(1,187,914)	(823,611)	(7,435,192)
Amounts recoverable from reinsurers – net	92,783	81,973	24,065	2,919,223	40,118	53,495	222,577	60,874	721,201	4,216,30
Net income/(expenses) from reinsurance contracts held	(100,947)	(244,284)	9,315	(58,486)	(173,425)	(173,982)	(1,247,624)	(1,127,040)	(102,410)	(3,218,883)
Insurance service result *	556,582	218,014	(501,385)	814,982	184,771	25,778	551,853	161,699	213,255	2,225,54

* This amount does not include the expenses related to shareholders' equity share for managing takaful insurance operations with an amount of JD 2,773,366.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical	Marine	Engineering	Fire	G & A	Life	Total
<i>Jordanian Dinar</i>										
For the period ended March 31, 2023 (Unaudited)										
Insurance revenue from contracts measured under PAA	2,380,559	548,052	2,077,355	4,727,865	288,531	221,621	2,027,902	842,705	1,639,163	14,753,753
Insurance revenue – total	2,380,559	548,052	2,077,355	4,727,865	288,531	221,621	2,027,902	842,705	1,639,163	14,753,753
Incurred claims and other directly attributable expenses – net	(1,990,240)	(97,002)	(1,936,726)	(4,306,662)	(48,796)	(1,060)	(104,416)	38,909	(604,940)	(9,050,933)
Changes that relate to past service - adjustments to the LIC	(871,928)	71,526	685,301	(224,145)	(549)	203	(128,305)	82,114	(445,645)	(831,428)
(Losses) reversal of losses on onerous contracts – net	(69,074)	-	41,969	-	-	-	-	(22,065)	-	(49,170)
Insurance service expenses	(2,931,242)	(25,476)	(1,209,456)	(4,530,807)	(49,345)	(857)	(232,721)	98,958	(1,050,585)	(9,931,531)
Net income/(expenses) from insurance contracts	(550,683)	522,576	867,899	197,058	239,186	130,529	1,885,415	941,664	588,579	4,822,222
Allocation of reinsurance premium paid - contracts measured under the PAA	(246,227)	(278,184)	(3,681)	(1,510,334)	(142,129)	(106,812)	(1,497,651)	(668,820)	(1,138,326)	(5,592,164)
Amounts recoverable from reinsurers – net	(17,413)	(160,857)	212,717	2,049,798	29,985	(5,042)	140,701	(115,832)	704,127	2,838,184
Net income/(expenses) from reinsurance contracts held	(263,640)	(439,041)	209,036	539,464	(112,144)	(111,854)	(1,356,950)	(784,652)	(434,199)	(2,753,980)
Insurance service result *	(814,323)	83,535	1,076,935	736,521	127,042	18,675	528,465	157,012	154,380	2,068,242

*** This amount does not include the expenses related to shareholders' equity share for managing takaful insurance operations with an amount of JD 2,736,380.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

14) NET FINANCE REVENUE (EXPENSE) FROM INSURANCE CONTRACTS & REINSURANCE CONTRACTS HELD

An analysis of the net insurance finance (expense) / income by product line is presented below:

	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical	Marine	Engineering	Fire	G & A	Life	Total
For the period ended March 31,2024 (Unaudited)										
Finance expense from insurance contracts issued										
Accretion of interest on LIC claims best estimate, reinsurance share	(50,841)	(2,247)	(140,044)	-	-	-	-	-	-	(193,132)
Accretion of interest on LIC attributable expenses best estimate	(5,714)	(530)	(6,942)	-	-	-	-	-	-	(13,186)
Net finance expense from insurance contracts	(56,555)	(2,777)	(146,986)	-	-	-	-	-	-	(206,318)
Finance expense from reinsurance contracts held										
Accretion of interest on LIC claims best estimate, reinsurance share	16,635	2,607	5,020	-	-	-	-	-	-	24,262
Net finance expense from reinsurance contracts held	16,635	2,607	5,020	-	-	-	-	-	-	24,262
Net Insurance Finance expense	(39,920)	(170)	(141,966)	-	-	-	-	-	-	(182,056)

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024

	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical	Marine	Engineering	Fire	G & A	Life	Total
<i>Jordanian Dinar</i>										
For the period ended March 31, 2023 (Unaudited)										
Finance expense from insurance contracts issued	(21,005)	(4,307)	(99,706)	(43,744)	(1,512)	(1,481)	(11,152)	(18,524)	(31,546)	(232,977)
Accretion of interest on LIC claims best estimate	(630)	(129)	(2,991)	(1,312)	(8)	(2)	(24)	(48)	(150)	(5,294)
Accretion of interest on LIC attributable expenses best estimate										
Net finance expense from insurance contracts	(21,635)	(4,436)	(102,697)	(45,056)	(1,520)	(1,483)	(11,176)	(18,572)	(31,696)	(238,271)
Finance expense from reinsurance contracts held										
Accretion of interest on LIC claims best estimate, reinsurance share	15,946	7,861	566	17,147	1,250	1,406	10,377	16,828	26,644	98,02
Net finance expense from reinsurance contracts held	15,946	7,861	566	17,147	1,250	1,406	10,377	16,828	26,644	98,02
Finance (expense) / income – net	(5,689)	3,425	(102,131)	(27,909)	(270)	(77)	(799)	(1,744)	(5,052)	(140,246)

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

15) FINANCIAL RISK MANAGEMENT

The Group generally has exposure to the financial risks, credit risk, liquidity risk, market risk and capital management. Generally, the Group's objectives, policies and processes for managing risk are the same as those disclosed in its consolidated financial statements for the year ended December 31, 2023.

16) FAIR VALUE LEVELS

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

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability.

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in these condensed consolidated interim financial statements.

Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data. The Group ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the period end.

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates.

	Fair value through other comprehensive income (FVOCI)	Fair value		
		Level 1	Level 2	Level 3
<i>Jordanian Dinar</i>				
As of March 31, 2024 (Unaudited)				
Shares with quoted prices	2,734,085	2,734,085	-	-
Shares with un-quoted prices	26,600	-	-	26,600
Sukuk	3,003,546	2,657,554	345,992	-
	5,764,231	5,391,639	345,992	26,600
<i>In Jordanian Dinar</i>				
As of December 31, 2023 (Audited)				
Shares with quoted prices	2,692,929	2,692,929	-	-
Shares with un-quoted prices	26,601	-	-	26,601
Sukuk	2,982,673	2,639,784	342,889	-
	5,702,203	5,332,713	342,889	26,601

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

The fair value of investments in sukuk at level 2 is based on the value of similar quoted sukuks communicated by the investment manager. The fair value of investments in equity securities at level 1 is based on quoted prices available in the market. There were no transfers between levels of the fair value hierarchy during the period ended March 31, 2024 and the year ended December 31, 2023. Additionally, there were no changes in the valuation techniques. Investments measured at amortised cost include corporate sukuks.

The Group believes that the fair values of the Group's financial assets and liabilities that are not measured at fair value are not materially different from their carrying values.

17) OPERATING SEGMENTS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the condensed consolidated interim statement of profit or loss. Segment assets and liabilities comprise operating assets and liabilities.

Information about the Group's operating sectors

The Group was organized to include the general takaful sector (general insurance) according to the reports used by the CEO and the main decision maker, which include (Comprehensive, Pools - Borders & Buses, Third Party, Medical, Marine, Fire & Eng., G&A and life). This sector is the base used by the Group to disclose information related to the main sectors, and the above-mentioned sector also includes the Group's investments and cash above. Transactions between business segments are based on market prices estimated in the same terms as those used with other segments.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical	Marine	Engineering	Fire	G & A	Life	Total
Three-month period ended March 31, 2024 (Unaudited)										
Insurance revenue	2,608,004	636,900	2,262,339	5,109,536	405,574	267,269	2,100,270	1,404,359	1,388,810	16,183,061
Insurance service expenses	(1,950,475)	(174,602)	(2,773,039)	(4,236,068)	(47,378)	(67,509)	(300,793)	(115,620)	(1,073,145)	(10,738,629)
Results of insurance contracts	657,529	462,298	(510,700)	873,468	358,196	199,760	1,799,477	1,288,739	315,665	5,444,432
Reinsurance contracts held	(193,730)	(326,257)	(14,750)	(2,977,709)	(213,543)	(227,477)	(1,470,201)	(1,187,914)	(823,611)	(7,435,192)
Recoveries from reinsurance contracts held	92,783	81,973	24,065	2,919,223	40,118	53,495	222,577	60,874	721,201	4,216,309
Net expense from reinsurance contracts held	(100,947)	(244,284)	9,315	(58,486)	(173,425)	(173,982)	(1,247,624)	(1,127,040)	(102,410)	(3,218,883)
Insurance service results	556,582	218,014	(501,385)	814,982	184,771	25,778	551,853	161,699	213,255	2,225,549
Net Insurance Finance Expense	(39,920)	(170)	(141,966)	-	-	-	-	-	-	(182,056)
Murabaha income										180,928
Investment income										159,738
Other income										21,657
Policyholders share of results										553,131
General and administrative expenses										(1,172,206)
Depreciation and amortization										(118,362)
Salaries and benefits										(435,401)
Al-Qard Al-Hassan										(519,822)
Profit before tax										713,156
Income tax for the period										(154,097)
Profit for the period attributable to the shareholders										559,059

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

<i>Jordanian Dinar</i>	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical	Marine	Engineering	Fire	G & A	Life	Total
For the period ended March 31, 2023										
(Unaudited)										
Insurance revenue	2,380,559	548,052	2,077,355	4,727,865	288,531	221,621	2,027,902	842,705	1,639,163	14,753,753
Insurance service expenses	(2,931,242)	(25,476)	(1,209,456)	(4,530,807)	(49,345)	(857)	(232,721)	98,958	(1,050,585)	(9,931,531)
Results of insurance contracts	(550,683)	522,576	867,899	197,058	239,186	130,529	1,885,415	941,664	588,579	4,822,222
Reinsurance contracts held	(246,227)	(278,184)	(3,681)	(1,510,334)	(142,129)	(106,812)	(1,497,651)	(668,820)	(1,138,326)	(5,592,164)
Recoveries from reinsurance contracts held	(17,413)	(160,857)	212,717	2,049,798	29,985	(5,042)	140,701	(115,832)	704,127	2,838,184
Net expense from reinsurance contracts held	(263,640)	(439,041)	209,036	539,454	(112,144)	(111,854)	(1,356,950)	(784,652)	(434,199)	(2,753,980)
Insurance service results	(814,323)	83,535	1,076,935	736,521	127,042	18,675	528,465	157,012	154,380	2,068,242
Net Insurance Finance Expense	(5,689)	3,425	(102,131)	(27,909)	(270)	(77)	(799)	(1,744)	(5,052)	(140,246)
Murabaha income										186,743
Investment income										91,076
Other income										20,861
Policyholders share of results										613,889
General and administrative expenses										(1,142,946)
Depreciation and amortization										(113,041)
Salaries and benefits										(409,710)
Al-Qard Al-Hassan										(590,738)
Profit before tax										584,130
Income tax for the period										(82,830)
Profit for the period attributable to the shareholders										501,300

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

<i>In Jordanian Dinar</i>	Motor Comprehen sive	Motor Pools- Borders & Buses	Motor Third Party	Medical	Marine	Engineering	Fire	G & A	Life	Total
As of March 31, 2024 (Unaudited)										
Assets										
Reinsurance contract assets	1,309,320	646,947	298,275	3,056,983	187,093	451,612	3,330,049	1,817,692	1,585,046	12,683,017
Unallocated assets	-	-	-	-	-	-	-	-	-	51,108,983
Total Assets										<u>63,792,000</u>
Liabilities										
Insurance contract liabilities	3,564,014	246,622	9,735,188	4,456,769	8,954	538,737	3,315,748	1,734,194	3,131,068	26,731,294
Unallocated liabilities	-	-	-	-	-	-	-	-	-	2,900,524
Total Liabilities										<u>29,631,818</u>
As of December 31, 2023 (Audited)										
Assets										
Reinsurance contract assets	1,555,932	578,940	262,896	2,546,883	104,598	407,099	2,168,465	2,524,709	1,724,945	11,874,467
Unallocated assets	-	-	-	-	-	-	-	-	-	51,305,442
Total Assets										<u>63,179,909</u>
Liabilities										
Insurance contract liabilities	3,482,576	243,496	9,377,440	4,407,815	20,138	486,499	3,527,755	2,362,637	3,005,721	26,914,077
Unallocated liabilities	-	-	-	-	-	-	-	-	-	2,696,114
Total Liabilities										<u>29,610,191</u>

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE- MONTH PERIOD ENDED MARCH 31, 2024**

18) RELATED PARTY BALANCES AND TRANSACTION

The Group in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in IAS-24. Transaction with related parties mainly relate to expenses incurred by the related parties on behalf of the Group and revenue through under common control companies (parties related to the Group or shareholders of the Company). Transactions with related parties are undertaken at mutually agreed prices. Significant related party balances arising from transactions are described as under:

The significant balances and transactions with related parties and the related amounts are as follows:

	Related Party			Total	
	Major Owners' Equity and Board of Directors	Top Management	Under Common Control Company	As of March 31, 2024 – (Unaudited)	As of December 31, 2023 (Audited)
<u>Condensed consolidated Interim Statement of Financial Position Items</u>					
Accounts receivable	599	45,445	-	46,044	39,080
Accounts payable	-	-	8,558	8,558	18,253
Deposit at banks outside Jordan	-	-	2,827,418	2,827,418	-
				For the Three Months Ended March 31,	
				2024	2023
				(Unaudited)	(Unaudited)
<u>Condensed consolidated Interim Statement of Comprehensive Income Items</u>					
Investments revenue	-	-	29,504	29,504	24,456
Insurance contract	-	4,820	-	4,820	317

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly and comprise top management executives including the Chief Executive Officer and the Chief Financial Officer of the Group

The following table shows the annual salaries, remuneration and allowances of the key management personnel for the period ended March 31, 2024 and December 31, 2023:

	For the Three Months Ended March 31,	
	2024 (Unaudited)	2023 (Unaudited)
Salaries and bonuses	385,733	317,865
	385,733	317,865

19) LAWSUITS AGAINST THE GROUP

There are lawsuits held against the Group for various types of claims, the determined lawsuit at courts is about JOD 2,833,178 as of March 31, 2024 (JOD 2,330,145 as of December 31, 2023). In the management and the legal advisors' opinion, the Group will not have claims that exceed the outstanding claims provision amount.

20) AUDIT FEES

The total fees for the group in 2023 amounted to JOD 111,000, including non-audit services which amounted to JOD 4,000. The amount paid was JOD 111,000.