

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

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

JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED FINANCIAL INFORMATION AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2022

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

AM/ 007608

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

### **Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Jordan Insurance Company (A Public Shareholding Limited Company) "the Company", as of March 31, 2022 and the related interim condensed statements of profit or loss and comprehensive income for the three-months period ended March 31, 2022, and the interim condensed statements of changes in shareholders' equity and cash flows for the three-months period then ended, and a summary of significant accounting policies and other explanatory information. The management is responsible for the preparation and fair presentation of these interim condensed financial information in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

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

Amman – The Hashemite Kingdom of Jordan  
April 28, 2022

Deloitte & Touche (M.E.) – Jordan  
**Deloitte & Touche (M.E.)**  
ديلويت آند توش (الشرق الأوسط)  
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JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Note</u>	<u>March 31, 2022</u>	<u>December 31, 2021 (Audited)</u>
		JD	JD
Deposits at banks	4	23,823,622	26,654,164
Financial assets at fair value through statement of profit or loss	5	2,884,594	2,748,881
Financial assets at fair value through statement of comprehensive income	6	26,233,986	27,866,076
Investment properties	7	15,510,262	15,512,881
Life insurance policyholders' loans		35,539	35,539
Total Investments		<u>68,488,003</u>	<u>72,817,541</u>
Cash on hand and at banks		7,301,438	3,536,478
Notes receivable and checks under collection		3,283,144	3,075,583
Accounts receivable - net	8	20,598,956	16,415,063
Reinsurance receivables - net	9	6,658,243	5,831,044
Deferred tax assets	17/d	2,511,793	2,844,555
Property and equipment - net		985,153	990,374
Intangible assets - net		213,159	239,895
Other assets	10	3,274,376	2,558,359
TOTAL ASSETS		<u>113,314,265</u>	<u>108,308,892</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		13,315,494	11,365,857
Outstanding claims reserve - net		15,892,618	15,622,636
Mathematical reserve - net		1,373,187	1,417,919
Premiums deficiency reserve		186,349	83,176
Total Insurance Contracts Liabilities		<u>30,767,648</u>	<u>28,489,588</u>
Due to Banks	11	17,852,626	17,763,534
Payables		5,014,470	3,129,023
Reinsurance payables	12	7,260,034	5,254,165
Various provisions		1,161,801	1,174,193
Income tax provision	17/a	171,425	85,021
Deferred tax liabilities	17/d	1,132,116	1,446,798
Other liabilities		1,011,969	707,047
TOTAL LIABILITIES		<u>64,372,089</u>	<u>58,049,369</u>
<u>SHAREHOLDERS' EQUITY</u>			
Paid-up capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Financial assets valuation reserve		5,248,306	6,823,258
Retained earnings		5,936,265	5,936,265
Profit for the period		257,605	-
TOTAL SHAREHOLDERS' EQUITY		<u>48,942,176</u>	<u>50,259,523</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>113,314,265</u>	<u>108,308,892</u>

Chairman of the Board of Directors

General Manager

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



JORDAN INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS  
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2022

	Note	For the Three-Months Period	
		Ended March 31,	
		2022 (Reviewed) JD	2021 (Reviewed) JD
Revenue:			
Gross written premiums - general insurance		16,013,188	13,569,178
Gross written premiums - life		6,518,113	5,402,088
<u>Less:</u> Re-insurers' share - general insurance		8,077,685	6,471,038
Re-Insurers' share - life		<u>3,843,138</u>	<u>3,145,441</u>
Net Written Premiums		10,610,478	9,354,787
Net change in unearned premiums reserve		(1,949,637)	(1,136,118)
Net change in mathematical reserve		44,732	126,528
Net change in premiums deficiency reserve		<u>(103,173)</u>	<u>2,226</u>
Net Earned Written Premiums		8,602,400	8,347,423
Commissions' revenues		789,516	657,752
Insurance policies issuance fees		440,450	396,087
Credit interest		49,416	55,987
(Loss) gain from financial assets and investments		375,837	161,081
Other revenues		<u>(28,363)</u>	<u>(124,043)</u>
Total Revenue		<u>10,229,256</u>	<u>9,494,287</u>
Claims, Losses and Expenses:			
Paid claims		14,750,121	12,378,350
<u>Less:</u> Recoveries		980,805	967,271
<u>Less:</u> Re-insurers' share		8,045,182	5,779,359
<u>Add:</u> Matured and dissolved policies		<u>44,952</u>	<u>3,500</u>
Net Paid Claims		5,769,086	5,635,220
Net change in outstanding claims reserve		269,981	(179,724)
Allocated employees' expenses		1,021,452	1,039,147
Allocated general and administrative expenses		593,704	495,748
Excess of loss premiums		104,489	144,035
Policies acquisition costs		730,788	704,305
Other expenses related to underwritings		<u>443,560</u>	<u>379,925</u>
Net Paid Claims Costs		<u>8,933,060</u>	<u>8,218,656</u>
Unallocated employees' expenses		178,292	189,483
Depreciation and amortization		69,452	64,433
Unallocated general and administrative expenses		122,245	96,026
Allowance for expected credit loss	8	-	-
Bank interests and charges		458,016	350,966
Other expenses		<u>35,369</u>	<u>40,954</u>
Total Expenses		<u>863,374</u>	<u>741,862</u>
Profit for the period before Tax		432,822	533,769
<u>Less:</u> Income tax expense	17/b	<u>175,217</u>	<u>69,257</u>
Profit for the period		<u>257,605</u>	<u>464,512</u>
Earnings Per Share for the Period (Basic and Diluted)	13	<u>-/009</u>	<u>-/015</u>

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2022

	For the Three-Months	
	Period Ended March 31,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Profit for the period	257,605	464,512
Other Comprehensive Income Statement Items:		
<u>Items that will not be reclassified subsequently</u>		
<u>to the interim condensed statement of profit or loss:</u>		
Change in fair value - financial assets at fair value through statement		
of comprehensive income - net	(1,574,952)	2,156,231
Total (Comprehensive Loss) / Comprehensive Income for the Period	(1,317,347)	2,620,743

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**JORDAN INSURANCE COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2022**

	Paid - up Capital	Statutory Reserve	Financial Assets Evaluation Reserve		Realized	Retained Earnings Unrealized		Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the Three-Months Period Ended March 31, 2022</b>									
Balance at the beginning of the period (Audited)	30,000,000	7,500,000	6,823,258	4,415,623	1,520,642	5,936,265	-	50,259,523	
Profit for the period	-	-	-	-	-	-	257,605	257,605	
Other comprehensive Income Items for the period - net	-	-	(1,574,952)	-	-	-	-	(1,574,952)	
Total (Comprehensive Loss) for the Period	-	-	(1,574,952)	-	-	-	257,605	(1,317,347)	
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	5,248,306	4,415,623	1,520,642	5,936,265	257,605	48,942,176	
<b>For the Three-Months Period Ended March 31, 2021</b>									
Balance at the beginning of the period (Audited)	30,000,000	7,500,000	(2,736,253)	3,719,193	1,520,642	5,239,835	-	40,003,582	
Profit for the period	-	-	-	-	-	-	464,512	464,512	
Other comprehensive Income Items for the period - net	-	-	2,156,231	-	-	-	-	2,156,231	
Total (Comprehensive Loss) for the Period	-	-	2,156,231	-	-	-	464,512	2,620,743	
Balance at the End of the Period (Reviewed)	30,000,000	7,500,000	(580,022)	3,719,193	1,520,642	5,239,835	464,512	42,624,325	

a. Retained earnings balance includes a restricted amount of JD 2,147,424 as of March 31, 2022 representing deferred tax assets (JD 2,222,643 as of December 31, 2021).

b. Retained earnings balance includes a restricted balance of JD 1,221,061 as of March 31, 2022, representing the effect of the early adoption of IFRS (9), which represents revaluation of financial assets at fair value through statement of profit or loss according to the directives of Securities Exchange Commission.

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JORDAN INSURANCE COMPANY  
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTHS PERIOD ENDED MARCH 31, 2022

	Note	For the Three-Months Period Ended March 31,	
		2022 (Reviewed)	2021 (Reviewed)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		JD	JD
Profit for the period before tax		432,822	533,769
Adjustments:			
Depreciation and amortization		69,452	64,433
Expected credit loss	8	-	-
Net change in unearned premiums reserve		1,949,637	1,136,118
Net change in outstanding claims reserve		269,982	(179,734)
Net change in mathematical reserve		(44,732)	(126,528)
Net change in premiums deficiency reserve		103,173	(2,226)
Cash Flows from Operating Activities before Changes in Working Capital Items		2,780,334	1,425,832
(Increase) decrease in checks under collection and notes receivable		(207,561)	(337,198)
(Increase) decrease in financial assets through statement of profit or loss		(135,713)	(86,079)
(Increase) in receivables		(4,183,893)	(2,606,950)
(Increase) decrease in re-insurance receivables		(827,199)	(190,953)
(Increase) in other assets		(716,017)	(853,370)
Increase (decrease) in payables		1,885,447	745,331
Increase in re-insurance payables		2,005,869	1,625,266
Increase in various provisions		(12,392)	27,223
Increase in other liabilities		304,922	246,323
Net Cash Flows from (Used in) Operating Activities before Income tax Paid		893,797	(4,575)
Income tax paid	17 /a	(13,596)	-
Net Cash Flows from (Used in) Operating Activities		880,201	(4,575)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
(Increase) decrease in deposits at banks maturing in a period more than 3 months		-	-
Decrease in Life insurance policyholders' loans		-	6,000
(Increase) in property and equipment and intangible assets		(37,493)	(17,894)
(Increase) in investments properties		2,619	(53,182)
Net Cash Flows (Used in) Investment Activities		(34,874)	(65,076)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase (decrease) in due to banks		89,092	5,211,966
Net Cash Flows from Financing Activities		89,092	5,211,966
Net Increase in Cash		934,419	5,142,315
Cash and cash equivalents - beginning of the year		27,704,532	23,586,890
Cash and Cash Equivalents - End of the Period	14	28,638,951	28,729,205

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

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**1. Incorporation and Activities**

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

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

**2. Basis of Preparation**

- The accompanying interim condensed financial information for the three-months period ended March 31, 2022 have been prepared in accordance with the International Accounting Standard No. (34) (Interim Financial Reporting).
- The interim condensed financial information are prepared in Jordanian dinar, which represents the Company's functional and presentation currency.
- The interim condensed financial information do not include all information and disclosures required for the annual financial statements and should be read with the Company's annual financial statements for the year ended December 31, 2022. Moreover, the results of operations for the three-months period ended March 31, 2022 do not necessarily provide an indication of the apportionment results of operations for the year ending December 31, 2021. No appropriation occurred on the profit of the period ended March 31, 2022 which is performed at the end of the financial year.

**Judgments, Estimates and Risk Management**

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



### **3. Significant Accounting Policies**

financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2021. However, the Company has adopted the following amendments and interpretations that apply for the first time in 2022 and do not have an impact on the condensed interim financial information of the Company:

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

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

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

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

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

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

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

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

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

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

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

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

## **IFRS Financial Enhancements 2018-2020**

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

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

### **IFRS 9 Financial Instruments**

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

### **IAS 41 Agriculture**

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

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



### Standards issued but not effective

At the date of authorization of these condensed interim financial information, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
<p><b>IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17)</b></p> <p>IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.</p> <p>IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.</p> <p>The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.</p> <p>In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.</p> <p>For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.</p>	<p><b>The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.</b></p>
<p><b>Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</b></p> <p>The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.</p>	<p><b>The effective date is yet to be set. Earlier application is permitted.</b></p>



New and revised IFRSs	Effective date
<b>Amendments to IAS 1 – Classification of Liabilities as Current or Non-current</b>	<b>The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.</b>
<p>The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p>	
<p>The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p>	
<b>Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies</b>	<b>January 1, 2023, with earlier application permitted and are applied prospectively.</b>
<p>The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p>	<p><b>The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.</b></p>
<p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p>	
<p>The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.</p>	

New and revised IFRSs	Effective date
<p><b>Amendments to IAS 8 - Definition of Accounting Estimates</b></p> <p>The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.</p> <p>The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:</p> <ul style="list-style-type: none"> <li>• A change in accounting estimate that results from new information or new developments is not the correction of an error</li> <li>• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors</li> </ul> <p>The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.</p>	<p><b>January 1, 2023, with earlier application permitted</b></p>

**Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

**January 1, 2023, with earlier application permitted**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application, except for IFRS 17 that relates to insurance contracts whereas the Company is currently studying the effect of the standard on the financial statements and is currently updating the required financial systems and procedures in order to apply the standard and disclose the required information in the financial statements for year end 2022 and the actual implementation at the beginning of the year 2023.



#### 4. Deposits at Banks

This item consists of the following:

	March 31, 2022 (Reviewed)			December 31, 2021 (Audited)
	Deposits Maturing Within Three Months	Deposits Maturing In more than Three Months	Total	Total
	JD	JD	JD	JD
Deposits at banks inside Jordan	2,528,041	495,821	3,023,862	2,628,803
Deposits at banks outside Jordan	18,809,472	1,990,288	20,799,760	24,025,361
Total	<u>21,337,513</u>	<u>2,486,109</u>	<u>23,823,622</u>	<u>26,654,164</u>

- Deposits pledged as collaterals to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of March 31, 2022 and December 31, 2021 and its maturity exceed three-months.
- Interest rates on bank deposit balances in Jordanian Dinars ranges from 2% to 4% and US Dollar from 0.05% to 0.25%.

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

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Quoted shares	2,884,594	2,748,881
	<u>2,884,594</u>	<u>2,748,881</u>

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

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
<u>Inside Jordan</u>	JD	JD
Quoted shares	5,901,642	4,911,088
Unquoted shares	29,825	29,825
	<u>5,931,467</u>	<u>4,940,913</u>
<u>Outside Jordan</u>		
Quoted shares	15,574,822	18,197,466
Unquoted shares *	4,727,697	4,727,697
	<u>20,302,519</u>	<u>22,925,163</u>
Total Financial assets at Fair Value through comprehensive income	<u>26,233,986</u>	<u>27,866,076</u>

- \* This item represents an amount of JD 4,680,750 (net after increasing the impact of revaluation amounting to JD 610,770 as of March 31, 2021), investment in Asia Insurance Company's shares (Iraq), and the shares registered in the Company's name reached an amount of 5,925,000,000 Share / Iraqi Dinar equivalent to 19.75% of the Company's paid-up capital as of March 31, 2022 and December 31, 2021.

**7. Investment Properties**

a. This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Lands	11,946,304	11,946,304
Net buildings after depreciation	3,563,958	3,566,577
	<u>15,510,262</u>	<u>15,512,881</u>

- b. Additions to investment properties amounted to JD 25,147 during the period ended March 31, 2022.
- c. The fair value of investment property has been evaluated by real estate appraisers at JD 25,910, 404 as of March 31, 2022 and December 31, 2021.

**8. Receivables - Net**

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Policyholders' receivable	17,668,239	15,773,322
Agents' receivable	2,950,763	2,841,349
Employees' receivable	109,796	115,790
Other receivables	3,340,001	1,155,910
	<u>24,068,799</u>	<u>19,886,371</u>
(Less): Expected credit loss *	<u>(3,469,843)</u>	<u>(3,471,308)</u>
Net Receivables	<u>20,598,956</u>	<u>16,415,063</u>

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

	For the Three Months Period Ended March 31, 2022 (Reviewed)	For the Year Ended December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	3,471,308	3,428,412
Currency exchange differences	-	43,069
Adjusted balance	3,471,308	3,471,481
(Released) during the year	-	-
(Less): Written-off debts	<u>(1,465)</u>	<u>(173)</u>
Balance at the End of the Period / Year	<u>3,469,843</u>	<u>3,471,308</u>

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

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Local insurance companies	2,825,800	2,875,278
Foreign re-insurance companies	4,994,085	4,117,408
	<u>7,819,885</u>	<u>6,992,686</u>
(Less): Expected credit loss for re-insurance receivables	<u>(1,161,642)</u>	<u>(1,161,642)</u>
	<u>6,658,243</u>	<u>5,831,044</u>

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



#### 10. Other Assets

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Refundable deposits	1,328,383	1,390,928
Accrued revenue	215,312	65,638
Prepaid expenses	1,397,559	772,136
Other	333,122	329,657
	<u>3,274,376</u>	<u>2,558,359</u>

#### 11. Due to Banks

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Bank of Jordan *	5,000,000	5,000,000
Cairo Amman Bank **	8,472,290	8,301,715
Arab Bank ***	4,380,336	4,461,819
	<u>17,852,626</u>	<u>17,763,534</u>

\* This item represents the utilized balance as of March 31, 2022 of the overdraft facilities granted by Bank of Jordan at the ceiling of JD 5 million at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.

\*\* This item represents the utilized balance as of March 31, 2022 of the overdraft facilities granted by Cairo Amman Bank at a ceiling of JD 6/9 million and an interest rate of 8% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.

\*\*\* This item represents the utilized balance as of March 31, 2022 of the overdraft facilities granted by Arab bank at a ceiling of JD 5/5 million at an interest rate of 8.375% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial Company. The main objective of these facilities is to finance the Company's activities.

#### 12. Re-insurance Payables

This item consists of the following:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Local insurance companies	1,443,120	1,582,015
External reinsurance companies	5,816,914	3,672,150
	<u>7,260,034</u>	<u>5,254,165</u>

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

The details of this item are as follows:

	For the Three-Months Period Ended March 31,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Profit for the period	257,605	464,512
	Share	Share
Weighted average number of shares	30,000,000	30,000,000
	JD / Share	JD/Share
Earnings Per Share for the Period (Basic and Diluted)	0/009	0/015

**14. Cash and Cash Equivalents**

This item consists of the following:

	For the Three-Months Period Ended March 31,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Cash on hand	58,151	222,461
Deposits maturing within three months	21,337,513	24,549,704
Current accounts at banks	7,243,287	3,957,040
	<u>28,638,951</u>	<u>28,729,205</u>

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

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

	March 31, 2022 (Reviewed) JD	December 31, 2021 (Audited) JD
<u>Interim Condensed Statement of Financial Position</u>		
<u>Items</u>		
Accounts receivable	2,405,000	634,472
Accounts payable	27,305	39,282
For the Three-Months Period Ended March 31,		
	2022 (Reviewed) JD	2021 (Reviewed) JD
<u>Interim Condensed Statement of Profit or Loss Items</u>		
Insurance premiums	476,381	554,298
Claims	41,111	473,421

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

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

	For the Three-Months Ended March 31,	
	2022 (Reviewed) JD	2021 (Reviewed) JD
Salaries and other benefits	135,706	135,706
	<u>135,706</u>	<u>135,706</u>

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

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

Distribution of the assets and liabilities as of March 31, 2022 and December 31, 2021 is as follows:

		March 31, 2022 (Reviewed)	
		Assets	Liabilities and Shareholders' Equity
		JD	JD
a. By Insurance Activity:			
Life and Medical		26,439,015	26,439,015
General Insurance		86,875,250	86,875,250
Total		<u>113,314,265</u>	<u>113,314,265</u>
b. By Geographical Distribution:			
Inside Jordan		85,119,982	103,722,681
Outside Jordan		28,194,283	9,591,584
		<u>113,314,265</u>	<u>113,314,265</u>
		March 31, 2021 (Reviewed)	
		Assets	Liabilities and Shareholders' Equity
		JD	JD
a. By Insurance Activity:			
Life and Medical		22,218,135	22,218,135
General Insurance		79,041,952	79,041,952
Total		<u>101,260,087</u>	<u>101,260,087</u>
b. By Geographical Distribution:			
Inside Jordan		71,490,878	91,715,729
Outside Jordan		29,769,209	9,544,358
		<u>101,260,087</u>	<u>101,260,087</u>

#### 17. Income Tax

##### a. Income tax provision

- Movement on the income tax provision is as follows:

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	85,021	255,662
Accrued income tax of the year	100,000	101,352
Accrued income tax for previous years	-	100,000
Income tax expense for the period / year	<u>(13,596)</u>	<u>(371,993)</u>
	<u>171,425</u>	<u>85,021</u>

##### b. Income Tax Expense

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

	For the Three-Months Period Ended March 31,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Income tax expense for the period	100,000	45,000
Deferred tax impact	75,217	24,257
Expense Income Tax for the Period	<u>175,217</u>	<u>69,257</u>



**c. Tax Status:**

- A final settlement of income tax has been reached in Jordan until the end of 2018. The Company submitted its tax return and paid the declared tax for the years of 2019 and 2020 and 2021. The company's returns are still under the review of the Income and Sales Tax Department.
- The Company's branches profits in the United Arab Emirates are not taxable, the Company's profit in Kuwait is subject to income tax rate at 10%, which has been settled up to the end of 2018 and the declared taxes were paid for the end of the year of 2018. The company also submitted the self-assessment form for the year 2019 and 2020 paid the stated tax, the form is under the review of the Kuwaiti Ministry of Finance – Tax Sector.
- The income tax due for the three months ended March 31, 2022 has been calculated. In the opinion of the Company's management and tax advisor, the provisions in the interim condensed financial information are sufficient to mitigate any tax liabilities.

**d. Deferred Tax Assets and Liabilities:**

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

Deferred Tax Assets Includes the following accounts:	March 31, 2022 (Reviewed)					December 31, 2021 (Audited)
	Beginning Balance of the Period	Released Amounts	Addition Amounts	Balance at the End of Period	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Expected Credit Loss End of service	3,451,624	-	-	3,451,624	897,422	897,422
Indemnity Provision	258,998	40,061	8,915	227,852	59,242	67,339
IBNR provision	3,175,303	127,563	5,196	3,052,936	793,763	825,578
Financial assets at fair value valuation losses through statement of profit or loss	1,662,700	135,789	-	1,526,911	396,997	432,302
Financial assets valuation losses through statement of comprehensive income	2,391,973	990,552	-	1,401,421	364,369	621,914
	<u>10,940,598</u>	<u>1,293,965</u>	<u>14,111</u>	<u>9,660,744</u>	<u>2,511,793</u>	<u>2,844,555</u>

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

Deferred Tax Liabilities Includes the following accounts:	March 31, 2022 (Reviewed)					December 31, 2021 (Audited)
	Beginning Balance of the Period	Released Amounts	Addition Amounts	Balance at the End of Period	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Gain on financial assets valuation at fair value through statement of profit or loss	2,291,518	-	-	2,291,518	274,982	274,982
Gain on financial assets valuation at fair value through other comprehensive income	9,765,135	2,622,355	-	7,142,780	857,134	1,171,816
	<u>12,056,653</u>	<u>2,622,355</u>	<u>-</u>	<u>9,434,298</u>	<u>1,132,116</u>	<u>1,446,798</u>

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

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	2,844,555	3,167,997
Previous years adjustments	-	52,000
Addition	3,669	54,352
Released	(336,431)	(429,794)
Balance at the End of the Period / Year	<u>2,511,793</u>	<u>2,844,555</u>

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

	March 31, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance at the beginning of the period / year	1,446,798	275,659
Addition	-	1,171,816
Released	(314,682)	(677)
Balance at the End of the Period / year	<u>1,132,116</u>	<u>1,446,798</u>

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

#### 18. Lawsuits Against the Company

There are lawsuits raised against the Company seeking compensation on various accidents. Lawsuits at courts with determinable values amounted to approximately JD 1,961,781 as of March 31, 2022 (JD 2,004,103 as of December 31, 2021). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions booked within the claims provision shall arise.

#### 19. Contingent Liabilities

As of the date of the interim condensed financial information the Company had contingent liabilities represented in bank guarantees in an amount of JD 3,188,193 and it is guaranteed by the Company's financial solvency as of March 31, 2022 (JD 3,185,185 as of December 31, 2021).

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

The interim condensed financial information were approved by the Board of Directors and authorized for issue on 27 April 2022.

#### 21. Solvency Margin

The Company achieved the required solvency margin according to the instructions of the Insurance Management, which should not be less than 200% as of March 31, 2022, noting that the solvency margin of the Company is 153% without taking into consideration the excesses approved by the Insurance Management.

## 22. Fair Value Hierarchy

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

Financial Assets	Fair Value		Fair Value Hierarchy	Valuation Methods and Inputs Used	Significant Intangible Inputs	Relationship between Significant Intangible Inputs to fair value
	March 31, 2022 (Reviewed) JD	December 31, 2021 (Audited) JD				
Financial assets at fair value:						
Financial assets at fair value through statement of profit or loss:						
Shares	2,884,594	2,748,881	Level one	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Financial assets at fair value through comprehensive income:						
Shares with available market prices	21,476,464	23,108,554	Level one	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market prices	29,825	29,825	Level three	The net asset value through the most recent financial information available	Not Applicable	Not Applicable
Shares with unavailable market prices	4,727,697	4,727,697	Level three	Cash flow discount method	Applicable	Applicable
Total Financial Assets at Fair Value	26,233,986	27,866,076				
	29,118,580	30,614,957				

There were no transfers between level one, level two and level three during the three months ended March 31, 2022 and the year ended December 31, 2021.

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

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

Financial assets with undetermined fair value	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		Fair value Hierarchy
	Book value JD	Fair value JD	Book value JD	Fair value JD	
Deposits at banks	23,823,622	24,300,094	26,654,164	27,187,247	Level three
Life insurance policyholders' loans	35,539	36,250	35,539	53,133,901	Level three
Real estate investment	15,510,262	25,910,404	15,512,881	25,910,404	Level three
Total Financial assets with undetermined fair value	39,369,423	50,246,748	42,202,584	106,267,802	

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