

**JORDAN FRENCH INSURANCE COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**30 SEPTEMBER 2021**

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO  
THE BOARD OF DIRECTORS OF  
JORDAN FRENCH INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed financial statements of Jordan French Insurance Company as of 30 September 2021, comprising of the interim condensed statement of financial position as at 30 September 2021, the related interim condensed statement of income, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the nine-months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard (34) Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed 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 Information Performed by the Independent Auditor of the Entity". A review of interim 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 statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan  
28 October 2021

**ERNST & YOUNG**  
Amman - Jordan

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	Notes	30 September 2021 JD (Unaudited)	31 December 2020 JD (Audited)
<b>Assets</b>			
<b>Investments-</b>			
Deposits at banks	3	7,043,866	6,196,043
Financial assets at fair value through profit or loss	4	93,837	156,855
Financial assets at fair value through other comprehensive income	5	1,919,869	2,413,790
Investment in associate	6	678,099	-
Financial assets at amortized cost	7	75,000	75,000
Investment properties	8	2,368,202	2,376,616
<b>Total Investments</b>		<b>12,178,873</b>	<b>11,218,304</b>
<b>Other Assets-</b>			
Cash on hand and at banks		1,212,728	1,165,295
Notes receivable and checks under collection		1,609,341	1,222,350
Accounts receivable	9	16,756,629	11,670,050
Reinsurance receivables	10	2,223,081	2,753,098
Deferred tax assets	13	1,523,858	1,429,472
Property and equipment		1,337,755	1,415,308
Intangible assets		2,905	20,675
Right of use assets		32,746	43,661
Other assets		588,936	376,480
		<b>25,287,979</b>	<b>20,096,389</b>
<b>Total Assets</b>		<b>37,466,852</b>	<b>31,314,693</b>
<b>Liabilities and Equity</b>			
<b>Technical reserves-</b>			
Unearned premiums reserve, net		11,018,894	6,146,300
Outstanding claims reserve, net		6,172,432	6,392,886
Mathematical reserve, net		326,477	188,430
<b>Total Technical Reserves</b>		<b>17,517,803</b>	<b>12,727,616</b>
<b>Other liabilities -</b>			
Banks overdrafts	19	1,771,964	1,400,156
Accounts payable	11	944,770	878,607
Reinsurance payables	12	1,754,521	1,130,941
Postdated checks		2,415,436	1,902,671
Lease liabilities		46,856	56,175
End of service indemnity provision		46,534	42,570
Income tax provision	13	191,367	401,664
Other liabilities		110,306	140,843
<b>Total Technical Reserves and Other Liabilities</b>		<b>24,799,557</b>	<b>18,681,243</b>
<b>Equity-</b>			
Authorized and paid-in capital	14	9,100,000	9,100,000
Statutory reserve	15	2,256,010	2,256,010
Fair value reserve	16	(67,802)	(563,179)
Retained earnings		812,198	1,840,619
Profit for the period		566,889	-
<b>Total Shareholders' Equity</b>		<b>12,667,295</b>	<b>12,633,450</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>37,466,852</b>	<b>31,314,693</b>

The attached notes from 1 to 27 form part of these interim condensed financial statements

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

		For the three months ended 30 September		For the nine months ended 30 September	
	Notes	2021	2020	2021	2020
		JD	JD	JD	JD
<b>Revenues -</b>					
Gross written premiums		10,291,747	3,920,025	25,904,415	21,665,241
Less: Reinsurance share		926,627	926,484	3,722,730	2,705,836
<b>Net written premiums</b>		9,365,120	2,993,541	22,181,685	18,959,405
Net change in unearned premiums reserve		(3,486,451)	2,983,335	(4,872,594)	(2,910,347)
Net change in mathematical reserve		(104,414)	178,020	(138,047)	5,296
<b>Net earned premiums</b>		5,774,255	6,154,896	17,171,044	16,054,354
Commissions income		51,770	67,527	202,301	175,617
Insurance policies issuance fees		1,114,242	511,512	2,594,497	1,954,397
Other revenues related to underwriting accounts		265,704	251,322	656,223	861,266
Interest income		73,421	77,760	165,877	179,706
Gain from the reclassification of financial assets at fair value through other comprehensive income to an investments in associate	6	101,847	-	101,847	-
Gain (loss) from financial assets and investments	17	(1,284)	47,483	(25,386)	(251,827)
Other revenues, net		12,877	(11,563)	32,017	26,008
<b>Total revenues</b>		7,392,832	7,098,937	20,898,420	18,999,521
<b>Claims, Losses and Expenses</b>					
Paid claims		7,642,042	6,418,974	20,043,523	17,518,480
Less: Recoveries		273,265	248,009	1,343,994	2,033,691
Less: Reinsurance share		1,725,703	548,973	2,664,194	1,587,341
Add: Incurred and matured policies		4,212	14,522	16,455	21,244
<b>Net paid claims</b>		5,647,286	5,636,514	16,051,790	13,918,692
Net change in outstanding claims reserve		(168,112)	93,750	(220,454)	(883,530)
Allocated employees' expenses		652,803	454,563	1,696,598	1,686,969
Allocated administrative and general expenses		81,458	173,687	720,785	949,045
Excess of loss premium		128,833	182,088	224,258	271,463
Policies acquisition costs		112,429	311,400	354,618	373,249
Other expenses related to underwriting accounts		220,006	70,173	510,397	333,874
<b>Net claims cost</b>		6,674,703	6,922,175	19,337,992	16,649,762
Unallocated employees' expenses		124,729	253,250	294,187	545,501
Depreciation and amortization		26,745	33,464	81,283	99,936
Unallocated administrative and general expenses		45,365	123,290	138,094	306,883
Provision for expected credit losses	9,10	150,000	-	300,000	200,000
<b>Total expenses</b>		346,839	410,004	813,564	1,152,320
<b>Profit (loss) for the period before tax</b>		371,290	(233,242)	746,864	1,197,439
Less: Income tax expense	13	(122,736)	2,235	(252,736)	(391,188)
Deferred tax assets amortization	13	79,416	44,795	72,761	167,630
<b>Profit (loss) for the period</b>		327,970	(186,212)	566,889	973,881
		Fils/JD	Fils/JD	Fils/JD	Fils/JD
Basic and diluted earnings per share	18	0,036	(0,020)	0,062	0,107

The attached notes from 1 to 27 form part of these interim condensed financial statements

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

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	For the three months ended 30 September		For the nine months ended 30 September	
	2021	2020	2021	2020
	JD	JD	JD	JD
<b>Profit (loss) for the period</b>	327,970	(186,212)	566,889	973,881
<b>Add: Other comprehensive income items after tax that will not to be reclassified to profit or loss in subsequent periods:</b>				
Change in fair value of financial assets at fair value through other comprehensive income	59,587	(155,701)	103,956	(570,318)
<b>Total comprehensive income for the period</b>	<u>387,557</u>	<u>(341,913)</u>	<u>670,845</u>	<u>403,563</u>

The attached notes from 1 to 27 form part of these interim condensed financial statements

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Authorized and paid-in capital	Statutory reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD
<b>For the nine months ended 30 September 2021</b>					
Balance as at 1 January 2021	9,100,000	2,256,010	(563,179)	1,840,619	12,633,450
Reclassification of financial assets at fair value through other comprehensive income (Note 6)	-	-	391,421	(391,421)	-
Total comprehensive income for the period	-	-	103,956	566,889	670,845
Dividends paid (Note 24)	-	-	-	(637,000)	(637,000)
<b>Balance as at 30 September 2021</b>	<u>9,100,000</u>	<u>2,256,010</u>	<u>(67,802)</u>	<u>1,379,087</u>	<u>12,667,295</u>
<b>For the nine months ended 30 September 2020</b>					
Balance as at 1 January 2020	9,100,000	2,078,414	21,146	1,050,794	12,250,354
Total comprehensive income for the period	-	-	(570,318)	973,881	403,563
Dividends paid (Note 24)	-	-	-	(438,393)	(438,393)
<b>Balance as at 30 September 2020</b>	<u>9,100,000</u>	<u>2,078,414</u>	<u>(549,172)</u>	<u>1,586,282</u>	<u>12,215,524</u>

The attached notes from 1 to 27 form part of these interim condensed financial statements

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

		For the nine months ended 30 September	
	Notes	2021 JD	2020 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the period before tax		746,864	1,197,439
<b>Adjustments for non-cash items</b>			
Depreciation of investment properties	8	8,414	7,207
Depreciation of property and equipment		55,099	76,695
Amortization of intangible assets		17,770	16,034
Net change in unearned premiums reserve		4,872,594	2,910,347
Net change in mathematical reserve		138,047	(5,296)
Net change in outstanding claims reserve		(220,454)	(883,530)
End of service indemnity provision		3,964	3,979
Provision for expected credit losses	9,10	300,000	200,000
Interest income		(165,877)	(179,706)
Interest expense		61,079	70,387
Loss on change in fair value of financial assets at fair value through profit or loss	17	63,018	317,090
Gain on sale of property and equipment		(5,928)	-
Interest on lease liabilities		2,254	2,526
Depreciation of right of use assets		10,915	24,731
Gain from reclassification of financial assets at fair value through other comprehensive income	6	(101,847)	-
<b>Cash flows from operating activities before changes in working capital</b>		<b>5,785,912</b>	<b>3,757,903</b>
Notes receivable and checks under collection		(386,991)	(193,406)
Accounts receivable		(5,386,579)	(2,075,290)
Reinsurance receivables		530,017	(86,955)
Other assets		(212,456)	538,547
Accounts payable		66,163	56,731
Postdated checks		512,765	(604,143)
Reinsurance payables		623,580	161,929
Other liabilities		(30,537)	(118,579)
<b>Net cash flows from operating activities before tax paid</b>		<b>1,501,874</b>	<b>1,436,737</b>
Income tax paid	13	(463,033)	(627,115)
<b>Net cash flows from operating activities</b>		<b>1,038,841</b>	<b>809,622</b>
<b><u>Investing Activities</u></b>			
Deposits at banks (Due after 3 months)		(800,000)	(2,250,000)
Bank interest Income received		165,877	179,706
Proceeds from sale of property and equipment		31,500	-
Purchase of property and equipment		(3,118)	(32,143)
<b>Net cash flows used in investing activities</b>		<b>(605,741)</b>	<b>(2,102,437)</b>
<b><u>Financing Activities</u></b>			
Payments of lease liabilities		(11,573)	(7,000)
Interest expense paid		(61,079)	(70,387)
Distributed dividends paid	24	(637,000)	(438,393)
<b>Net cash flows used in financing activities</b>		<b>(709,652)</b>	<b>(515,780)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(276,552)</b>	<b>(1,808,595)</b>
Cash and cash equivalent, at the beginning of the period		3,711,182	5,208,687
<b>Cash and cash equivalents, at the end of the period</b>	19	<b>3,434,630</b>	<b>3,400,092</b>

The attached notes from 1 to 27 form part of these interim condensed financial statements

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING REVENUES FOR LIFE INSURANCE**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Life	
	For the nine months ended 30 September	
	2021	2020
	JD	JD
<b>Written premiums</b>		
Direct insurance	662,540	983,741
<b>Total premiums</b>	662,540	983,741
Less:		
Foreign reinsurance share	408,479	594,385
<b>Net Written premiums</b>	254,061	389,356
Add:		
Mathematical reserve at the beginning of the period	278,725	445,293
Less: Reinsurance share	90,295	195,998
<b>Net mathematical reserve at the beginning of the period</b>	188,430	249,295
Less:		
Mathematical reserve at the end of the period	439,036	346,688
Less: Reinsurance share	112,559	102,689
<b>Net mathematical reserve at the end of the period</b>	326,477	243,999
<b>Net earned revenues from the written premiums</b>	116,014	394,652



**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR LIFE INSURANCE**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Life	
	For the nine months ended 30 September	
	2021	2020
	JD	JD
Paid claims	1,170,916	701,539
Incurred and matured policies	16,455	21,244
Less: Foreign reinsurance share	1,077,904	493,889
<b>Net paid claims</b>	<b>109,467</b>	<b>228,894</b>
Add:		
Outstanding claims reserve at the end of the period reported	465,891	101,189
Less:		
Reinsurance share	372,713	89,432
Net outstanding claims reserve at the end of the period	93,178	11,757
Less:		
Outstanding claims reserve at the beginning of the period reported	437,830	267,443
Less:		
Reinsurance share	357,222	218,415
Net outstanding claims reserve at the beginning of the period	80,608	49,028
<b>Net claims cost</b>	<b>122,037</b>	<b>191,623</b>

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR LIFE INSURANCE**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Life	
	For the nine months ended 30 September	
	2021	2020
	JD	JD
<b>Net earned revenues from written premiums</b>	116,014	394,652
Less:		
<b>Net claims cost</b>	122,037	191,623
Add:		
Commissions received	4,619	10,372
Insurance policies issuance fees	172,646	125,414
Other revenues related to underwriting accounts	-	6,527
<b>Net revenues</b>	177,265	142,313
Less:		
Policies acquisition cost	19,325	5,687
General and administrative expenses related to underwriting accounts	117,791	145,331
Other expenses related to underwriting accounts	11,942	16,279
<b>Total expenses</b>	149,058	167,297
<b>Underwriting Profit</b>	22,184	178,045

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING REVENUES FOR GENERAL INSURANCE**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and property		Civil responsibility		Guarantees		Medical		Other Branches		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Written Premiums</b>																		
Direct insurance	9,305,023	7,316,197	677,258	868,438	71,898	(40,111)	1,306,080	1,176,493	170,919	103,369	113,225	177,277	13,586,579	11,086,874	10,893	(7,037)	25,241,875	20,681,500
Facultative inward reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total premiums</b>	<b>9,305,023</b>	<b>7,316,197</b>	<b>677,258</b>	<b>868,438</b>	<b>71,898</b>	<b>(40,111)</b>	<b>1,306,080</b>	<b>1,176,493</b>	<b>170,919</b>	<b>103,369</b>	<b>113,225</b>	<b>177,277</b>	<b>13,586,579</b>	<b>11,086,874</b>	<b>10,893</b>	<b>(7,037)</b>	<b>25,241,875</b>	<b>20,681,500</b>
Less:																		
Local reinsurance share	606,651	217,438	543,646	745,410	-	-	289,165	168,755	117,109	61,123	-	-	-	-	-	-	1,556,571	1,192,726
Foreign reinsurance share	-	-	120,502	88,445	70,898	(43,611)	942,353	884,771	3,922	15,436	(4,687)	(15,578)	622,554	(14,328)	2,138	3,590	1,757,680	918,725
<b>Net written premiums</b>	<b>8,698,372</b>	<b>7,098,759</b>	<b>13,110</b>	<b>34,583</b>	<b>1,000</b>	<b>3,500</b>	<b>74,562</b>	<b>122,967</b>	<b>49,888</b>	<b>26,810</b>	<b>117,912</b>	<b>192,855</b>	<b>12,964,025</b>	<b>11,101,202</b>	<b>8,755</b>	<b>(10,627)</b>	<b>21,927,624</b>	<b>18,570,049</b>
Add:																		
Balance at the beginning of the period for unearned premiums																		
reserve	4,063,902	4,389,259	85,698	198,209	222,690	78,179	1,525,168	1,075,122	45,492	150,807	127,918	210,717	1,962,575	2,331,249	5,824	4,908	8,039,267	8,438,450
Less: Reinsurance share	88,236	199,207	81,911	148,657	218,983	77,911	1,477,726	941,889	21,725	137,875	-	105,359	-	924,349	4,386	-	1,892,967	2,535,247
<b>Net unearned premiums reserve</b>	<b>3,975,666</b>	<b>4,190,052</b>	<b>3,787</b>	<b>49,552</b>	<b>3,707</b>	<b>268</b>	<b>47,442</b>	<b>133,233</b>	<b>23,767</b>	<b>12,932</b>	<b>127,918</b>	<b>105,358</b>	<b>1,962,575</b>	<b>1,406,900</b>	<b>1,438</b>	<b>4,908</b>	<b>6,146,300</b>	<b>5,903,203</b>
Less:																		
Balance at the end of the period for unearned premiums reserve	5,194,639	4,558,744	157,652	218,377	-	36,919	825,543	740,964	96,147	60,987	148,874	99,332	6,245,864	4,255,482	5,301	5,773	12,674,020	9,976,578
Less: Reinsurance share	362,157	171,144	153,170	213,834	-	36,336	768,565	695,392	57,797	43,731	-	-	309,546	-	3,891	2,591	1,655,126	1,163,028
<b>Net unearned premiums reserve</b>	<b>4,832,482</b>	<b>4,387,600</b>	<b>4,482</b>	<b>4,543</b>	<b>-</b>	<b>583</b>	<b>56,978</b>	<b>45,572</b>	<b>38,350</b>	<b>17,256</b>	<b>148,874</b>	<b>99,332</b>	<b>5,936,318</b>	<b>4,255,482</b>	<b>1,410</b>	<b>3,182</b>	<b>11,018,894</b>	<b>8,813,550</b>
<b>Net earned revenues from written Premiums</b>	<b>7,841,556</b>	<b>6,901,211</b>	<b>12,415</b>	<b>79,592</b>	<b>4,707</b>	<b>3,185</b>	<b>65,026</b>	<b>210,628</b>	<b>35,305</b>	<b>22,486</b>	<b>96,956</b>	<b>198,881</b>	<b>8,990,282</b>	<b>8,252,620</b>	<b>8,783</b>	<b>(8,901)</b>	<b>17,055,030</b>	<b>15,659,702</b>

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and property		Civil responsibility		Guarantees		Medical		Other Branches		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Paid claims</b>	8,841,944	7,191,441	38,070	38,644	-	-	1,300,850	258,300	778	11,786	154,260	15,371	8,526,132	9,280,888	10,573	20,511	18,872,607	16,816,941
Less:																		
Recoveries	1,212,730	1,138,449	-	-	-	-	14,025	33,606	-	500	117,178	-	-	861,088	61	48	1,343,994	2,033,691
Local reinsurance share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign reinsurance share	120,565	-	37,591	43,941	-	-	1,228,508	237,186	-	-	12,273	61,894	185,619	746,931	1,734	3,500	1,586,290	1,093,452
<b>Net paid claims</b>	<b>7,508,649</b>	<b>6,052,992</b>	<b>479</b>	<b>(5,297)</b>	<b>-</b>	<b>-</b>	<b>58,317</b>	<b>(12,492)</b>	<b>778</b>	<b>11,286</b>	<b>24,809</b>	<b>(46,523)</b>	<b>8,340,513</b>	<b>7,672,869</b>	<b>8,778</b>	<b>16,963</b>	<b>15,942,323</b>	<b>13,689,798</b>
Add:																		
Outstanding claims reserve at the end of the period																		
Reported	6,355,504	6,769,563	570,940	-	18,000	18,000	490,261	1,020,338	230,393	204,207	689,264	410,999	950,000	1,006,501	3,375	2,645	9,307,737	9,432,253
Unreported	1,400,000	1,400,000	125,000	125,000	50,000	50,000	100,000	100,000	50,000	50,000	100,000	100,000	950,000	1,029,991	-	25,000	2,775,000	2,879,991
Less:																		
Reinsurance share from reported claims	988,640	1,246,061	560,090	-	17,100	17,100	411,489	961,701	155,153	201,798	-	-	80,000	-	-	6,070	2,212,472	2,432,730
Reinsurance share from unreported claims	-	-	100,000	100,000	50,000	50,000	80,000	80,000	40,000	40,000	80,000	80,000	50,000	-	-	20,000	400,000	370,000
Recoveries	2,752,257	3,234,648	-	-	-	-	-	-	-	-	638,754	150,749	-	-	-	-	3,391,011	3,385,397
<b>Net outstanding claims reserve at the end of the period</b>	<b>4,014,607</b>	<b>3,688,854</b>	<b>35,850</b>	<b>25,000</b>	<b>900</b>	<b>900</b>	<b>98,772</b>	<b>78,637</b>	<b>85,240</b>	<b>12,409</b>	<b>70,510</b>	<b>280,250</b>	<b>1,770,000</b>	<b>2,036,492</b>	<b>3,375</b>	<b>1,575</b>	<b>6,079,254</b>	<b>6,124,117</b>
Less:																		
Outstanding claims reserve at the beginning of the period																		
Reported	6,782,562	6,259,936	-	97,700	18,000	-	1,013,136	610,298	195,737	212,238	648,976	294,540	950,000	894,567	4,844	11,353	9,613,255	8,380,632
Unreported	1,400,000	1,800,000	125,000	125,000	50,000	50,000	100,000	100,000	50,000	50,000	100,000	100,000	1,000,000	949,213	-	25,000	2,825,000	3,199,213
Less:																		
Reinsurance share from reported claims	1,250,511	888,887	-	75,430	17,100	-	834,037	563,096	128,168	196,795	-	-	-	115,795	-	9,717	2,229,816	1,849,720
Reinsurance share from unreported claims	-	-	100,000	100,000	50,000	50,000	80,000	80,000	40,000	40,000	80,000	80,000	-	130,485	-	20,000	350,000	500,485
Recoveries	3,090,685	2,096,554	-	-	-	-	-	-	-	-	455,476	162,710	-	-	-	-	3,546,161	2,259,264
<b>Net outstanding claims reserve at the beginning of the period</b>	<b>3,841,366</b>	<b>5,074,495</b>	<b>25,000</b>	<b>47,270</b>	<b>900</b>	<b>-</b>	<b>199,099</b>	<b>67,202</b>	<b>77,569</b>	<b>25,443</b>	<b>213,500</b>	<b>151,830</b>	<b>1,950,000</b>	<b>1,597,500</b>	<b>4,844</b>	<b>6,636</b>	<b>6,312,278</b>	<b>6,970,376</b>
<b>Net claims cost</b>	<b>7,681,890</b>	<b>4,667,351</b>	<b>11,329</b>	<b>(27,567)</b>	<b>-</b>	<b>900</b>	<b>(42,010)</b>	<b>(1,057)</b>	<b>8,449</b>	<b>(1,748)</b>	<b>(118,181)</b>	<b>81,897</b>	<b>8,160,513</b>	<b>8,111,861</b>	<b>7,309</b>	<b>11,902</b>	<b>15,709,299</b>	<b>12,843,539</b>

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF UNDERWRITING PROFITS FOR GENERAL INSURANCE**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Motor		Marine and transportations		Aviation		Fire and property		Civil responsibility		Guarantees		Medical		Other Branches		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Net earned revenues from written premiums</b>	7,841,556	6,901,211	12,415	79,592	4,707	3,185	65,026	210,628	35,305	22,486	96,956	198,881	8,990,282	8,252,620	8,783	(8,901)	17,055,030	15,659,702
Less:																		
<b>Net claims cost</b>	7,681,890	4,667,351	11,329	(27,567)	-	900	(42,010)	(1,057)	8,449	(1,748)	(118,181)	81,897	8,160,513	8,111,861	7,309	11,902	15,709,299	12,843,539
Add:																		
Commissions received	25,000	-	29,681	21,711	(425)	(7,536)	104,433	147,486	4,500	7,976	(1,172)	(3,895)	35,682	(1,216)	(17)	719	197,682	165,245
Insurance policies issuance fees	689,462	577,103	99,412	88,315	2,315	4,696	197,728	167,960	7,914	8,017	18,424	86,422	1,404,712	895,543	1,884	927	2,421,851	1,828,983
Other revenue related to underwriting accounts	643,386	739,337	2,960	433	-	-	110	74,286	-	-	-	33,410	9,762	7,273	5	-	656,223	854,739
<b>Total revenues</b>	<u>1,357,848</u>	<u>1,316,440</u>	<u>132,053</u>	<u>110,459</u>	<u>1,890</u>	<u>(2,840)</u>	<u>302,271</u>	<u>389,732</u>	<u>12,414</u>	<u>15,993</u>	<u>17,252</u>	<u>115,937</u>	<u>1,450,156</u>	<u>901,600</u>	<u>1,872</u>	<u>1,646</u>	<u>3,275,756</u>	<u>2,848,967</u>
Less:																		
Policies acquisition cost	177,442	258,235	4,958	4,916	-	-	73,979	42,256	-	-	-	-	78,914	62,155	-	-	335,293	367,562
Excess of loss premiums	147,258	134,063	-	-	-	-	77,000	137,400	-	-	-	-	-	-	-	-	224,258	271,463
General and administrative expenses related to underwriting accounts	865,833	1,429,943	77,597	69,751	13,198	20,262	209,594	216,193	18,198	6,806	97,597	2,017	993,776	730,513	23,799	15,198	2,299,592	2,490,683
Other expenses related to underwriting accounts	141,920	179,778	3,969	3,558	6,542	152	12,410	8,238	241	1,511	396	(2,515)	332,526	126,367	451	506	498,455	317,595
<b>Total expenses</b>	<u>1,332,453</u>	<u>2,002,019</u>	<u>86,524</u>	<u>78,225</u>	<u>19,740</u>	<u>20,414</u>	<u>372,983</u>	<u>404,087</u>	<u>18,439</u>	<u>8,317</u>	<u>97,993</u>	<u>(498)</u>	<u>1,405,216</u>	<u>919,035</u>	<u>24,250</u>	<u>15,704</u>	<u>3,357,598</u>	<u>3,447,303</u>
<b>Profit (loss) of underwriting</b>	<u>185,061</u>	<u>1,548,281</u>	<u>46,615</u>	<u>139,393</u>	<u>(13,143)</u>	<u>(20,969)</u>	<u>36,324</u>	<u>197,330</u>	<u>20,831</u>	<u>31,910</u>	<u>134,396</u>	<u>233,419</u>	<u>874,709</u>	<u>123,324</u>	<u>(20,904)</u>	<u>(34,861)</u>	<u>1,263,889</u>	<u>2,217,827</u>

**JORDAN FRENCH INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2021**

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**(1) GENERAL**

Jordan French Insurance Company was established and registered as a Jordanian public shareholding company under No. (101) on 20 March 1976 with an authorized capital of JD 9,100,000 and divided into 9,100,000 shares at a par value of 1 JD per share.

The Company is engaged in insurance business including life and general insurance (marine and transportation insurance, motors insurance, fire and property insurance, public liability insurance, medical insurance, personal accident insurance and aviation insurance).

The Company's head office is located in Al Shmeisani - Amman, Jordan

The interim condensed financial statements were approved for issuance by the audit committee on the 26 October 2021.

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the nine months period ended 30 September 2021 were prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting".

The Jordanian Dinar is the reporting currency of the interim condensed financial statements which represents the functional currency of the Company.

The interim condensed financial statements have been prepared on historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income that have been measured at fair value at interim condensed the financial statement date.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual report as of 31 December 2020. In addition, results for the nine months period ended 30 September 2021 are not necessarily indicative to the results that may be expected for the financial year ending 31 December 2021.

**CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2020 except for the adoption of new standards effective as of 1 January 2021 shown below:

### **Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

### **USE OF ESTIMATES**

The preparation of the interim condensed financial statements requires Company's management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. Considerable judgment by Company's management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The details of significant estimates made by management are as follows:

- A provision for expected credit losses is estimated by the Company's management based on their principles and assumptions according to IFRS 9.
- The financial year is charged with its related income tax in accordance with related laws and regulations.
- The management periodically reviews tangible assets useful lives in order to calculate the depreciation and amortization amount depending on the status of these assets and future benefit. The impairment loss (if any) is recorded on the interim condensed statement of income.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to Insurance Administration regulation. Also mathematical reserve and IBNR are calculated based on actuarial studies.
- A provision on lawsuit against the Company is made based on the Company's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.

**JORDAN FRENCH INSURANCE COMPANY**  
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**(3) DEPOSITS AT BANKS**

This item represents deposits with banks in Jordanian Dinar, which the Company holds for varying periods between one month to one year depending to the Company's liquidity needs. Interest rates on these deposits were between 3% and 5% for the period ended 30 September 2021 (30 September 2020: from 3% to 5%), the details of deposits according to the maturity periods as at 30 September 2021 and 31 December 2020 were as follows:

	30 September 2021			31 December 2020
	Deposits			
	Deposits maturing within one month	Deposits maturing between 1 month to 3 months	Deposits maturing after 3 months to 1 year	Total
	JD	JD	JD	JD
				(Unaudited)
Inside Jordan	1,996,216	2,007,382	3,050,000	7,053,598
Provision for expected credit losses	(9,732)	-	-	(9,732)
	<u>1,986,484</u>	<u>2,007,382</u>	<u>3,050,000</u>	<u>7,043,866</u>
				(Audited)
				6,205,775
				(9,732)
				<u>6,196,043</u>

Deposits pledged to the benefit of the General Manager of the Insurance Administration Commission in Jordan Kuwait Bank amounted to JD 325,000 as at 30 September 2021 and 31 December 2020.

Deposits collateralized against credit facilities in Housing Bank for Trade and Finance amounted to JD 800,000 as at 30 September 2021 (31 December 2020: Nil).

**(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

This item represents the Company's investments in the shares of listed companies for the purpose of benefiting from the price changes of these shares. The details of these investments as at 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
<b>Outside Jordan</b>		
Quoted shares	<u>93,837</u>	<u>156,855</u>
	<u>93,837</u>	<u>156,855</u>



**(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

This item represents the Company's investments in the shares of listed and unlisted companies for the purpose of long-term retention and not for the purposes of trading. The details of the investment as at 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
<b>Inside Jordan</b>		
Quoted shares	784,534	1,258,474
Unquoted shares	733,000	733,000
	<u>1,517,534</u>	<u>1,991,474</u>
<b>Outside Jordan</b>		
Quoted shares	402,335	422,316
	<u>1,919,869</u>	<u>2,413,790</u>

**(6) INVESTMENTS IN ASSOCIATE**

This item represents the value of the Company's investment in Darkom Investment Public Share Holding Company with an ownership of 25% of its capital amounted to JD 2,810,000 as at 30 September 2021. The investment in associate is accounted for under the equity method in the financial statements.

This item has been reclassified from the financial assets at fair value through other comprehensive income to the investment in associate as a result of the increase in the Company's voting power from 14% to 20% in Darkom Investment Company during the period. This resulted in influencing the decisions related to financial and operational policies.

The reclassification resulted in a gain for the amount of JD 101,847 and unrealized loss for the amount of JD 391,421.

**(7) FINANCIAL ASSETS AT AMORTIZED COST**

This item represents bonds with a face value of JD 5,000 per bond with a total of 15 bonds at a fixed interest rate of 8.25% per annum paid on a half yearly basis on the interest due dates, which falls on April 9 and October 9 each year, from the date of issuance on 9 October 2018 until the maturity date of 9 October 2023.

**(8) INVESTMENT PROPERTIES**

This item represents the Company's investments in real estate, which includes a commercial complex building in the Shmeisani area, in addition to plots of land in Al Shmeisani, Mafrag and Giza, with the purpose of earning rental and capital appreciation. Depreciation expense for investments properties for the nine months ended 30 September 2021 JD 8,414 (30 September 2020: JD 7,207).

The fair value of real estate investments amounted to JD 3,804,112 as of 31 December 2020. The Company has estimated the fair value of investment properties by an independent valuator. In the opinion of the management, the fair value of investment properties exceeds its carrying amount as at 30 September 2021 and that the fair valuation performed on 31 December 2020 continues to apply.

**(9) ACCOUNTS RECEIVABLES**

	30 September 2021 JD (Unaudited)	31 December 2020 JD (Audited)
Policy holders' receivables	6,653,284	6,509,063
Governmental receivables	11,910,716	6,393,166
Agents receivables	53,378	57,461
Brokers receivables	13,895	15,811
Sister companies receivables (Note 20)	5,144	553
Employees receivables	66,505	47,838
Other receivables	53,707	346,158
	<u>18,756,629</u>	<u>13,370,050</u>
Less: Provision for expected credit losses*	<u>(2,000,000)</u>	<u>(1,700,000)</u>
	<u>16,756,629</u>	<u>11,670,050</u>

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

	30 September 2021 JD (Unaudited)	31 December 2020 JD (Audited)
Balance at the beginning of the period/year	1,700,000	1,500,000
Additions	<u>300,000</u>	<u>200,000</u>
Balance at the end of the period/year	<u>2,000,000</u>	<u>1,700,000</u>

**JORDAN FRENCH INSURANCE COMPANY**  
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**(10) REINSURANCE RECEIVABLES**

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	1,378,948	1,519,732
Foreign reinsurance companies	1,779,909	2,169,142
	3,158,857	3,688,874
Less: Provision for impairment of reinsurance receivables*	(935,776)	(935,776)
	2,223,081	2,753,098

\* The movement on the provision for impairment of reinsurance receivables is as follows:

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	935,776	835,776
Additions	-	100,000
Balance at the end of the period/year	935,776	935,776

**(11) ACCOUNTS PAYABLE**

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Policy holders' payables	559,576	604,232
Agents payables	50,300	79,772
Employees' payables	3,935	2,286
Brokers payable	36,394	36,908
Other payables	294,565	155,409
	944,770	878,607

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**(12) REINSURANCE PAYABLES**

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Local insurance companies	111,376	23,054
Foreign reinsurance companies	1,643,145	1,107,887
	<u>1,754,521</u>	<u>1,130,941</u>

**(13) INCOME TAX**

**A- Income tax provision**

The movement on the income tax provision is as follows:

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Balance at beginning of the period / year	401,664	469,925
Provision for the period / year	252,736	558,854
Income tax paid	(463,033)	(627,115)
Balance at end of the period / year	<u>191,367</u>	<u>401,664</u>

The income tax expense appearing in the interim condensed statement of income represents the following:

	30 September 2021	30 September 2020
	JD	JD
	(Unaudited)	(Unaudited)
Income tax expense for the period	234,496	360,887
National contribution tax expense	18,240	30,301
	<u>252,736</u>	<u>391,188</u>
Deferred tax assets amortization	(72,761)	(167,630)
	<u>179,975</u>	<u>223,558</u>

**JORDAN FRENCH INSURANCE COMPANY**  
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**Income tax**

The provision for income tax for the periods ended on 30 September 2021 and 2020 was calculated in accordance with the Income Tax Law No. (38) of 2018.

Final settlement for income tax was reached with the Income and Sales Tax Department for the year 2019

The Company has submitted its income tax return for the year 2020 and it is still not reviewed by the Income Tax Department until the date of these interim condensed financial statements, and in the opinion of the management and the tax consultant the provision is adequate.

**Sales Tax**

A final settlement was reached with the Sales Tax Department until the end of December 2019.

**B- Deferred tax assets**

	30 September 2021				31 December 2020	
	Balance at the beginning of the period	Amounts released	Amounts added	Balance at the end of the period	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD (Unaudited)	JD (Audited)
<b>A. Deferred tax Assets</b>						
Provision for incurred but not reported claims	2,475,000	(100,000)	-	2,375,000	617,500	643,500
Impairment losses provision	2,650,000	-	300,000	2,950,000	767,000	689,000
Provision for end of service indemnity	42,570	-	3,964	46,534	12,099	11,068
Unrealized losses from investments at FVTPL	330,403	(26,942)	-	303,461	30,345	85,904
Unrealized losses from investments at FVTOCI	-	-	89,426	89,426	21,625	-
Unrealized losses from investment in associate from the reclassification of investments at FVTOCI	-	-	289,574	289,574	75,289	-
	<u>5,497,973</u>	<u>(126,942)</u>	<u>682,964</u>	<u>6,053,995</u>	<u>1,523,858</u>	<u>1,429,472</u>

**JORDAN FRENCH INSURANCE COMPANY**  
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Movement on deferred tax assets is as follows:

	Assets	
	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	1,429,472	1,224,162
Additions	94,386	205,310
Releases	-	-
Balance at the end of the period/year	1,523,858	1,429,472

**C- A summary of the reconciliation between the accounting profit and taxable profit is as follows:**

	30 September 2021	30 September 2020
	JD	JD
	(Unaudited)	(Unaudited)
Accounting profit	746,864	1,197,439
Non - taxable income	(2,475,000)	(2,732,931)
Non - deductible expenses	2,700,247	3,031,059
Taxable profit	972,111	1,495,567
Income tax expense	252,736	391,188
Effect of deferred tax assets	(72,761)	(167,630)
	179,975	223,558
Effective tax rate	24%	18.67%
Legal tax rate (includes national contribution rate 2%)	26%	26%

**(14) PAID-IN CAPITAL**

The authorized and paid in capital as of 30 September 2020 and 31 December 2020 is JD 9,100,000 divided into 9,100,000 shares, with a par value of JD 1 per share.

**(15) LEGAL RESERVES**

The Company did not appropriate for legal reserves in accordance with the regulations of Companies Law as these financial statements are interim financial statements.

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**(16) FAIR VALUE RESERVE**

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Beginning balance	(563,179)	21,146
Changes during the period/year	125,581	(584,325)
Loss from the reclassification of financial assets at FVTOCI to investment in associate	391,421	-
Deferred tax assets	(21,625)	-
<b>Ending balance</b>	<b>(67,802)</b>	<b>(563,179)</b>

**(17) NET LOSS FROM FINANCIAL ASSETS AND INVESTMENTS**

	30 September 2021	30 September 2020
	JD	JD
	(Unaudited)	(Unaudited)
Dividends from financial assets through profit or loss	37,632	65,263
Unrealized loss from financial assets through profit or loss	(63,018)	(317,090)
	(25,386)	(251,827)

**(18) BASIC AND DILUTED EARNINGS PER SHARE**

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

	For the three months ended 30 September		For the nine months ended 30 September	
	2021	2020	2021	2020
	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period/ JD	327,970	(186,212)	566,889	973,881
Weighted average number of shares	9,100,000	9,100,000	9,100,000	9,100,000
	JD/ Fils	JD/ Fils	JD/ Fils	JD/ Fils
Basic and diluted profit earnings per share for the period	0,036	(0,020)	0,062	0,107

The basic earnings per share is equal to the diluted profit earnings per share for the period.

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**(19) CASH AND CASH EQUIVALENT**

Cash and cash equivalents in the interim condensed statement of cash flows includes the following balances presented in the interim condensed statement of financial position:

	30 September 2021	30 September 2020
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand and at banks	1,212,728	1,337,071
Add: Deposits at banks mature within three months (Note 3)	3,993,866	3,941,931
Less: Bank overdrafts*	(1,771,964)	(1,878,910)
	<u>3,434,630</u>	<u>3,400,092</u>

- \* This item represents the utilized amount from the facilities granted to the Company by Jordan Kuwait Bank with a ceiling of JD 2,250,000, the interest rate on these facilities was 5.25% for the period ended 30 September 2021 (30 September 2020: 5.75%) and these facilities are not guaranteed. During the period, the Company obtained facilities from the Housing Bank for Trade and Finance with a ceiling of JD 800,000. The interest rate on these facilities was 4.25% during the period ending on 30 September 2021, and these facilities are guaranteed by a bank deposit (Note 3).

**(20) RELATED PARTY TRANSACTIONS**

The Company entered into transactions with major shareholders, board members and top management in the Company within the normal activities of the Company. All amounts provided to related parties are considered performing and no provision has been taken.

Prices policies and terms of the transactions with related parties are approved by the Company's management.



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The following represent summary of related parties' transactions:

	Related party		Total	Total
	Board of Directors			
	Sister Companies	members and shareholders	30 September 2021	31 December 2020
	JD	JD	JD	JD
			(unaudited)	(audited)
<u>Statement of financial position items</u>				
Checks under collection	1,981,081	-	1,981,081	1,425,724
Accounts Receivables	5,144	3,600,170	3,605,314	2,664,645
Accounts Payable	15,538	-	15,538	-
	Related party		Total	Total
	Board of Directors			
	Sister Companies	members and shareholders	30 September 2021	30 September 2020
	JD	JD	JD	JD
			(unaudited)	(unaudited)
<u>Statement of income items</u>				
Written premiums	79,964	3,674,176	3,754,140	1,629,099
Rental income	15,335	-	15,335	12,000

The following represent benefits summary (salaries and remunerations) for executive management:

	30 September 2021	30 September 2020
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and remunerations	376,297	385,257
Board of directors accommodation and transportation compensation	38,950	55,050
	415,247	440,307

**(21) FAIR VALUE FOR FINANCIAL ASSETS**

The Company uses the following arrangement of valuation methods and alternatives in determining and presenting fair value of financial instruments:

Level 1: Quoted market prices in active markets for the same assets and liabilities.

Level 2: Other techniques where all inputs that have an important impact on fair value can be observable, directly or indirectly, from market information.

Level 3: Other techniques where inputs are used that have an important impact on fair value but are not based on observable market information.

The following table shows the analysis of financial instruments recorded at fair value and in the above hierarchy:

	Level 1	Level 3	Total
	JD	JD	JD
<b>30 September 2021 (Unaudited) -</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	93,837	-	93,837
Financial assets at fair value through other comprehensive income	1,186,869	733,000	1,919,869
	<u>1,280,706</u>	<u>733,000</u>	<u>2,013,706</u>

**31 December 2020 (Audited) -**

**Financial assets**

Financial assets at fair value through profit or loss

156,855                      -                      156,855

Financial assets at fair value through other comprehensive income

1,680,790                      733,000                      2,413,790  
1,837,645                      733,000                      2,570,645

**(22) LAWSUITS RAISED BY AND AGAINST THE COMPANY**

The Company is a defendant in several lawsuits, the management believe that the provision recorded of JD 3,297,284 as of 30 September 2021 (31 December 2020: JD 2,841,108) is sufficient to meet obligations that may arise from the lawsuits.

The value of the litigations filed by the company against third parties amounted to JD 4,264,985 as of 30 September 2021 (31 December 2020: JD 4,411,275), representing receivables owed to the Company and bounced checks as a result of the company's practice of its normal activity.

**(23) CONTINGENT LIABILITIES**

As at the date of interim condensed financial statement, the Company has contingent liabilities which are represented in letter of guarantees amounted to JD 2,950,212 Compared to JD 2,758,119 as of 30 September 2021 and 31 December 2020 respectively.

**(24) DECLARED DIVIDENDS**

The General Assembly of shareholders approved in its ordinary meeting held on 9 May 2021 to distribute cash dividends amounted to JD 637,000 equivalent to 7% of paid-in capital as of 31 December 2020. In addition, The General Assembly of shareholders approved in its ordinary meeting held on 7 July 2020 to distribute cash dividends amounted to JD 455,000 equivalent to 5% of paid-in capital as of 31 December 2019.

**(25) CORONAVIRUS SPREAD (COVID – 19) AND ITS IMPACT ON THE COMPANY**

As a result of the continuing impact of the Corona virus (Covid-19) on the global economy and various business sectors and the accompanying restrictions and procedures imposed by the Jordanian government, neighboring countries and the rest of the world, the Company's management prepared a study to determine the extent of the impact of the Corona virus on the Company's activities and the Company's financial statements to take appropriate measures To enable it to continue its activities in light of the current circumstances, as operational activities may be affected by global developments that currently affect various economic and geographical sectors.

The Coronavirus pandemic has not resulted in a material impact on the Company's activities, including gross written premiums and paid claims. The Company's management believes that it maintains the necessary liquidity to meet its obligations on their maturity date for a period of at least one year from the date of these interim condensed financial statements.

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**(26) COMPARATIVE FIGURES**

Some of 2020 balances were reclassified to correspond with those of 2021 presentation. The reclassification has no effect on the profit and equity of the year 2020.

**(27) STATEMENT OF FINANCIAL POSITION FOR LIFE**

	30 September 2021 JD (Unaudited)	31 December 2020 JD (Audited)
<b>Assets -</b>		
Deposits at banks	180,156	282,631
Financial assets at fair value through income statement	2,400	7,160
Financial assets at fair value through other comprehensive income	49,103	113,697
Investment in associate	17,343	-
Financial assets at amortized cost	1,918	3,423
Investment properties	60,570	97,210
<b>Total investments</b>	<b>311,490</b>	<b>504,121</b>
Cash on hand and at banks	31,017	61,031
Notes receivable and checks under collection	41,161	56,334
Account receivables	428,573	418,438
Reinsurance receivables	649,890	919,620
Property and equipment	34,215	63,529
Intangible assets	74	944
Right of use Assets	838	4,892
Other assets	15,063	17,149
<b>Total assets</b>	<b>1,512,321</b>	<b>2,046,058</b>
<b>Liabilities and head office equity</b>		
<b>Technical reserves</b>		
Outstanding claim reserve	93,178	80,608
Mathematical reserve	326,477	188,430
<b>Total Technical Reserves</b>	<b>419,655</b>	<b>269,038</b>
Bank overdrafts	45,320	52,316
Account payable	24,164	39,206
Post-dated checks	44,874	132,489
Reinsurance payables	61,778	645,412
Lease liability	1,198	6,296
Income tax provision	5,565	8,153
Other liabilities	2,821	8,386
<b>Total Liabilities</b>	<b>605,375</b>	<b>1,161,296</b>
<b>Head Office equity</b>		
Head Office current account	884,762	788,304
Profit for the year	22,184	96,458
<b>Total liabilities and Head office equity</b>	<b>1,512,321</b>	<b>2,046,058</b>