Jordan International Insurance Company
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Interim Condensed Consolidated Financial Statements
(Unaudited)
for the nine months period ended September 30, 2023

Jordan International Insurance Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine months period ended September 30, 2023

Independent Auditor's Report

To, The Shareholders
Jordan International Insurance Company
(Public Limited Shareholding Company)
Amman - the Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Jordan International Insurance Company ("the Company")** as of September 30, 2023, the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in shareholders' equity, cash flows for the nine months period ended, and a summary of significant accounting policies and other explanatory notes.

The management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as endorsed in the Hashemite Kingdom of Jordan and the instructions of Central Bank of Jordan. Our responsibility is to express a conclusion on these interim condensed consolidated 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" as endorsed in the Hashemite Kingdom of Jordan. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial statements for the period ended September 30, 2023 are not prepared in all material respects, in accordance with IAS (34) "Interim Financial Reporting" as endorsed in the Hashemite Kingdom of Jordan.

Date: October 31, 2023

Hassan Othman and Partner Company
(Independent Member of Moore Global)

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Jordan International Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As of September 30, 2023
(Jordanian Dinars)

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited) (Adjusted)	December 31, 2021 (Audited) (Adjusted)
Assets:				
Deposits at banks, net	6	**5,496,140**	6,012,675	10,434,656
Financial assets at fair value through profit or loss	7	**1,950,935**	1,913,009	1,716,084
Financial assets at fair through other comprehensive income	8	**1,794,633**	1,799,445	2,775,768
Investments properties, net	9	**7,398,745**	7,409,035	7,422,181
Total Investments		**16,640,453**	17,134,164	22,348,689
Cash on hand and at banks	10	**594,580**	407,287	537,332
Account receivables, net	11	**488,124**	311,472	119,607
Insurance contracts assets	12	**19,049**	2,027	107,011
Reinsurance contracts assets	13	**22,950,842**	24,892,134	27,460,819
Settlement guarantees fund deposits		**48,665**	110,088	62,169
Deferred tax assets	14	**1,692,024**	1,745,557	1,632,107
Due from related parties	15	**126,081**	82,476	81,944
Intangible assets, net		**232,250**	244,968	262,958
Property and equipment, net		**1,998,440**	2,073,444	2,079,571
Other assets	16	**741,487**	710,773	881,603
Total assets		**45,531,995**	47,714,390	55,573,810
Liabilities and Owners' Equity:				
Liabilities:				
Insurance contracts liabilities	12	**24,714,915**	26,666,971	32,807,513
Reinsurance contracts liabilities	13	**10,933**	12,688	3,180
Total insurance contracts and reinsurance contracts liabilities		**24,725,848**	26,679,659	32,810,693
Account payables	17	**32,017**	44,925	140,222
Credit Banks		**1,216,933**	770,827	-
Accrued expenses		**9,750**	6,750	12,733
Other provisions	18	**43,948**	43,948	43,948
Income tax provisions	14	**20,330**	22,412	13,932
Other liabilities	19	**3,240,430**	3,701,544	3,699,125
Total liabilities		**29,289,256**	31,270,065	36,720,653
Owners' Equity:				
Authorized and paid-up capital	20	**18,150,000**	18,150,000	18,150,000
Statutory reserve	21	**2,764,938**	2,764,938	2,761,194
Special reserve		**2,225**	2,225	2,225
Differences in purchase of non-controlling interest		**351,302**	351,302	347,807
Fair value reserve	22	**(2,468,333)**	(2,468,333)	(1,780,041)
Accumulated Losses		**(3,401,634)**	(3,198,644)	(1,480,308)
Total Owners' Equity attributed to the companies' shareholders		**15,398,498**	15,601,488	18,000,877
Non-controlling interest	29	**844,241**	842,837	852,280
Total Owners' equity		**16,242,739**	16,444,325	18,853,157
Total Liabilities and Owners' Equity		**45,531,995**	47,714,390	55,573,810

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated Financial Statements

Jordan International Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)
for the nine months period ended September 30, 2023
(Jordanian Dinars)

	Note	For the nine-months period from 1 January to 30 September	
		2023	**2022**
Revenue			
Insurance contract revenue		**11,896,812**	13,884,519
Insurance contract expenses		**(9,286,587)**	(11,983,186)
Insurance contracts result		**2,610,225**	1,901,333
Reinsurance contracts Results		**(6,880,230)**	(6,747,798)
Reinsurance contracts Recoveries		**4,097,637**	4,573,176
Reinsurance contracts results		**(2,782,593)**	(2,174,622)
Net insurance and reinsurance contracts results		**(172,368)**	(273,289)
Financing (expenses) / income - insurance contracts	23	**(1,748,230)**	503,793
Financing income / (expenses)– reinsurance contracts	24	**1,492,491**	(564,021)
Net financing results of insurance operations		**(255,739)**	(60,228)
Net result of insurance operation		**(428,107)**	(333,517)
Interest income	25	**214,596**	237,922
Profit from financial assets and investments	26	**100,254**	146,881
Rent revenues		**6,325**	4,500
Other revenues		**440,548**	247,105
Revenues from investments, net		**761,723**	636,408
Net result of insurance operation and investments		**333,616**	302,891
Expected credit losses		**(200)**	(400)
Unallocated depreciation and amortization		**16,028**	16,794
Investment properties depreciation		**10,290**	9,716
Unallocated general and administration expenses		**440,819**	465,664
Other expenses		**3,779**	16,170
Total expenses		**470,716**	507,944
Loss for the period before tax		**(137,100)**	(205,053)
Income tax	14	**64,486**	170,763
Loss for the period after tax		**(201,586)**	(375,816)
Attributable to:			
Shareholders of the Company		**(202,990)**	(370,882)
Non- controlling interest		**1,404**	(4,934)
		(201,586)	(375,816)
Losses per share for the period	27	**(0.011)**	(0.020)

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated Financial Statements

Jordan International Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
for the nine months period ended September 30, 2023
(Jordanian Dinars)

	Note	for the nine-months period from 1 January to 30 September	
		2023	2022
Net loss for the period		**(201,586)**	(375,816)
Add: other comprehensive income items			
Change in fair value reserve	22	-	3,250
Total comprehensive income for the period		**(201,586)**	(372,566)
Attributable to:			
Shareholders of the Company		**(202,990)**	(367,632)
Non- controlling interest		**1,404**	(4,934)
		(201,586)	(372,566)

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated Financial Statements

Jordan International Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity (Unaudited)
for the nine months period ended September 30, 2023
(Jordanian Dinars)

	Share capital	Statutory reserve	Special reserve	Differences in purchase of non-controlling interest	Fair value reserve	Accumulated losses	Total owners' equity attributed to the company's shareholders	Non-controlling interest	Total
For the nine months period ending September 30, 2023 (Unaudited)									
Balance as of December 31, 2022 (Audited) – Before adjustment	18,150,000	2,764,938	2,225	351,302	(2,468,333)	(2,356,550)	16,443,582	842,837	17,286,419
The impact of the application of IFRS 17	-	-	-	-	-	(842,094)	(842,094)	-	(842,094)
The balance as of December 31, 2022 - After	18,150,000	2,764,938	2,225	351,302	(2,468,333)	(3,198,644)	15,601,488	842,837	16,444,325
Income for the period	-	-	-	-	-	**(202,990)**	**(202,990)**	**1,404**	**(201,586)**
Change in fair value reserve	-	-	-	-	-	-	-	-	-
Balance as of September 30, 2023 (Unaudited)	**18,150,000**	**2,764,938**	**2,225**	**351,302**	**(2,468,333)**	**(3,401,634)**	**15,398,498**	**844,241**	**16,242,739**
For the nine months period ending September 30, 2022 (Unaudited)									
Balance as of January 1, 2022 (Audited) - Before	18,150,000	2,761,194	2,225	347,807	(1,780,041)	152,411	19,633,596	853,318	20,486,914
The impact of the application of IFRS 17	-	-	-	-	-	(1,632,719)	(1,632,719)	(1,038)	(1,633,757)
The balance as of January 1, 2022 - After adjustment	18,150,000	2,761,194	2,225	347,807	(1,780,041)	(1,480,308)	18,000,877	852,280	18,853,157
Income for the period	-	-	-	-	-	(370,882)	(370,882)	(4,934)	(375,816)
Change in fair value reserve	-	-	-	-	3,250	-	3,250	-	3,250
Other adjustment - purchase of non-controlling interest	-	-	-	1,862	-	-	1,862	-	1,862
Balance as of September 30, 2022 (Unaudited)	**18,150,000**	**2,761,194**	**2,225**	**349,669**	**(1,776,791)**	**(1,851,190)**	**17,635,107**	**847,346**	**18,482,453**

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated Financial Statements

Jordan International Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
for the nine months period ended September 30, 2023
(Jordanian Dinars)

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Cash flows from operating activities:		
income for the period before income tax	(137,100)	(205,053)
Adjustments to reconcile income before income tax to net cash flows from operating activities:		
Depreciation and amortization	114,011	128,026
Recovered expected credit losses	(200)	(400)
Net change in financial assets measured at fair value through profit or	125,657	179,801
Profit of sale financial assets measured at fair value through profit or	(148,118)	(251,652)
Interest income	214,596	237,922
	168,846	88,644
Change in working capital components		
Insurance contracts assets	(17,022)	45,192
Account receivables, net	(176,452)	(304,448)
Reinsurance contracts assets	1,941,292	2,127,377
Settlement guarantees fund deposits	61,423	37,169
Other assets	(30,714)	(68,910)
Insurance contracts liabilities	(1,952,056)	(5,878,715)
Accounts payable	(12,908)	(81,983)
Accrued expenses	3,000	(4,483)
Reinsurance contracts liabilities	(1,755)	(3,180)
Trading settlements	-	2,332
Other liabilities	(461,114)	(26,159)
Income tax paid	(13,035)	(2,254)
Net cash flows used in operating activities	(490,495)	(4,069,418)
Cash flows from investing activities		
Change in Financial assets at fair value through other comprehensive Income	4,812	1,938
Purchase of financial assets at fair value through profit or loss	(163,583)	(372,600)
Purchase of property and equipment	(15,999)	(107,116)
Proceeds from the sale of financial assets at fair value through profit or loss	148,118	251,652
Net cash flows used in investing activities	(26,652)	(226,126)
Cash flows from financing activities:		
Credit banks	446,106	766,412
Purchase of Non-controlling interest	-	(1,862)
Due from related parties	(43,605)	(2,635)
Interest income received	(214,596)	(237,922)
Change in bank deposit terms more than three months	558,150	(474,820)
Cash flows provided by financing activities	746,055	49,173
Net cash used during the period	228,908	(4,246,371)
Cash in hand and at banks at the beginning of the period	752,001	10,647,138
Cash in hand and at banks at the end of the period (note 28)	980,909	6,400,767

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated Financial Statements

Jordan International Insurance Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine months period ended September 30, 2023

1- Legal Status and Activities

Jordan International Insurance Company "the Company" was established in 1996, and it was registered as a public shareholding company limited under No. (301). Its head office is Amman, Sixth Circle, p. Box 3253 Amman 11181 - Jordan, with an authorized and paid-up capital of 4 million JOD distributed over 4 million shares with a nominal value of one JOD per share. The company's capital was increased in stages, the last of which was in 2010, and the company's authorized and paid-up capital 18,150,000 million JOD distributed over 18,150,000 million JOD with a nominal value of one JOD per share.

The main activity of the company is to carry out all insurance business, own movable and immovable funds for the company to carry out its business, invest the company's surplus funds in the manner it deems appropriate, and borrow the necessary funds for it from banks.

Interim condensed consolidated financial statements were approved by the Board of Directors in its meeting held on October 31, 2023.

2- Basis of Preparation

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".in accordance with the applicable local laws and according to the forms set by the Central Bank of Jordan.

The condensed interim financial statements have been prepared according to the historical cost principle, with the exception of financial assets at fair value through statement of profit or loss or other comprehensive income, details of which appear in their accounting policies.

The Jordanian Dinar is the currency of showing the interim condensed financial statements, which represents the main currency of the company.

The most important accounting policies used in the preparation of the interim condensed financial statements, which are disclosed in Note (5), have been applied on a consistent basis for all the years presented, unless otherwise stated.

The preparation of the interim condensed financial statements in accordance with IFRS requires the use of significant and specific accounting estimates, and also requires management to use its own estimates in the process of applying the company's accounting policies. Items in which significant estimates were used are disclosed in Note 4.

The Interim Condensed Consolidated Financial Statements do not include all the notes that are usually attached with the annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company as at 31 December 2022. Additionally, the results of operations for the nine months period ended on September 30, 2023 do not necessarily represent an indication of the results of operations for the year ending on December 31, 202

2- Basis of Preparation (continued)

Principles of consolidation of financial statements

The consolidated financial statements include the financial statements of Jordan International Insurance Company, a public shareholding company and the following subsidiaries (Group) as of September 30, 2023:

Company's name	The nature of the company's work	Ownership percentage	Capital	Year Founded
Ibdaa' For Financial Investment	Financial Brokerage	%100	2,500,000	2005
Jordan International Investment	Real Estate Investments	%91.02	10,000,000	2006
Tilal Salem Real Estate investments	Real Estate Investments	%100	150,000	2012

3- Changes in Accounting Policies

New standards, interpretations and amendments effective from January 1, 2023

The company applied IFRS 17 "Insurance Contracts", where it evaluated the impact of applying the standard and identified the gap between the previous situation and the requirements of the standard and prepared a risk assessment system through actuarial statistical models for various insurance contracts in addition to updating information technology systems to ensure the availability of all databases necessary for applying actuarial models and preparing systems for estimating future cash flows for contracts, and determining the present value of money, in addition to updating accounting policies and procedures and updating other operational policies and procedures, which had an impact on the financial statements. The requirements of the standard as shown in the applied policies in Note 4.

The transitional provisions for applying the standard retrospectively require the company to follow one of the following approaches (full retrospective/modified retrospective/fair value) recognizing the cumulative effect of applying the standard as an adjustment to the opening balance of retained earnings (or other component of equity, if applicable) at the beginning of the year.

The effect of applying the standard and the amendment on the opening balance of retained earnings is disclosed in the consolidated statement of changes in equity.

The impact of the application is also disclosed in addition to a summary of restating the items of the financial statements for the year ended as on December 31, 2023 in note 5.

- Disclosure of accounting policies, classification of current and non-current liabilities (amendments to IAS 1 "Presentation of Financial Statements")
- Disclosure of accounting policies (amendments to IAS 1) "Presentation of Financial Statements" and Statement of Practice 2 of International Financial Reporting (Standards).

3- Changes in Accounting Policies (continued)
New standards, interpretations and amendments effective from January 1, 2023 (continued)

- Definition of accounting estimates (Amendments to IAS 8) "Accounting Policies, Changes in Accounting Estimates and Errors"
- Deferred taxes relating to assets and liabilities arising from a single transaction (amendments to IAS 12 "Income Taxes").

The company disclosed the accounting policies in line with the requirements of the International Accounting Standards Board and its amendments regarding the presentation of the financial statements "Practice Statement 2" under the framework of the requirements of the Central Bank of Jordan.
There is no impact on the company from applying new accounting standards other than applying IFRS 17.

The impact of applying International Standard No. 17 on the retained earnings of Jordan International Insurance Company as of 01/01/2022

Statement name	Amount
Deferred acquisition cost (DAC)	200,430
Loss component	(1,176,829)
Unearned issuance fees	(167,730)
The effect of the provision for expected credit losses on the realized premiums	123,624
Business Interruption Provision (Unallocated Expenses)	(305,645)
Discount impact	2,612,922
Risk adjustment	(2,096,351)
Reinsurers share from loss component	180,556
Deferred commissions deposits	(310,058)
Reinsurers share from discount impact	(2,578,858)
Reinsurers share from risk adjustments	1,893,293
Net effect on retained earnings	**(1,624,646)**

4- Use of Estimates and Assumptions

Preparing the financial statements and applying accounting policies requires the company's management to make estimates and assumptions that affect the amounts of financial assets and financial liabilities, and to disclose potential liabilities. Also, these estimates and judgments affect revenues, expenses, and provisions, as well as changes in the fair value that appear in the profit and loss statement and within shareholders' equity. In particular, the company's management is required to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates are necessarily based on assumptions and multiple factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of the changes resulting from the conditions and circumstances of those estimates in the future.

The nature and number of changes in the estimates of amounts included in the reports of previous fiscal years should be disclosed, if these changes have a material impact on the current data.

4- Use of Estimates and Assumptions (continued)

Our estimates within the financial statements are reasonable and detailed as follows:

Expected Credit Loss

The company applies the simplified model for the accounts receivables, and the general model on the other financial instruments in calculating the expected credit loss, required by IFRS (9) in order to recognize the decrease in measuring expected credit losses over the life of receivables and contractual assets based on credit risks and homogeneous ages.
Expected loss rates are based on the company's historical credit losses experienced during the preceding three-year period up to the end date of the current period. Historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the company's customers.

Impairment in the value of financial assets

The company reviews the values recorded of the financial assets at the date of the financial statements to determine whether there are indications of impairment in their value individually or in the form of a group, and in the event of such indications, the fair value is estimated in order to determine the impairment loss

Income Tax

The income tax expense has been charged for the financial period to which it relates in accordance with the regulations, laws and international financial reporting standards.

1- Accrued Tax

Accrued tax expenses are calculated on the basis of taxable profits under IFRS 4, and taxable profits differ from declared profits in the declared income statement. Declared profits include non-taxable revenues or expenses that are not deductible in the fiscal year but in subsequent years or accumulated losses tax-acceptable items or items that are not subject or acceptable to download for tax purposes. Taxes are calculated according to the tax rates established under the laws, regulations and instructions in the Hashemite Kingdom of Jordan

2- Deferred Tax

Deferred taxes are taxes that are expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. Taxes are calculated using the liability method in the financial statements, and deferred taxes are calculated according to the tax rates that are expected to be applied when settling the tax liability or realizing the deferred tax assets.
The balance of deferred tax assets is reviewed on the date of the financial statements and is reduced in the event that it is expected that it is not possible to benefit from those tax assets in part or in whole or by paying the tax liability or selecting the need for it.

Property and equipment and intangible assets

The management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization depending on the assets and the estimated useful lives expected on the general situation in the future. Impairment loss, if any, is recorded in the profit and loss statement.

4- Use of Estimates and Assumptions (continued)

The present value of future cash flows

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract / reinsurance contract held after adjusting them to reflect the timing and uncertainty of those amounts, based on actuarial assumptions and the company's experience in insurance contracts and reinsurance contracts held.

Future cash flows are recognized at the present value. The assumptions used in estimating future cash flows are mentioned.

The method used in discounting those flows, the discount rate, the discount mechanism, and the yield curve used, in addition to the justifications for adopting the method used in calculating discount rates, and the mechanism for processing insurance financing income or expense during the profit or loss statement.

When making assumptions regarding the estimation of flows for groups of insurance contracts, the company must take into account the following:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- Possibility of liquidating the contract before the expiration date of the insurance coverage, and other practices expected from the holder of the insurance contract.
- Factors that will affect the estimates, and sources of information for these factors.

Non-financial risk adjustments

A sum of money allocated by the company against the uncertainty of the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the company's experience in managing the group of insurance contracts / reinsurance contracts held. Therefore, capital has been set at a confidence level of 75% and is expected to be consistent with the flow of business, and a diversification feature is included to reflect the diversity of contracts sold across geographies as this reflects the compensation required by the company. Non-financial risk adjustments will be re-evaluated annually.

Non-insurance components

The company discloses the following aspects:

- Definition of insurance risks.
- Defining the insurance contract, and defining the written insurance contracts that are consistent with the definition.
- Determine the contracts issued by the company that are consistent with the definition of the insurance contract.
- Mechanism for separating non-insurance components (investment component, service component, etc.) (The most specific standard that will be applied to process these components is mentioned.)
- Mechanism for determining the materiality of the risks of the insurance contract.

4- Use of Estimates and Assumptions (continued)

Legal case raised against the company

A provision is made against the cases filed against the company based on a legal study prepared by the company's lawyer, according to which the risks that may occur in the future are identified, and those studies are reviewed periodically

Fair value levels

The level in the fair value hierarchy that categorizes fair value measures is fully disclosed and separated for levels specified in IFRSs. The difference between Level 2 and Level 3 fair value measurements represents the assessment of whether the information or inputs are observable and the significance of the observable information, which requires judgment and careful analysis of the inputs used to measure fair value, including taking into account all factors relating to the asset or liability

5- Significate Accounting Policies

A. Segments Information

The business segment represents a group of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other segments, which are measured according to the reports that were used by the CEO and the main decision maker of the company.

The geographical segment is related to providing products or services in a specific economic environment subject to risks and returns that differ from those related to sectors operating in other economic environments.

B. Goodwill

Goodwill is recorded at cost, which represents the excess of the cost of acquiring or purchasing a subsidiary or companies owned in partnership with other companies of the company's share in the net fair value of the assets, liabilities and contingent liabilities of that company on the date of acquisition. Goodwill resulting from investment in subsidiaries is recorded in a separate item as intangible assets.

As for the goodwill resulting from investing in affiliate companies, it appears as part of the investment account in the affiliate company, reducing the cost of goodwill with any decrease in the value of the investment. Goodwill is allocated to the cash generating unit(s) for impairment testing purposes.

The value of goodwill decreases if the estimated recoverable value of the cash-generating unit/ units to which the goodwill belongs is less than the value recorded in the books of the cash-generating unit/ units, and the impairment value is recorded in the profit and loss statement.
The impairment loss of goodwill is not reversed in the subsequent period. - In the event of selling a subsidiary or a company owned in partnership with other companies, the value of goodwill is taken into account when determining the amount of profit or loss from the sale.

C. Insurance contracts

Definition for insurance contracts

It is a contract whereby one party (the issuer) accepts a substantial insurance risk from another party (the contract holder), by agreeing to compensate the contract holder in case of the occurrence of a specific and uncertain future event (the insured event) such that this event, if it occurs, adversely affects the contract holder.

5- Significate Accounting Policies (continued)

C. Insurance contracts (continued)

Direct participating feature

The direct participation feature in IFRS 17 is defined as insurance contracts that have economic characteristics similar to an insurance contract (long term of coverage, frequent premiums and amount or timing of return at the discretion of the issuer) and are linked to a portfolio of assets. Contracts that contain this feature at the beginning of the contract, include:

- The contractual terms specify that the insurance contract holders participate in a share of the insurance contract portfolio
- The company expects to pay the contract holder a significant share of the fair value proceeds from the pool of insurance contracts.
- The company expects that a significant proportion of any change in the amounts that will be paid to the contract holder will vary with the change in the fair value of the insurance contracts pool.

Definition of a non-insurance contract

IFRS 17 defines insurance risk as risk, other than financial risk, that is transferred from the contract holder to the issuer and therefore a contract that exposes the issuer to financial risks without significant insurance risk is not an insurance contract. Contracts that are not classified as insurance contracts, they are, for example, the following:

- Investment contracts that have the legal form of an insurance contract but do not transfer substantial insurance risks to the insurance company and carry financial risks, for example, implied derivatives, changes in the fair value of a financial instrument, changes in interest rates, changes in currency exchange rates, or credit rating, these are classified as investment contracts in accordance with IFRS 9.
- Investment contracts with discretionary participation features, which are investment contracts that have a legal form of an insurance contract, but do not transfer substantial insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified in accordance with IFRS 17, the company has no investment contracts.
- Self-insurance (keeping the risks that could have been covered by the insurance contract within the company, there is no other party to the contract). For example, a company issuing an insurance contract in the name of the company or a fellow subsidiary, which is classified in accordance with IFRS 15. The company issues the following contracts, which are classified in accordance with IFRS 15, and the company recognizes the costs of these contracts within the employee medical expenses item:
  - Medical insurance contract for employees of Jordan International Insurance Company and its subsidiaries.
  - Life insurance contract for employees of Jordan International Insurance Company and its subsidiaries.

5- Significate Accounting Policies (continued)

D. Reinsurance contracts held

An insurance contract issued by a reinsurer to compensate another entity for claims arising from one or more insurance contracts issued by that other entity (the base contracts).
Reinsurance contracts held are recognized:

- In the cause that the retained reinsurance contracts are proportional to the group of insurance contracts, then the held reinsurance contracts are recognized at the beginning of the coverage period for the group of these contracts or at the initial recognition of any of the base contracts, whichever is earlier.
- From the beginning of the coverage period for the group of reinsurance contracts held

E. Initial recognition of insurance contracts / premium allocation approach

IFRS 17 requires the company to recognize a group of insurance contracts it issues on the earliest of the following dates:

- The beginning of the coverage period for the contract group.
- From the date the first premium is due for the insured in the group of insurance contracts.
- From the date on which the contract becomes a loss-making contract.

On initial recognition, the company records the book amount of the obligation, which includes the following:

- Insurance premiums received upon initial recognition
- Less any costs paid to acquire the insurance contracts on that date.
- Plus, or minus any amount arising from the cash flows of the costs of acquiring insurance contracts.

The company records the book value of obligations for groups of insurance contracts at the end of each period, which is the sum of the following:

1- The provision for obligations against valid contracts, which includes the net value of internal and external cash flows (after applying the discount rate to them), in addition to adjustments for non-financial risks and the contractual service margin.

2- The provision for liabilities against incurred claims, which is calculated according to the best estimate of future cash flows to settle claims plus adjustments for non-financial risks, taking into account the application of the discount rate to claims expected to be paid after more than a year.

F. Subsequent measurement of insurance contracts / premium allocation approach

At the end of each subsequent period, the company records the book amount of the obligation, taking into account the following adjustments to the balance of the obligation:

- Add insurance premiums received for the period.
- Subtract the cash flows for the acquisition of insurance contracts.
- Adding any amounts related to the depletion of cash flows for the acquisition of insurance contracts that are proven as an expense.

G. Amending Insurance Contracts

The company makes adjustments to the initial recognition of insurance contracts by dealing with the changes that occurred in the future cash flows to fulfill the contracts, unless the conditions for derecognition of insurance contracts apply to them.

5- Significate Accounting Policies (continued)

H. Derecognition of Insurance Contracts

The Company derecognizes insurance contracts in the following cases:

- Expiration of the contract. (Expiration, fulfillment or cancellation of the obligation specified in the Insurance contract)
- In case that the insurance contracts are amended so that the contract no longer meets the requirements of the standard, then the company cancels the contract and recognizes a new one.

I. Onerous insurance contracts

The company classifies onerous as overburdened contracts if the contract is expected to lose at the initial recognition date, and contracts are classified as measuring the loss component if the expected cash flows to fulfill the obligations of the contract or group of contracts exceed the cash flows obtained from this contract or group of contracts. And that the company discloses the loss component if the value of the contractual service margin is zero.

J. Provision for liabilities against existing contracts

The provision that the company must make when recognizing insurance contracts, which relates to subsequent financial periods as a result of valid insurance contracts.

K. Provision for liabilities against claims incurred

It is the total value of the expected costs incurred by the company as a result of risks covered by the insurance contract that occurred before the end of the financial period and includes those reported and unreported claims, in addition to related expenses.

L. Summary of measurement methods

1- Insurance contracts are classified as follows:

Portfolio	Classification of contracts	Measurement method
Medical Insurance	Collective, individual, travel	Premium allocation approach
Life Insurance - individual	Fixed temporary, double guaranteed profits, educational guaranteed profits, mixed guaranteed profits, protection and savings program, temporary renewable	Premium allocation approach
Life Insurance - collective	Personal accidents, group life, developing borrowers, critical illnesses	Premium allocation approach
Motor (comprehensive)	Comprehensive, complementary, inclusive of quotas, roadside assistance	Premium allocation approach
Motor (Third party liability)	Third party liability, Union dispatches	Premium allocation approach
Motor (Borders complex)	Transit, against third party centers and borders, orange card	Premium allocation approach
Motor (Buses)	Bus complex against third parties / comprehensive	Premium allocation approach

5- Significate Accounting Policies (continued)

L. Summary of measurement methods (continued)

1- Insurance contracts are classified as follows (continued):

Portfolio	Classification of contracts	Measurement method
Motor (tender)	Bids and quotas against others	Premium allocation approach
Marine - goods	Marine goods (outstanding policy)	Premium allocation approach
Marine – hulls	Marine hulls, container hulls	Premium allocation approach
Fire insurance	Fire, home insurance, fire and allied dangers, home furniture	Premium allocation approach
Other general insurances	Aviation, personal accidents, cash insurance, glass, breach of trust, political risks, pharmaceutical studies, maids, home insurance assistance.	Premium allocation approach
Liability	Third party civil liability, workers' injury compensation, professional liability, comprehensive bank insurance, employer's liability, medical errors, administrators' and executives' liability insurance, electronic and commercial crimes.	Premium allocation approach
Engineering	All contractors' risks, contractors' machinery insurance, inventory damage, machinery damage, installation risks, boilers, electronic devices.	Premium allocation approach

- The portfolios of insurance contracts that the company subscribes to are mentioned.
- The classification of contracts is mentioned if there are non-insurance components (investment or service component) and in the absence of those components that require separation, they are classified as insurance contracts only.
- Insurance contract portfolios are classified according to the appropriate measurement approach, and if there are non-insurance components, the most relevant accounting standard is clarified.

5- Significate Accounting Policies (continued)
L. Summary of measurement methods (continued)
2- Reinsurance contracts are classified as follows:

Portfolio (level one)	Measurement method
Medical – relativity reinsurance	Premium allocation approach
Travel insurance – relativity reinsurance	Premium allocation approach
Life insurance – collective - relativity reinsurance	Premium allocation approach
Life insurance – individual - relativity reinsurance	Premium allocation approach
Marine – goods - relativity reinsurance	Premium allocation approach
Marine – war goods - relativity reinsurance	Premium allocation approach
Marine – hulls - relativity reinsurance	Premium allocation approach
Fire - relativity reinsurance	Premium allocation approach
General insurance - relativity reinsurance	Premium allocation approach
Engineering - relativity reinsurance	Premium allocation approach
Motor - relativity reinsurance	Premium allocation approach
Motor - non relativity reinsurance	Premium allocation approach
Marine – goods - non relativity reinsurance	Premium allocation approach
Marine – hulls - non relativity reinsurance	Premium allocation approach
Fire - non relativity reinsurance	Premium allocation approach
General insurances - non relativity reinsurance	Premium allocation approach
Engineering - non relativity reinsurance	Premium allocation approach

• The portfolios of reinsurance contracts held by the company are mentioned.
• The portfolios of reinsurance contracts held by the company are classified according to the appropriate measurement approach, taking into account the disclosure of the minimum portfolios (supplementary vehicles - mandatory - bus complex - engineering - tenders for more than one year) according to the applicable legislation.

3- Aggregation levels

The insurance company classifies groups of insurance contracts and reinsurance contracts according to the following:
(Insurance contract portfolios are detailed according to the classifications referred to above into groups according to the year of underwriting. Example (all contracts issued during the year 2020 are treated in a separate group from contracts issued in 2021, and so on).

4- Profitability level

The contract groups referred to in the previous level are classified into the classifications shown below, according to the net cash flows expected from the contract and the accounting approach used in treating the contract groups:
- Contracts for which there is no possibility of becoming onerous upon initial recognition.
- Onerous contracts.
- Other contracts - if any

5- Significate Accounting Policies (continued)

M. Financial assets

The Company classifies its financial assets at the initial recognition as follows:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through profit or loss.
- Financial assets measured at fair value through other comprehensive income.

1- Financial assets at amortized cost

The company classifies financial assets at amortized cost based on the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets and when both of the following conditions are met:

- The purpose of holding these assets in the context of the business model is to collect contractual cash flows.
- The cash flows under the contractual terms of these assets arise on specified dates and represent only payments of principal and interest accrued on the principal of those assets

Financial assets are recorded at amortized cost at cost upon purchase in addition to acquisition expenses, and the premium / discount (if any) is amortized using the effective interest method as a credit to interest or for its account, and any provisions resulting from the decline in the value of these investments are deducted that lead to the inability to recover this investment or part of it Any decline in its value is recorded in the profit and loss statement.

The impairment in financial assets at amortized cost is the difference between the carrying amount and the present value of the expected cash flows, discounted at the original effective interest rate.

The Standard allows in rare circumstances to measure such assets at FVTPL if doing so eliminates or significantly reduces the measurement inconsistency (sometimes called accounting mismatch) that would give rise to the measurement of assets or liabilities or the recognition of gains and losses arising from them on different grounds.

The value of financial assets at amortized cost is reduced by impairment losses, as interest income, gains and losses of foreign exchange differences and depreciation are recognized in the profit or loss statement, and the gains or losses resulting from the disposal of financial assets are shown in the profit or loss statement.

2- Financial assets at fair value through profit or loss

- The remaining financial assets that do not meet the conditions of financial assets at amortized cost are measured as financial assets at fair value.
- Financial assets are represented according to fair value through the statement of profit or loss, investments in equity instruments and debt instruments for trading purposes, and the purpose of keeping them is to generate profits from short-term market price fluctuations or trading margins.
- Financial assets are recorded through the statement of profits or losses at fair value upon purchase (acquisition expenses are recorded on the statement of profits and losses upon purchase) and are re-evaluated on the date of the financial statements at fair value, and subsequent changes in fair value are recorded in the statement of profits and losses in the same period of occurrence of the change Including the change in fair value resulting from translation differences of non-monetary assets in foreign transactions. The distributed profits or returns are recorded in the profit or loss statement when realized (approved by the General Assembly of Shareholders).

5- Significate Accounting Policies (continued)
M. Financial assets (continued)

3- Financial assets at fair value through statement of other comprehensive income

- Upon initial recognition of investments in equity instruments that are not held for trading, it is allowed to adopt an irrevocable option to present all changes in the fair value of these investments on an individual basis (each share separately) within the items of other comprehensive income, and it is not possible in any way to reclassify the changes recognized in the statement of other comprehensive income to the statement of profit or loss subsequently. Dividends received from such investments are recognized in net investment income, unless such dividends clearly represent a partial recovery of all investments.
- In the event of selling these assets or part thereof, the profits or losses resulting from the sale are transferred from the balance of the net accumulated change in the fair value through other comprehensive income to the retained earnings or losses and not through the statement of profit or loss.

4- Investment properties

Investment properties are shown at cost after subtracting accumulated depreciation (excluding land). These investments are depreciated over their useful life at a rate of 2%. Any impairment in their value is recorded in the profit or loss statement. The operating revenues or expenses of these investments are recorded in the profit or loss statement.

(Investment properties are evaluated in accordance with legislation, and their fair value is disclosed in the real estate investment note).

5- Property and equipment

Property and equipment are shown at cost after deducting accumulated depreciation and any accumulated impairment losses. Property and equipment (except for land) are depreciated when they are ready for use using the straight - line method over their expected life using the following annual percentages. Depreciation expense is recorded in the statement of profit or loss.

Asset	Depreciation rate %
Furniture	10 - 15
Computers	10 - 15
Transportation	15
Tools and equipment	10 - 15
Buildings	2

Depreciation of property and equipment is calculated when these assets are ready for use for their intended use. The full value of the depreciation expense for the period is shown in the statement of profit or loss. When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable value and the impairment value is recorded in the profit or loss statement.

The property and equipment under construction for the company's use are shown at cost and after deducting any impairment losses in their value. The useful life of the property and equipment is reviewed at the end of each year. If the expected useful life differs from the previously prepared estimates, the change in the estimate for subsequent years is recorded as a change in the estimates.

Gains or losses resulting from the disposal or write-off of any property and equipment, which represents the difference between the proceeds from the sale and the carrying amount of the asset, are shown in the profit or loss statement. Property and equipment are disposed of upon disposal or when no future benefits are expected from their use.

5- Significate Accounting Policies (continued)
M. Financial assets (continued)

6- Intangible assets

- Intangible assets obtained through a merger are recorded at fair value on the date of acquisition. Intangible assets acquired through a method other than merger are recorded at cost.
- Other intangible assets are classified based on their estimated life for a specific period or periods. Intangible assets that have a specified life are amortized during this life and are amortized in the profit or loss statement. As for intangible assets with an indefinite life, the decline in their value is reviewed on the date of the financial statements, and any decline in their value is recorded in the profit or loss statement.
- Intangible assets generated internally in the company are not capitalized and are recorded in the statement of profit or loss in the current year.
- Any indications of impairment in the value of intangible assets are reviewed at the date of the financial statements. The estimation of the useful life of those assets is also reviewed and any adjustments are made to subsequent periods.

7- Cash and cash equivalent

Cash and cash equivalents represent cash on hand, balances at banks, deposits at banks and with maturities exceed three months after deducting bank credit accounts and restricted withdrawal balances.

Offsetting

A net offset is made between financial assets and financial liabilities and the net amount is shown in the statement of financial position only when the binding legal rights are available, as well as when they are settled on the basis of offsetting, or the realization of the assets and the settlement of the liabilities is at the same time

The date the financial assets are recognized

The purchase and sale of financial assets are recognized on the trading date (the date the company is committed to buying or selling financial assets)

Fair Value

The closing prices (buying assets / selling liabilities) on the date of the financial statements in active markets represent the fair value of the financial instruments that have market prices.

In the absence of published prices, the absence of active trading for some financial instruments, or the inactivity of the market, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is substantially similar to it.
- Analyzing future cash flows and discounting the expected cash flows at a rate used in a similar financial instrument.
- Options pricing models
- Valuation methods aim to obtain a fair value that reflects market expectations and takes into consideration market factors and any expected risks or benefits when estimating the value of financial instruments. In case that there are financial instruments whose fair value cannot be measured reliably, they are stated at cost after deducting any impairment in their value.

5- Significate Accounting Policies (continued)

N. Financial Liabilities

The company classifies financial liabilities based on the purpose for which the obligation arises. The accounting policy for financial liabilities is as follows:

1- Creditors and reinsurance contract liabilities

Accounts payable and reinsurance payables are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method

2- Due to banks

They are initially recognized at fair value, net of costs associated with obtaining the facilities. Such interest-bearing liabilities are subsequently recognized at amortized cost using the effective interest rate method. The financing cost includes the initial costs and the premium paid upon repayment, in addition to the interest that accrues during the life of the obligation.

Provisions

Provisions are recognized when the company has obligations at the date of the financial statements arising from past events, and the settlement of the obligations is probable and its value can be measured reliably. The amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as at the date of the financial statements, taking into account the risks and uncertainty associated with commitment. When the amount of a provision is determined on the basis of the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When it is expected that some or all of the economic benefits required from other parties to settle the provision will be recovered, the receivable is recognized in assets if the actual receipt of compensation is certain and its value can be measured reliably.

End of service benefit provision

The end of service provision for employees is calculated in accordance with the company's policy, which is in accordance with the Jordanian Labor Law. The annual compensations incurred for the employees who leave the service are recorded on the account of the provision for end of service when paid, and the provision for the obligations incurred by the company for the employees' end of service is taken into the profit and loss statement.

Foreign Currency

- Transactions in foreign currencies during the current year are recorded at the prevailing exchange rates on the date of the transactions.
- Balances of financial assets and financial liabilities are transferred at the average foreign currency rates prevailing on the date of the statement of financial position and announced by the Central Bank of Jordan
- Non-financial assets and non-financial liabilities denominated in foreign currencies that are stated at fair value are translated on the date the fair value was determined
- Profits and losses resulting from foreign currency translation are recorded in the statement of profit or loss.
- When consolidating the financial statements, the assets and liabilities of the branches and subsidiaries abroad are translated from the average currency rates at the date of the financial statements, the main (basic) currency, to the reporting currency declared by the Central Bank of Jordan. As for the revenue and expense items, they are translated on the basis of the average price during the year, and the resulting currency differences appear in a separate item within owners' equity. In the event that one of these companies or branches is sold, the amount of foreign currency translation differences related to it will be recorded within revenues/expenses in the statement of profits or losses

5- Significate Accounting Policies (continued)

The costs of issuing or buying shares of the insurance company

Any costs resulting from the issuance or purchase of insurance company shares are recorded in retained earnings (net after the tax impact of these costs. If the issuance or purchase process does not take place, then these costs are recorded as expenses in the statement of profits or losses.

Revenue

1. Dividend and interest income

Dividend income from investments is verified when the right of shareholders to receive dividend payments is established, and when approved by the General Assembly of Shareholders, interest income is calculated according to the accrual basis based on the due time periods, the original amounts, and the interest rate earned.

2. Rental income

Rental income from investment properties under operating lease contracts is recognized on a straight-line basis over the term of those contracts and on an accrual basis.

Acquisition costs

They represent the acquisition costs incurred by the company in exchange for selling, underwriting, or starting new insurance contracts. The company recognizes all acquisition costs directly when the insurance contract is recognized in the profit or loss statement, while the company recognizes acquisition costs by amortizing the costs incurred over the insurance contract's coverage period in the statement of financial position. (The mechanism for estimating acquisition costs will be disclosed when preparing estimated budgets and the mechanism for recognizing those costs)

Insurance contract expenses

The company distributes general administrative expenses and direct employee expenses to insurance portfolios related to insurance contracts to groups of insurance contracts and includes them in calculating the profitability of the contract by distributing direct expenses for each portfolio separately. Whereas, the general and administrative expenses and indirect employee expenses not related to insurance contracts are charged to the profit or loss statement.

Basis of preparing consolidated financial statements

The most important financial information for the subsidiaries for the period ended September 30, 2023 is as follows:

Company's name	Total assets	Total liabilities	Total revenues	Total expenses
Ibdaa' For Financial Investment	2,741,603	43,853	147,089	131,243
Jordan International Investment	8,985,134	15,261	91,373	72,789
Tilal Salem Real Estate Investment	302,442	1,067	1,736	4,713

6- Deposits at Banks

This item consists of the following:

	September 30, 2023 (Unaudited)				December 31, 2022 (Audited)
	Deposits due within a month	**Deposits due from 1 to 3 months**	**Deposits due from 3 months to 1 year**	**Total**	**Total**
Inside Jordan	**386,659**	**-**	**5,116,384**	**5,503,043**	6,019,578
Less:					
Expected credit loss	**(330)**	**-**	**(6,573)**	**(6.903)**	(6.903)
	386,329	**-**	**5,109,811**	**5,496,140**	6,012,675

- Interest rates on bank deposits balances in Jordanian Dinar ranges from 2% to 6.5% during the period ended September 30,2023.
- Deposits pledged to the order of the Central Bank Governor amounted to 800,000 JOD as on September 30,2023 and December 31,2022 at the Investment Bank.

The following is the distribution of the company's deposits to the banks:

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Invest Bank	**1,712,659**	1,671,044
Capital Bank of Jordan	**1,541,592**	2,740,085
Egyptian Arab Land Bank	**1,148,792**	1,108,449
Housing Bank	**1,100,000**	-
Bank of Jordan	**-**	500,000
	5,503,043	6,019,578

The following is a summary of the movement in the provision for expected credit losses for the balance of deposits with banks:

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Balance at the beginning of the year	**6,903**	6,903
Provision during the period/ year	**-**	-
Release	**-**	-
Balance at the end of the period/ year	**6,903**	6,903

7- Financial Assets at Fair Value through Profit or Loss

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Inside Jordan		
Shares listed on the Amman Stock Exchange	**1,793,708**	1,733,781
Unlisted shares	**91,427**	103,725
	1,885,135	1,837,506
Outside Jordan		
Shares listed on the Amman Stock Exchange	**65,800**	75,503
	1,950,935	1,913,009

These financial assets are valued based on the latest available financial information and compared to the current market value of a financial instrument that is substantially the same.

8- Financial Assets at Fair Value through Other Comprehensive Income

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Inside Jordan		
Shares listed on the Amman Stock Exchange	**71,020**	71,020
Unlisted shares	**1,723,613**	1,728,425
	1,794,633	1,799,445

These financial assets have been revalued based on the latest available financial information or the latest available study to estimate future cash flows and/or compare them with the current market value of a financial instrument that is substantially the same.

9- Investment Properties

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Land	**6,909,396**	6,909,396
Buildings	**700,344**	700,344
Less: accumulated depreciation	**(210,995)**	(200,705)
Buildings, net	**489,349**	499,639
	7,398,745	7,409,035

10- Cash on hand and at banks

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Cash on hand	**22,532**	350,069
Cash at bank	**572,048**	57,218
	594,580	407,287

11- Account receivables

This item consists of the following

	September 30, 2023 (Unaudited)	31 December 2022 (Audited)
Brokerage clients' receivables	**999,192**	834,152
Trade companies' receivables	**36,816**	34,379
Employee's receivables	**15,650**	2,732
Other receivables	**30,673**	34,616
	1,082,331	905,879
Provision for expected credit losses	**(594,207)**	(594,407)
	488,124	311,472

12-(Assets) / Liabilities Insurance Contracts (Premium Allocation Approach)

	Liabilities for remaining coverage		Liabilities for Incurred Claims		
September 30, 2023	**Non-Onerous Contracts**	**Onerous Contracts**	**Present Value of Cash Flows**	**Non-Financial Risk Adjustments**	**Total**
Insurance contract liabilities-beginning of the period	(823,935)	(778,515)	26,174,219	2,095,202	26,666,971
Insurance contract assets-beginning of the period	(2,027)	-	-	-	(2,027)
Net insurance contract (assets) /liabilities at the beginning of the period	(825,962)	(778,515)	26,174,219	2,095,202	26,664,944
Insurance contract revenues	**(3,064,220)**	**(8,832,592)**	-	-	**(11,896,812)**
Claims incurred	-	-	**9,298,002**	**85,227**	**9,383,229**
Change in onerous contract	-	**(127,238)**	-	-	**(127,238)**
Amortization of acquisition cost	**130,524**	**120,563**	-	-	**251,087**
Change in liability for incurred claims	-	-	**(70,589)**	**(149,902)**	**(220,491)**
Insurance contract expenses	**130,524**	**(6,675)**	**9,227,413**	**(64,675)**	**9,286,587**
Insurance service results	**(2,933,696)**	**(8,839,267)**	**9,227,413**	**(64,675)**	**(2,610,225)**
Finance costs - from insurance contracts	-	-	**1,748,230**	-	**1,748,230**
Net change - other comprehensive income	**(2,933,696)**	**(8,839,267)**	**10,975,643**	**(64,675)**	**(861,995)**
Cash received from written premium	**2,785,752**	**8,468,713**	-	-	**11,254,465**
Cash paid for incurred claims	-	-	**(12,157,115)**	-	**(12,157,115)**
Acquisition costs paid amount	**(97,456)**	**(106,979)**	-	-	**(204,435)**
Total flows	**2,688,296**	**8,361,734**	**(12,157,115)**	-	**(1,107,085)**
Transferred to liabilities for incurred claims	**(1,071,362)**	**(1,256,048)**	**24,992,747**	**2,030,526**	**24,695,863**
Insurance contract liabilities – end of period	**(734,245)**	**(1,256,048)**	**24,703,411**	**2,001,794**	**24,714,912**
Insurance contract assets – end of period	**(337,117)**	-	**289,336**	**28,732**	**(19,049)**
Net insurance contract (assets) /liabilities- end of period	**(1,071,362)**	**(1,256,048)**	**24,992,747**	**2,030,526**	**24,695,863**

12-(Assets) / Liabilities Insurance Contracts (Premium Allocation Approach) (Continued)

December 31, 2022	Liabilities for remaining coverage		Liabilities for Incurred Claims		
	Non-Onerous Contracts	Onerous Contracts	Present Value of Cash Flows	Non-Financial Risk Adjustments	Total
Insurance contract liabilities-beginning of the period	93,318	2,933,525	27,663,463	2,117,207	32,807,513
Insurance contract assets-beginning of the period	-	(107,011)	-	-	(107,011)
Net insurance contract (assets) /liabilities at the beginning of the period	93,318	2,826,514	27,663,463	2,117,207	32,700,502
Insurance contract revenues	(6,932,477)	(11,095,683)	-	-	(18,028,160)
Claims incurred	-	-	19,578,921	-	19,578,921
Change in onerous contract	(675,655)	(751,371)	-	-	(1,427,026)
Amortization of acquisition cost	278,539	150,124	-	-	428,663
Change in liability for incurred claims	-	-	(1,750,836)	(22,005)	(1,772,841)
Insurance contract expenses	(397,116)	(601,247)	17,828,085	(22,005)	16,807,717
Insurance service results	(7,329,593)	(11,696,930)	17,828,085	(22,005)	(1,220,443)
Finance costs - from insurance contracts	-	-	(1,013,549)	-	(1,013,549)
Net change - other comprehensive income	(7,329,593)	(11,696,930)	16,814,536	(22,005)	(2,233,992)
Cash received from written premium	6,601,676	8,266,847	-	-	14,868,523
Cash paid for incurred claims	-	-	(18,303,780)	-	(18,303,780)
Acquisition costs paid amount	(191,363)	(174,946)	-	-	(366,309)
Total flows	6,410,313	8,091,901	(18,303,780)	-	(3,801,566)
Transferred to liabilities for incurred claims	(825,962)	(778,515)	26,174,219	2,095,202	26,664,944
Insurance contract liabilities – end of period	(823,935)	(778,515)	26,174,219	2,095,202	26,666,971
Insurance contract assets – end of period	(2,027)	-	-	-	(2,027)
Net insurance contract (assets) /liabilities- end of period	(825,962)	(778,515)	26,174,219	2,095,202	26,664,944

13-Assets / liabilities Reinsurance Contracts

Reinsurance Contracts Assets

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Local - Reinsurance contracts asset	**5,278,694**	3,869,736
Foreign - Reinsurance contracts asset	**17,672,148**	21,022,398
	22,950,842	24,892,134

Reinsurance Contracts liabilities

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Local - Reinsurance contracts liabilities	**1,797**	4,472
Foreign - Reinsurance contracts liabilities	**9,136**	8,216
	10,933	12,688

14– Income tax

A- Provision for Income Tax

The movement on the income tax provision as follows

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Balance at the beginning of the period/ year	**22,412**	13,932
Provided during the period/ year	**10,953**	10,735
Income tax paid during the period/ year	**(13,035)**	(2,255)
Balance at the end of the period/ year	**20,330**	22,412

B- Income Tax Expense

The income tax expense shown in the interim condensed consolidated statement of profit or loss represents the following

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Deferred tax assets	**(26,612)**	(33,151)
Deferred tax assets release	**80,145**	184,428
Income tax for the period	**9,388**	16,725
National contribution tax	**1,565**	2,761
	64,486	170,763

14-Income Tax (continued)
B- Deferred tax assets/ liabilities

	September 30, 2023 (Unaudited)					December 31, 2022 (Audited)
	Beginning balance for the period	Reversal	Addition	Ending balance for the period	Deferred tax	Deferred tax
Deferred tax assets:						
Expected credit losses provision	1,951,670	93,454	-	1,858,216	490,626	514,928
Provision for impairment of financial assets through profit or loss	879,125	-	113,195	992,320	229,079	202,467
Provision for end of service benefits	38,500	-	-	38,500	10,012	10,012
Provision for impairment of financial assets through other comprehensive income	1,514,693	-	-	1,514,693	393,223	393,223
Provision for impairment in the value of investments property	6,126	-	-	6,126	1,286	1,286
Legal provision	5,448	-	-	5,448	1,176	1,176
provision for contingent liabilities	250,000	-	-	250,000	65,000	65,000
Provision for Incurred but not reported claims	748,627	201,282	-	547,345	141,911	194,244
Provision for deficiency reserve	136,001	13,500	-	122,501	31,850	35,360
Tax-acceptable carry-over losses	1,249,325	-	-	1,249,325	324,825	324,825
Previous year tax assets	11,674	-	-	11,674	3,036	3,036
	6,791,189	308,236	113,195	6,596,148	1,692,024	1,745,557

14-Income Tax (continued)

B- Deferred tax assets/ liabilities (continued)

Movement on deferred tax assets and liabilities is as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance at the beginning of the period/ year	**1,745,557**	1,632,107
Addition	**26,612**	272,951
Released	**(80,145)**	(159,501)
Balance at the end of the period/ year	**1,692,024**	1,745,557

15- Due from related parties

Related party	Nature of Transaction	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
United Group for Management and Consulting Company	**Finance**	**126,081**	82,476

As part of the company's operations, the company and its subsidiaries conduct transactions with members of its board of directors and related parties (such as companies and individuals) within the terms that govern such transactions and their limits are approved by the board of directors.

16- Other Assets

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Refundable deposits	**216,595**	141,395
Prepaid expenses	**93,133**	34,302
Accrued revenue	**67,838**	75,752
Housing Bank deposit (SIPC)	**235,020**	320,186
With holding income tax from prepaid deposit interest	**128,891**	124,511
Other	**10**	14,627
	741,487	710,773

17- Accounts payables

This item consists of the following:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Broker's payables	**23,111**	42,620
Other payables	**8,906**	2,305
	32,017	44,925

18- Other provisions

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
End of service benefit provision	**38,500**	38,500
Provision of contingent liability	**5,448**	5,448
	43,948	43,948

19- Other Liabilities

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Reinsurers deposits	**2,951,064**	3,452,861
Outstanding claims deposits	**23,339**	28,236
Other Deposits	**124,133**	78,211
Outstanding checks	**141,894**	142,236
	3,240,430	3,701,544

20- Authorized and paid-up capital

The authorized and fully paid share capital is 18,150,000 JD, consist of 18,150,000 shares, each share is 1 JD as of September 30, 2023 and December 31, 2022.

21- Statutory reserves

Statutory reserve is formed in accordance with the provisions of the Jordanian Companies Law at a rate of 10% of the annual net profits, and the deduction stops when the balance of the accumulated reserve reaches the equivalent of a quarter of the company's authorized capital. However, it is permissible, with the approval of the general assembly of the company, to continue deducting this percentage until the balance reaches this amount. The reserve is equivalent to the amount of the company's authorized capital.

The amounts accumulated in this account represent the transferred annual profits before taxes at a rate of 10% during the year and previous years in accordance with the Companies Law, and it is not subject to distribution to shareholders.

22- Fair value reserve

This amount represents the fair value of the financial assets through other comprehensive income and is stated as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Beginning balance of the period / year	**(2,468,333)**	(1,780,041)
During the period / year	-	(934,339)
Transfer from deferred tax assets	-	246,047
Ending balance of the period / year	**(2,468,333)**	(2,468,333)

23-Financing (expenses) / income – Insurance Contracts

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Financing (expenses)/ income – Insurance Contracts	**(1,748,230)**	503,793
	(1,748,230)	503,793

The discount rate used in calculating the present value of future cash flows is 5.24% cumulative over 5 years, taking into account the method of paying claims during the years.

24- Financing income /(expenses) – Reinsurance Contracts

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Financing income/(expenses) – Reinsurance Contracts	**1,492,491**	(564,021)
	1,492,491	(564,021)

The discount rate used in calculating the present value of future cash flows is 5.24% cumulative over 5 years, taking into account the method of paying claims during the years.

25- Interest income

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Bank Interest	**214,596**	237,922
	214,596	237,922

26- Profit from Financial Assets and Investments

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Dividend income on financial asset through profit or loss	**77,793**	75,030
Income from sales of financial asset through profit or loss	**148,118**	251,652
Net change in fair value through profit or loss	**(125,657)**	(179,801)
	100,254	146,881

27-Loss per Share

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

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Profit of the Period	**(202,990)**	(370,882)
Weighted Average Number of Shares	**18,150,000**	18,150,000
	(Fils/ JD)	(Fils/ JD)
Basic and diluted earnings per share	**(0.011)**	(0.020)

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

28- Cash and cash equivalent

This item consists of the following:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Cash on hands and at banks	**594,580**	692,901
Deposits at banks with maturities more than three months	**386,329**	5,707,866
Net cash and cash equivalent	**980,909**	6,400,767

29- Non -controlling interest

This item represents the portion not owned by the company in the equity in the subsidiary - Jordan International Investment Company.

	Ownership percentage	Paid capital	Statutory reserves	Voluntary reserves	Accumulated losses	Profit or oss for the period	Non-controlling interest	Portion of non-controlling interest for profit/loss
September 30,2023	91,02	10,000,000	48,676	2,225	(779,652)	15,607	844,241	1,404
December 31,2022	91,02	10,000,000	48,676	2,225	(779,652)	(49,080)	837,842	(4,407)

30- Legal case against the company

There are cases filed against the company to claim compensation for various accidents, and the total value of the specific cases amounted to 2,183,690 JOD before the courts as on September 30, 2023 (3,015,875 JOD as of December 31, 2022). In the opinion of the management and the company's lawyer, it will not result in any obligations exceeding the amounts allocated to it are included in the provision for claims under settlement.

There are legal cases against Tilal Salem Company (the subsidiary company), the subject matter of which is a claim for the annulment and invalidation of contracts for the sale of lands that the company had owned in previous years and its value appears under the real estate investments item, bearing in mind that the lawsuit is still pending before the court, and it is at the stage of submitting data, and in the opinion of the lawyer, it is not There is a need for a dedicated entry for this lawsuit, as the legal position of the company in this lawsuit is good

In the opinion of the management and the company's lawyer, the company will not have any obligations that exceed the amounts allocated to it under the net claims provision clause.

31-Contingent Liabilities

On the date of the interim condensed consolidated financial position statement, the company had obligations that may arise represented in bank guarantees amounting to 1,222,896JOD as on September 30, 2023 (1,535,849 JOD as on December 31, 2022).

32-Comparative Figures

Certain prior period figures were reclassified to conform the current period presentation

33-Interim condensed consolidated financial statements approval

The interim condensed consolidated financial statements were approved by the Board of Directors' decision held on October 31, 2023.