National Insurance Company
(Public Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Interim Condensed Consolidated Financial Statements
(Unaudited)
for the six months period ended June 30, 2023

National Insurance Company
(Public Shareholding Company)
Amman-Hashemite kingdom of Jordan
Interim Condensed Consolidated Financial Statements and Independent Auditor's Report (Unaudited)
For the six months period ended June 30, 2023

Table of Content

	Page
Independent Auditor's Report	1
Interim Condensed Statement of Financial Position (Unaudited) as of June 30, 2023	2
Interim Condensed Statement of Profit or Loss (Unaudited) for the six months period ended in June 30, 2023	3
Interim Condensed Statement of Other Comprehensive Income (Unaudited) for the six months period ended in June 30, 2023	4
Interim Condensed Statement of Changes in Shareholders' Equity (Unaudited) for the six months period ended in June 30, 2023	5
Interim Condensed Statement of Cash Flows (Unaudited) for the six months period ended in June 30, 2023	6
Notes to the Interim Condensed Consolidated Financial Statements for the six months period ended in June 30, 2023	7-30

Independent Auditor's Report

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

Introduction

We have reviewed the accompanying interim consolidated condensed statement of financial position of **National Insurance Company ("the Company")** as of June 30, 2023 and the related interim consolidated condensed statements of profit or loss, other comprehensive income, changes in shareholders' equity, and cash flows for the Six months period then ended and a summary of significant accounting policies and other explanatory notes from (1) to (26).

Management is responsible for the preparation and fair presentation of these interim consolidated condensed 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 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 consolidated condensed 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 June 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, and the instructions of Central Bank of Jordan.

Other Matter

The financial statements for the year ended December 31, 2022 whose numbers appear in the statement of financial position for comparison purposes have been audited by another auditor, who issued an unqualified report on February 28, 2023. The interim consolidated condensed financial statements for the period ended June 30, 2022, the statements of profit or loss, other comprehensive income, changes in shareholders' equity, and cash flows which appears in the comparative figures have been reviewed by another auditor who issued an unqualified conclusion on July 28, 2022.

Date: August 08, 2023

ABBASI GROUP INTERNATIONAL
aGi
Audit · Tax · Advisory
تدقيق • ضريبة • إستشارات
مجموعة العباسي الدولية

Al - Abbasi and Company
(Independent Member of Moore Global)

Hassan Amin Othman
(License No. 674)

+962 6 581 1909
King Abdullah II St. / Al Karml Bld. 296 / 5th Floor
P.O.Box 925111 - Amman11190 Jordan
info@agicpa.com
www.agicpa.com

National insurance company
(Public Shareholding Company)
Interim Condensed Statements of financial position (Unaudited)
As of June 30, 2023
(Jordanian Dinar)

	Note	June 30, 2023 (Unaudited)	December 31,2022 (Audited) (Adjusted)	December 31,2021 (Audited) (Adjusted)
Assets				
Bank deposits, net	6	**9,857,053**	10,400,357	8,411,140
Financial assets at fair value through other comprehensive income	7	**4,529,236**	4,703,273	4,163,377
Financial assets at amortized cost	8	**6,449,531**	6,169,255	5,155,368
Investment properties	9	**421,950**	346,410	421,228
Total investments		**21,257,770**	21,619,295	18,151,113
Cash on hands and at banks	10	**263,693**	218,021	171,259
Insurance contract assets, net	11	**1,108,768**	220,293	660,133
Reinsurance contract assets, net	12	**5,941,005**	5,898,820	5,805,209
Deferred tax assets	13	**671,355**	658,152	513,788
Property and equipment, net	14	**535,014**	543,541	562,419
Intangible assets, net	15	**47,826**	55,378	41,957
Other assets	16	**1,311,001**	1,355,670	962,259
Total Assets		**31,136,432**	30,569,170	26,868,137
Liabilities and Shareholders' Equity				
Liabilities				
Insurance contract liabilities	11	**14,123,608**	14,716,278	11,933,035
Total Insurance contract liabilities		**14,123,608**	14,716,278	11,933,035
Accounts payable	17	**3,005,782**	1,932,543	1,857,066
Provision for income tax	13	**209,228**	313,565	313,057
Accrual expenses		**106,594**	101,852	102,660
Other provisions	18	**33,499**	33,196	14,406
Other liabilities	19	**1,888,795**	1,604,740	1,541,109
Total liabilities		**19,367,506**	18,702,174	15,761,333
Shareholder's Equity				
Authorized and paid capital	20	**8,000,000**	8,000,000	8,000,000
Statutory reserve	21	**1,718,918**	1,718,918	1,572,025
Voluntary reserve	22	**800,000**	800,000	311,000
Chang in fair value reserve		**49,822**	146,704	(321,619)
Retained earnings		**1,200,186**	1,201,374	1,545,398
Total Shareholder's Equity		**11,768,926**	11,866,996	11,106,804
Total Liabilities and Shareholders' Equity		**31,136,432**	30,569,170	26,868,137

The accompanying notes from 1 to 26 are integral part of these financial statement

National insurance company
(Public Shareholding Company)
Interim Condensed Statements of Profit or Loss (Unaudited)
For the six months period ended June 30, 2023
(Jordanian Dinars)

	Notes	For the six months period from January 1 to June 30 2023	2022
Revenues:			
Insurance contract revenue	23	**11,960,591**	10,289,951
Insurance contract expenses	24	**(9,392,490)**	(8,019,570)
Insurance service result		**2,568,101**	2,270,381
Reinsurance contracts results		**(3,884,491)**	(3,913,547)
Reinsurance contracts recoveries		**2,100,211**	2,058,730
Reinsurance contracts results		**(1,784,280)**	(1,854,817)
Financing expenses/ income - insurance contracts		**9,184**	11,611
Financing expenses/ income – reinsurance contracts		**(891)**	(1,119)
Net results of financing insurance and reinsurance		**8,292**	10,492
Net results of insurance services		**783,820**	415,564
Interest income		**478,368**	331,742
Commissions income		**346,454**	148,024
Net profit from financial assets and investments		**290,339**	238,951
Insurance policies issuance fees		**481,061**	435,150
Other revenues		**273,175**	320,133
Total revenues		**1,869,397**	1,474,000
Salaries and employee's benefits		**(579,422)**	(512,242)
Unallocated administrative and general expenses		**(454,931)**	(386,686)
Other expenses		**(522,026)**	(252,855)
Depreciations and amortizations		**(30,090)**	(29,161)
Total expenses		**(1,586,469)**	(1,180,944)
Profit before income tax		**1,075,041**	719,202
Income tax for the period	13	**(237,929)**	(181,950)
Net profit after tax		**837,112**	537,252
Earnings per share	25	**0.104**	0.067

The accompanying notes from 1 to 26 are integral part of these financial statements

National insurance company
(Public Shareholding Company)
Interim Condensed Statement of Other Comprehensive Income (Unaudited)
For the six months period ended June 30, 2023
(Jordanian Dinars)

	For the six months period from January 1 to June 30	
	2023	**2022**
Net profit for the period	**837,112**	537,252
Add: Other comprehensive income items		
Change in fair value reserve	**(96,882)**	431,443
Profit /(loss) from the sale financial assets at fair value through other comprehensive income	**(38,301)**	98,170
Total comprehensive (loss)/ income for the period	**701,929**	1,066,865

The accompanying notes from 1 to 26 are an integral part of these financial statements

National insurance company
(Public Shareholding Company)
Interim Condensed Statement of Changes in Shareholders' Equity (Unaudited)
For the six months period ended June 30, 2023
(Jordanian Dinars)

	Paid- up Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve	Accumulated (loss) Retained Earnings	Total
For the six-months period ended June 30, 2022						
Balance as of December 31, 2022 (Audited) – Before adjustment	8,000,000	1,572,025	311,000	(321,619)	1,851,703	11,413,109
The impact of the application of (IFRS 17).	-	-	-	-	(306,305)	(306,305)
Balance as of December 31, 2022 (Audited) - After adjustment	8,000,000	1,572,025	311,000	(321,619)	1,545,398	11,106,804
Net profit of period	-	-	-	-	537,252	537,252
Net comprehensive income for the period	-	-	-	431,443	98,170	529,613
Total comprehensive income for the period	-	-	-	431,443	635,422	1,066,865
Transfer to voluntary reserve	-	-	89,000	-	(89,000)	-
Dividends	-	-	-		(800,000)	(800,000)
Balance as of June 30, 2022 (unaudited)	8,000,000	1,572,025	400,000	109,824	1,291,820	11,373,669
For the six-months period ended June 30, 2023						
Balance as of December 31, 2022 (Audited) - Before adjustment	8,000,000	1,718,918	800,000	146,704	1,631,001	12,296,623
The impact of the application of (IFRS 17).	-	-	-	-	(429,627)	(429,627)
Balance as of December 31, 2022 (Audited) - After adjustment	8,000,000	1,718,918	800,000	146,704	1,201,374	11,866,996
Net profit of period	-	-	-	-	**837,112**	**837,112**
Net comprehensive income for the period	-	-	-	**(96,882)**	**(38,301)**	**(135,183)**
Total comprehensive income for the period	-	-	-	**(96,882)**	**798,811**	**701,929**
Dividends	-	-	-	-	**(800,000)**	**(800,000)**
Balance as of June 30, 2022 (unaudited)	**8,000,000**	**1,718,918**	**800,000**	**49,822**	**1,200,186**	**11,768,926**

The accompanying notes from 1 to 26 are an integral part of these financial statements

National insurance company
(Public Shareholding Company)
Interim Condensed Statement of Cash Flows (Unaudited)
For the six months period ended June 30, 2023
(Jordanian Dinars)

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Cash flow from Operating Activities		
Net (loss)/ Profit for the period before tax	**1,075,041**	719,202
Adjustment to reconcile net income before tax provided from operating activities		
Depreciation and amortization	**30,090**	29,161
Expected credit loss from financial assets at amortized cost	**-**	4,007
	1,105,131	752,370
Changes in working capital:		
Insurance contract assets	**(888,475)**	(794,729)
Reinsurance contract assets	**(42,185)**	(5,360)
Others assets	**21,848**	(397,001)
Insurance contract liabilities	**(592,670)**	598,467
Accounts payable	**1,073,239**	773,626
Accruals expenses	**4,742**	9,856
Other provisions	**303**	12,594
Income tax paid	**265,165**	180,440
Other liabilities	**(342,750)**	(413,413)
Net cash flows provided by operating activities	**604,348**	716,850
Cash flow from Investing Activities		
Net change in bank deposits	**543,304**	1,224,954
Purchase of property and equipment	**-**	(712)
Purchase of investment properties	**(89,550)**	-
Net of changes at financial assets	**(203,121)**	(1,103,639)
Net cash flows provided by investing activities	**250,633**	120,603
Cash flow from financing activities		
Dividends paid	**(800,000)**	(800,000)
Net cash flows used in financing activities	**(800,000)**	(800,000)
Net cash and cash equivalent provided in period	**54,981**	37,453
Cash and cash equivalents at beginning of the period	**208,712**	171,259
Cash and cash equivalents at the end of the period	**263,693**	208,712

The accompanying notes from 1 to 26 are an integral part of these financial statements

1- Legal Status and Activities

National insurance company was established as a public shareholding limited company resulting from the merger between the National insurance company (established in 1965) and the Al-Ahleia Insurance Company (Jordan) was established in 1986 in accordance with the provisions of the Companies Law of 1964 to practice insurance business. It was registered with the Companies Control Department in the Ministry of Industry and Trade as a Jordanian public shareholding company. Under No. (199) dated December 9, 1986. The company obtained a license to practice life insurance activity on August 6, 1995. The company's authorized and paid-up capital currently amounts to one dinar, divided into shares, the value of each share being one Jordanian dinar.

The company carries out insurance business of all types: vehicles, marine, transportation, fire and other property damage, liability, medical, personal accidents, and life insurance business.

The attached condensed consolidated interim financial statements were approved by the company's Board of Directors at its meeting held on August 8, 2023.

2- Basis of Preparation:

The interim condensed financial statements for the Company for the Six months period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

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

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

Basis of consolidation financial statements

The consolidated financial statements include the financial statements of the National insurance company Public Shareholding Limited (the Company) and the following subsidiary (together referred to as the Group) as of June 30, 2023.

Company name	Legal type	Country of incorporation	Ownership percentage
Al-Nay Real Estate Investment Company*	Limited Liability	Jordan	100%

* Al-Nay Real Estate Investments Limited Liability Company was established with a fully paid capital of 1,250,000 JD. It was registered with the Ministry of Industry and Trade on December 16, 2008 and is wholly owned by the National insurance company, Public Shareholding Limited.

The financial statements of subsidiaries are consolidated from the date on which control is exercised until such control ceases. Control is achieved when the Group fully receives, or has a share of, the variable returns as a result of its control over the subsidiary and has the ability to affect those returns as a result of its control over the subsidiary. The financial statements of the company and the subsidiary are prepared for the same fiscal year and using the same accounting policies. All balances, transactions, revenues and expenses resulting from transactions between the company and its subsidiary are excluded.

3- Changes in Accounting Policies

New Standards, Interpretations, and Amendments Effective from January 1, 2023

The company applied International Financial Reporting Standard No. 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 No. (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.

- 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).
- 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 No. (12) “Income Taxes”).

The company has disclosed its accounting policies in line with the requirements of the International Accounting Standards Board and its amendments for presenting financial statements "Statement of Practice 2" under the framework of the Central Bank of Jordan's requirements. There is no impact on the company from the application of new accounting standards other than the application of International Financial Reporting Standard (IFRS) 17.

4- Use of Estimates and Assumptions

Expected credit losses:

The company applies the simplified approach for trade receivables and the general approach for other financial instruments in calculating expected credit losses, as required by International Financial Reporting Standard (IFRS) No. 9. This approach recognizes expected credit losses over the lifetime of the receivables and contractual assets based on credit risks and homogeneous age categories.

The expected loss rates are based on historical credit losses incurred by the company during the preceding three years until the end of the current period. Subsequently, these historical loss rates are adjusted for current and future information based on macroeconomic factors affecting the company's customers.

Property, Plant, and Equipment, and Intangible Assets:

Management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating depreciation and amortization expenses based on the expected useful lives in the future. Impairment is recognized, if necessary, in the statement of profit and loss.

Please note that the translation is based on the provided information and may vary depending on specific IFRS guidelines and company-specific circumstances.

The present value of future cash flows:

Cash flows are defined as all expected collections and disbursements expected within the limits of the insurance/reinsurance contract, adjusted to reflect the timing and uncertainty of these amounts, based on actuarial assumptions and the company's experience in insurance and reinsurance contracts.
Cash flows are recognized at their present value, and the assumptions used in estimating future cash flows are disclosed, including considerations taken into account, the method used for discounting those cash flows, the discount rate, the discounting technique, and the yield curve used. Furthermore, the rationale for adopting the method used in calculating discount rates and the treatment of insurance financing income or expenses in the profit or loss statement are also disclosed.

When setting assumptions related to estimating cash flows for insurance contract groups, the following factors are considered:
Inherent risks.
Aggregation level.
The probability of natural disasters.
The probability of contract settlement before the end of the insurance coverage, and other expected practices by the policyholders.
The factors influencing the estimates and the sources of information for these factors.

Non-financial risk adjustments:

The company recognizes a financial amount 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 its insurance/reinsurance contracts. This amount is determined at a confidence level of 75% and is expected to align with the business surface runoff. Diversification is included to reflect diversification in contracts sold across geographical regions, which reflects the compensation required by the entity. Non-financial risk adjustments are reassessed annually.

4- Use of Estimates and Assumptions (Continued)

Non-insurance components:

The company discloses the following aspects:
Definition of insurance risk.
Definition of an insurance contract, identifying subscribed insurance contracts that meet the definition.
Identification of contracts issued by the company that meet the definition of an insurance contract.
Mechanism for separating non-insurance components (investment component, service component, etc.) from the insurance contract, and if present, the more relevant standard to be applied to address those components.
Mechanism for determining the relative significance of insurance contract risks.

Claims against the company:

A provision is made against claims brought against the company based on a legal study prepared by the company's lawyer, which determines the potential risks that may arise in the future. These studies are periodically reviewed.

Please note that this translation is based on the provided information and may vary depending on specific IFRS guidelines and company-specific circumstances

Fair Value Levels:

The disclosure includes a complete classification of fair value measurements, as well as a breakdown of the specific levels defined in International Financial Reporting Standards. The difference between Level 2 and Level 3 of fair value measurements assesses whether the information or inputs can be observed and the significance of the information that can be observed, requiring judgments and detailed analysis of the inputs used to measure fair value, considering all factors related to the assets or liabilities.

In essence, this disclosure indicates that the company classifies its fair value measurements into different levels based on the availability of observable market data. Level 1 represents measurements where the fair value is based on unadjusted quoted prices in an active market for identical assets or liabilities. Level 2 represents measurements where inputs other than quoted prices are observable, either directly or indirectly, for the asset or liability.

Level 3 represents measurements where inputs are unobservable, and fair value is determined using the company's own assumptions and models. The difference between Level 2 and Level 3 is essentially the degree to which market-based inputs are available to determine the fair value. Level 2 has observable inputs, while Level 3 relies more heavily on unobservable inputs.

The disclosure also suggests that for assets or liabilities classified as Level 3, the company needs to make significant judgments and perform detailed analysis of the inputs used to measure fair value, considering all factors related to those assets or liabilities. This is because Level 3 assets or liabilities are not directly observable in the market, making their valuation more subjective and dependent on the company's assumptions and models

5 - Significant Accounting Policies (Continued):

A - Segment Information:

Business segments represent a group of assets and operations that share common risks and returns that are different from those of other segments, measured according to reports used by the company's chief operating decision-maker. Geographic segments are related to providing products or services in a specific economic environment subject to risks and returns that differ from those of segments operating in other economic environments.

In this context, the disclosure describes how the company classifies its operations into business and geographic segments. Business segments are those that offer products or services with common risks and returns, while geographic segments are those operating in specific economic environments. This information is relevant for assessing the performance and allocation of resources within the company's different segments.

B - Definition of Insurance Contracts:

"Insurance contracts are defined as agreements in which one party (the insurer) accepts substantial insurance risks from another party (the policyholder) by agreeing to compensate the policyholder in the event of a specified, uncertain future event (the insured event) that adversely affects the policyholder. All contracts issued by the company fall under the definition of insurance contracts.
As for contracts that do not fall under the definition of insurance contracts, examples include:

- Investment contracts that have a legal form of insurance contracts but do not transfer significant insurance risks to the insurer are classified as investment contracts and accounted for under IFRS 9.
- Investment contracts that contain a discretionary participation feature (i.e., the insurer's ability to participate in surplus investment returns) are also accounted for under IFRS 9.
- Self-insurance arrangements, where an entity retains risks that could have been covered by an insurance contract, are classified and accounted for under IFRS 15. For instance, the company does not issue insurance contracts to affiliate companies but only to employees, and these contracts are not subject to IFRS 17 but are recognized as employee healthcare expenses.

C - Reinsurance Contracts Held

A reinsurance contract is issued by a reinsurer to compensate an insurance company for claims arising from insurance contracts issued by the insurance company.

Reinsurance contracts held are recognized as follows:

- If reinsurance contracts held are closely related to a group of insurance contracts, they are recognized at the beginning of the coverage period for that group or at initial recognition of any underlying insurance contract, whichever is earlier.
- At the beginning of the coverage period for a group of reinsurance contracts held. Initial Recognition of Insurance Contracts / Premium Allocation Approach

D - Recognition of Insurance Contracts

The company recognizes a group of insurance contracts from the following dates, whichever is earlier:

- The start of the coverage period.
- The first premium due.
- When the group of contracts is onerous.
- Upon initial recognition, the company records the carrying amount of the liability.

5 - Significant Accounting Policies (Continued):

E- Premiums received at initial recognition.

Deducting any acquisition costs paid to acquire the insurance contracts at that date.
Adding or deducting any cash flows related to the acquisition costs of the insurance contracts.
Subsequent Measurement of Insurance Contracts / Premium Allocation Approach

At the end of each subsequent reporting period, the company measures the carrying amount of the liability, taking into account the following adjustments to the liability balance:

- Adding premiums received for the period.
- Deducting cash flows for the acquisition of insurance contracts.
- Adding any amounts related to the exhaustion of cash flows for the acquisition of insurance contracts recognized as an expense.

F- Subsequent Measurement of Insurance Contracts / Premium Allocation Approach

The company, at the end of each subsequent reporting period, verifies the book amount of the liability, taking into account the following adjustments to the liability balance:

- Adding premiums received for the period.
- Deducting cash flows for the acquisition of insurance contracts.
- Adding any amounts related to the exhaustion of cash flows for the acquisition of insurance contracts recognized as an expense.

G- Amendment of Insurance Contracts

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

H- Derecognition of Insurance Contracts

The company derecognizes insurance contracts in the following cases:

- Expiry of the contract. (Expiration of the commitment specified in the insurance contract, fulfillment, or cancellation)
- In case of amending insurance contracts in a way that no longer meets the standard's requirements, the company cancels the contract and recognizes a new contract.

I- Insurance Contracts Onerous

The company classifies contracts as onerous if it is expected to incur a loss at the initial recognition date. Contracts are measured as onerous if the expected cash flows to fulfill the contract or group of contracts exceed the cash flows obtained from this contract or group of contracts. The company discloses the loss component if the contractual service margin equals zero.

J- Unearned Premiums for In-force Contracts

This represents the total value of expected costs incurred by the company due to risks covered by the insurance contract. These events occurred before the end of the financial period and include reported and unreported claims, in addition to related expenses."

5 - Significant Accounting Policies (Continued):

K- Approaches to measuring contracts

- Summary of the approved insurance contract measurement methodology:

Portfolio (level one)	Classification of contracts	Measurement method
Engineering	Insurance contracts	Premium allocation approach
General	Insurance contracts	Premium allocation approach
Vehicles (A)	Insurance contracts	Premium allocation approach
Vehicles (B)	Insurance contracts	Premium allocation approach
Vehicles (C)	Insurance contracts	Premium allocation approach
Vehicles (D)	Insurance contracts	Premium allocation approach
Life (A)	Insurance contracts	Premium allocation approach
Life (B)	Insurance contracts	Premium allocation approach
Fire	Insurance contracts	Premium allocation approach
Marine	Insurance contracts	Premium allocation approach
Medical	Insurance contracts	Premium allocation approach
Aviation	Insurance contracts	Premium allocation approach

- Summary of the approved method for measuring held reinsurance contracts:

Portfolio	Measurement method
Engineering	Premium allocation approach
General	Premium allocation approach
Vehicles	Premium allocation approach
Life	Premium allocation approach
Fire	Premium allocation approach
Medical	Premium allocation approach
Aviation	Premium allocation approach

Profitability Levels

The contract groups referred to in the previous section are classified into the following categories based on expected net cash flows from contracts and the accounting treatment followed in processing contract groups:

Contracts that are not expected to become onerous at initial recognition.
Onerous contracts.
Other contracts, if any.

Financial Assets

Financial assets are classified at initial recognition into one of the following categories:

- At amortized cost.
- At fair value through profit or loss.
- At fair value through other comprehensive income.

5 - Significant Accounting Policies (Continued):

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 financial assets when both of the following conditions are met:

The purpose of holding these assets in the business model is to collect contractual cash flows.
The cash flows under the contractual terms of these assets are solely payments of principal and interest on the principal amount of the assets.

Financial assets at amortized cost are initially recognized at cost, including acquisition expenses. Any premium or discount (if applicable) is amortized using the effective interest rate method. Provisions for impairments resulting from a decline in the value of these investments, which leads to an inability to recover the investment or a portion thereof, are recognized. Any decrease in their value is recognized in the statement of profit and loss.

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

In rare cases, the standard allows for the measurement of these assets at fair value through the statement of profit and loss if it eliminates or significantly reduces an accounting mismatch that results from measuring assets or liabilities or recognizing income and expenses using different bases.

Financial Assets at Fair Value Through Profit or Loss

Other financial assets that do not meet the conditions for financial assets at amortized cost are measured at fair value.

Financial assets measured at fair value through profit or loss include investments in equity instruments and debt instruments held for trading purposes. The purpose of holding these assets is to generate profits from short-term market price fluctuations or trading income.

Financial assets at fair value through profit or loss are initially recognized at fair value (acquisition costs are recognized in the statement of profit and loss at the time of acquisition). They are subsequently remeasured at fair value on the financial statements' date, with any changes in fair value recognized in the statement of profit and loss in the same period in which they occur, including changes in fair value resulting from foreign exchange differences on non-monetary items denominated in foreign currencies. Distributions or returns are recognized in the statement of profit and loss when realized (as approved by the General Assembly of Shareholders).

Reclassification

Reclassification from financial assets at amortized cost to financial assets at fair value through profit or loss, and vice versa, is allowed only when the entity changes its business model for classifying those assets as previously mentioned, taking into consideration the following:

No retroactive reversal of previously recognized gains, losses, or interest is allowed.
When reclassifying financial assets to be measured at fair value, their fair value is determined at the reclassification date. Any gains or losses resulting from differences between the previously recorded value and the fair value are recognized in the statement of profit and loss.
This explanation pertains to the reclassification of financial assets and aligns with the requirements of IFRS 17. It emphasizes that such reclassifications should be based on changes in the entity's business model and underscores that gains, losses, or interest recognized previously cannot be reversed retroactively. Additionally, it clarifies the accounting treatment for any differences between the previously recorded value and the fair value at the time of reclassification.

5 - Significant Accounting Policies (Continued):

Financial Assets at Fair Value Through Profit or Loss

When reclassifying financial assets to be measured at amortized cost, they are recorded at their fair value as of the reclassification date.

Financial Assets at Fair Value Through Other Comprehensive Income

- Initial recognition of investments in equity instruments, not held for trading purposes, allows for an irrevocable option to present all changes in * the fair value of these investments on an individual basis (per share) within other comprehensive income. There is no subsequent reclassification of these changes within other comprehensive income to the statement of profit or loss at a later date. However, profits received from these investments are recognized as part of investment income, unless these distributions clearly represent a partial recovery of the investments.
- Upon the sale of these assets or a portion thereof, any gains or losses resulting from the sale are transferred from the cumulative net change in fair value through other comprehensive income to retained earnings and not through the consolidated statement of profit and loss.

Property Investments

Property investments are presented at cost, net of accumulated depreciation (excluding land). These investments are depreciated over their useful life at a rate of 4%. Any decrease in their value is recorded in the statement of profit or loss. Revenue or operating expenses related to these investments are recognized in the statement of profit or loss.

(Property investments are evaluated in accordance with legislation, and their fair value is disclosed in the Property Investments Notes).

Investments in Associate Companies

Associate companies are those in which the entity has a significant influence over financial and operating policies but does not have control (ownership ranges from 20% to 50% of voting rights), and investments in associate companies are accounted for using the equity method.
In the case of significant influence, revenue and expenses arising from transactions between the entity and associate companies are excluded, and they are recognized based on the entity's ownership share in these companies.

Property and Equipment

Property and equipment are presented at cost, net of accumulated depreciation and any accumulated impairment losses. Property and equipment (excluding land) are depreciated when ready for use using the straight-line method over their estimated useful lives. Depreciation expense is recognized in the statement of profit and loss.

Asset	Depreciation rates%
Buildings	2
Equipment and furniture	15-20
Transportation vehicles	15
Decorations	15

5 - Significant Accounting Policies (Continued):

Property and Equipment (Continued):

Depreciation of property and equipment is recognized when these assets are ready for use for their intended purpose. The full depreciation expense for the period is shown in the line item designated for it in the statement of profit or loss. When the recoverable amount of any property or equipment falls below it carrying amount, it is reduced to the recoverable amount, and the impairment loss is recorded in the statement of profit or loss.

Property and equipment under construction for the company's use are presented at cost, net of any impairment losses. The estimated useful life of property and equipment is reviewed at the end of each year, and if the expected useful life differs from prior estimates, the change is recorded as a change in estimates for future years.

Gains or losses resulting from the disposal or write-off of property and equipment, representing the difference between the sale proceeds and the original carrying amount, are recognized in the statement of profit or loss. Property and equipment are derecognized when they are disposed of or when there are no future expected benefits from their use.

Intangible Assets

- Intangible assets acquired through mergers are recorded at their fair value on the acquisition date. Intangible assets acquired through means other than mergers are initially recognized at cost.
- Other intangible assets are classified based on their estimated useful life for specific or indefinite periods. Intangible assets with a specific estimated useful life are amortized over that period, and amortization expense is recognized in the statement of profit or loss. Intangible assets with an indefinite useful life are reviewed for impairment at the consolidated interim financial statement date, and any impairment is recognized in the statement of profit or loss.
- Internally generated intangible assets are not capitalized and are recognized in the statement of profit or loss in the current year.
- Indicators of impairment for intangible assets are reviewed at the consolidated interim financial statement date, and estimates of useful life are reviewed and adjusted for future periods as necessary.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with banks, bank deposits, and matured investments with a maturity period of less than three months after the deduction of bank overdrafts.
Settlement

Offsetting

Offsetting of financial assets and financial liabilities and presentation of the net amount in the statement of financial position are carried out only when there are legally enforceable rights and when the assets and liabilities are settled on a net basis or simultaneously.

Recognition Date of Financial Assets

Financial assets are recognized on the trade date (the date the company commits to buy or sell the financial assets).

5 - Significant Accounting Policies (Continued):

Fair Value

Closing prices (buying assets/selling liabilities) on the financial statement date in active markets represent the fair value of financial instruments with quoted market prices.

In the absence of quoted prices or in cases of inactive markets, fair value is estimated using various methods, including:

- Comparing it to the current market value of a substantially similar financial instrument.
- Analyzing future cash flows and discounting expected cash flows at a rate used for a similar financial instrument.
- Option pricing models.

These valuation methods aim to obtain a fair value that reflects market expectations, taking into account market factors and any expected risks or benefits when estimating the fair value of financial instruments. If a financial instrument cannot be measured reliably using these methods, it is recognized at cost, after any impairment.

Financial liabilities

The financial liabilities are classified by the company based on the purpose of the obligation's origination. The accounting policy for financial liabilities is as follows:

1- Creditors and Reinsurance Contract Liabilities

The initial recognition of creditors and reinsurance contract liabilities is done at fair value, and subsequently, they are measured at the cost extinguished using the effective interest rate method.

2- Borrowings from Banks

Initially recognized at fair value, subsequently measured at amortized cost using the effective interest rate method. Financing costs include initial costs and premiums paid upon borrowing, in addition to interest accrued over the life of the liability.

3- Provisions

Provisions are recognized when there is a present obligation resulting from past events, the settlement of which is probable, and the amount can be reliably measured. Provisions represent the best estimate of the amounts required to settle the obligation as of the financial statement date, considering risks and uncertainties.

When it is expected that some or all of the economic benefits required to settle the provision will be recovered from third parties, a receivable is recognized if the receipt of compensation is virtually certain and can be measured reliably.

Employee End of Service Benefits Provision

The provision for employee end-of-service benefits is calculated in accordance with the company's policy, in compliance with Jordanian labor law.

Accrued annual benefits for employees leaving the service are recorded as part of the end-of-service benefits when paid. The accrued liability for employee end-of-service benefits is recognized in the statement of profit or loss.

5 - Significant Accounting Policies (Continued):

Foreign Currencies

- Transactions denominated in foreign currencies are initially recorded at the transaction date exchange rates.
- Balances of financial assets and liabilities in foreign currencies are translated using the middle exchange rates as of the financial statement date, as declared by the Central Bank of Jordan.
- Non-monetary assets and non-monetary liabilities in foreign currencies are translated at fair value as of the date of fair value determination.
- Gains or losses resulting from foreign currency translation are recognized in the statement of profit or loss.
- Foreign currency translation differences related to non-monetary assets and liabilities are recorded as part of changes in fair value.
- When consolidating financial data, assets and liabilities of foreign branches and subsidiaries are translated from their functional currency to the reporting currency using the average exchange rates prevailing on the financial statement date, as declared by the Central Bank of Jordan. Revenue and expense items are translated based on the average exchange rates during the year, and any currency translation differences (if any) are presented as a separate item within equity. In the event of the sale of any of these companies or branches, any currency translation differences related to them are recorded within revenue or expenses in the statement of profit or loss.

Dividends and Interest Income

Dividend revenue is recognized when shareholders have the right to receive payments as approved by the general assembly.
Interest revenue is recognized using the effective interest rate method based on the time periods and the original amounts outstanding.

Rental Income

Rental income from investment properties with operating lease contracts is recognized on a straight-line basis over the lease terms.

6- Deposits at Banks

	June 30, 2023 (Unaudited)				December 31,2022 (Audited)
	Deposits due within a month	Deposits maturing from (1-3 months)	Deposits maturing after more than three months	Total	Total
Inside of Jordan	**1,282,901**	-	8,574,152	**9,857,053**	10,400,357
Expected credit loss	-	-	-	-	-
	1,282,901	-	**8,574,152**	**9,857,053**	**10,400,357**

The interest rates on deposits with banks in JD range from 3.5% to 6.4%, and on deposits in US Dollars. The pledged deposits with the Central Bank amounted to 800,000 JD as June 30, 2023.

6- Bank Deposits (Continued)

The allocation of the deposit over the banks as follows:

	June 30, 2023 (Unaudited)	December 31,2022 (Audited)
Arab Jordan Investment Bank	-	2,000,000
Capital Bank of Jordan	**2,051,677**	2,077,600
Egyptian Arab Land Bank	**1,500,000**	-
Jordan Ahli Bank	**4,848,680**	3,779,453
Cairo Amman Bank	**2,000,000**	2,000,000
	10,400,357	**9,857,053**

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

	June 30, 2023 (Unaudited)	December 31,2022 (Audited)
Balance at the beginning of the period	-	-
Provided during the period	-	-
Used during the period	-	-
Balance at the end of the period/ year	-	-

7- Financial Assets at Fair Value through Other Comprehensive Income

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Inside Jordan		
Listed Stock	**3,296,663**	3,496,263
Total	**3,296,663**	3,496,263
Outside Jordan		
Listed Stock	**1,199,809**	1,174,246
Unlisted Stock	**32,764**	32,764
Total	**4,529,236**	4,703,273

The details of financial assets at fair value through the statement of other comprehensive income (unquoted) outside Jordan at cost are as follows:

	June 30, 2023 (Unaudited)	December 31,2022 (Audited)
Outside Jordan		
Arab Reinsurance Company/ Lebanon	**32,331**	32,331
Arab Insurance Institute/ Syria	**433**	433
Total	**32,764**	32,764

8- Financial Assets at Amortized Cost

	June 30, 2023 (Unaudited)	December 31,2022 (Audited)
Inside Jordan		
Outside Tertiary bonds 1.4 million dollar -26	**1,012,458**	1,015,896
Outside Tertiary bonds 2 million dollar -47	**719,961**	720,176
Outside Tertiary bonds 900 thousand dollar -26	**641,084**	641,500
Outside Tertiary bonds 1.5 million dollar -26	**1,065,579**	1,065,695
Outside Tertiary bonds 1 million dollar -28	**687,490**	684,988
Outside Tertiary bonds 400 thousand dollar -29	**281,959**	-
Capital bank bonds/24 bond	**1,704,000**	1,704,000
Capital bank bonds/8 bond	**354,500**	354,500
Expected credit loss	**(17,500)**	(17,500)
Total	**6,449,531**	6,169,255

1. The external treasury bonds - in dollars 1, are due on 1/29/2026, carry an interest rate of 6.125% annually, and the interest is paid in two equal installments per year on January 29 and July 29 until the bond maturity date.
2. External treasury bonds - in dollars 2 - mature on 10/10/2047, carry an interest rate of 7.375% annually, and interest is paid in two equal installments per year on October 10 and April 10 until the bond's maturity date.
3. External treasury bonds - in dollars - 3 mature on 1/29/2026, carry an interest rate of 6.125% annually, and interest is paid in two equal installments per year on January 29 and July 29 until the bonds' maturity date.
4. Foreign treasury bonds - in dollars 4 - mature on 1/29/2026, carry an interest rate of 6.125% annually, and interest is paid in two equal installments per year on January 29 and July 29 until the bond's maturity date.
5. External treasury bonds - in dollars - 5 mature on 1/15/2028, carry an interest rate of 7.75% annually, and interest is paid in two equal installments per year on July 15 and January 15 until the bond's maturity date.
6. External treasury bonds - in dollars - 6 mature on 1/13/2029, carry an interest rate of 7.5% annually, and interest is paid in two equal installments per year on July 13 and January 13 until the bonds' maturity date.
7. The Bank of Jordan's loan bonds mature on 3/15/2026, carry an interest rate of 7% annually, and interest is paid in two equal installments per year on March 15 and September 15 until the bonds' maturity date.
8. The Bank of Jordan's loan bonds mature on 2/24/2027, carry an interest rate of 7% annually, and interest is paid in two equal installments per year on February 24 and August 24 until the bonds' maturity date.

9- Investment Properties

The details of the movement on the investment item in the affiliate company are as follows:

	June 30, 2023 (Unaudited)	December 31,2022 (Audited)
Lands	**107,012**	47,012
Budlings	**440,174**	415,830
Accumulated depreciation	**(125,236)**	(116,432)
	421,950	346,410

The fair value of real estate investments was estimated by real estate experts at 957,533 dinars as of June 30, 2023, in accordance with applicable legislation.

10- Cash on hand and banks

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash on hands	**28,484**	3,741
Cash at banks	**235,209**	214,280
	263,693	218,021

11- Insurance Contract Liabilities

30/6/2023	Liabilities for Remanning Coverage		Liabilities for Incurred Claims		
	Non- Onerous Contracts	Onerous Contracts	Present Value of Cash Flows	Non-Financial Risk	Total
Insurance contract liabilities beginning of the period	(488,968)	(4,617,427)	(7,384,410)	(495,679)	(12,986,483)
Insurance contract assets-beginning of the period	2,009,593	-	(3,280,266)	(238,830)	(1,509,502)
Net insurance contract liabilities (assets) at the beginning of the period	1,520,626	(4,617,427)	(10,664,676)	(734,508)	(14,495,986)
Insurance contract revenues	**(7,512,256)**	**(4,448,335)**	**-**	**-**	**(11,960,591)**
Claims Incurred	-	-	8,695,119	(1,835)	8,693,284
Amortization of acquisition cost	90,538	407,272	-	-	497,810
Employees Costs	-	-	-	-	-
Administrative Costs	-	-	-	-	-
Insurance contract expenses	**90,538**	**407,272**	**8,695,119**	**(1,835)**	**9,191,094**
Insurance Service Results	**(7,421,718)**	**(4,041,063)**	**8,695,119**	**(1,835)**	**(2,769,497)**
Finance Costs - from Insurance Contracts	-	-	9,184	-	9,184
Net Change - Other Comprehensive Income	**(7,421,718)**	**(4,041,063)**	**8,704,303**	**(1,835)**	**(2,760,313)**
Cash Received from Subscribed Contracts	8,811,484	4,725,014	-	-	13,536,498
Cash Paid for Incurred Claims	-	-	(8,670,083)	-	(8,670,083)
Paid from Acquisition Costs	(416,315)	(208,641)	-	-	(624,956)
Other expenses	-	-	-	-	-
Transferred to Liabilities against Incurred Claims	**8,395,169**	**4,516,373**	**(8,670,083)**	**-**	**4,241,459**
Net Insurance Contract Liabilities (Assets) – End of Period	**2,494,077**	**(4,142,117)**	**(10,630,457)**	**(736,343)**	**(13,014,840)**

11- Insurance Contract Liabilities (Continued)

31/12/2022	Liabilities for Remanning 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	(87,832)	(3,064,314)	(5,907,266)	(394,806)	(9,454,218)
Insurance contract assets-beginning of the period	2,767,908	-	(4,280,525)	(306,067)	(1,818,684)
Net Insurance contract liabilities (assets) at the beginning of the period	**2,680,076**	**(3,064,314)**	**(10,187,791)**	**(700,873)**	**(11,272,902)**
Insurance contract revenues	**(14,800,908)**	**(6,968,053)**	-	-	(21,768,961)
Claims Incurred	-	-	14,509,253	(33,635)	14,475,618
Amortization of acquisition cost	694,115	316,350	-	-	1,010,465
Employees expense	-	-	-	-	-
Administrative expense	-	-	-	-	-
Insurance Contract Expenses	**694,115**	**316,350**	**14,509,253**	**(33,635)**	15,486,083
Insurance Service Results	**(14,106,793)**	**(6,651,703)**	**14,509,253**	**(33,635)**	(6,282,878)
Finance Costs - from Insurance Contracts	-	-	179,900	-	179,900
Net Change - Other Comprehensive Income	**(14,106,793)**	**(6,651,703)**	**14,689,153**	**(33,635)**	(6,102,978)
Cash Received from Subscribed Contracts	13,687,344	5,328,956	-	-	19,016,300
Cash Paid for Incurred Claims	-	-	(15,166,039)	-	(15,166,039)
Paid from Acquisition Costs	(740,000)	(230,366)	-	-	(970,366)
Other expenses	-	-	-	-	-
Transferred to Liabilities for Incurred Claims	**12,947,344**	**5,098,590**	**(15,166,039)**	**-**	2,879,895
Net Insurance Contract Liabilities (assets) - End of Period	**1,520,627**	**(4,617,427)**	**(10,664,677)**	**(734,508)**	**(14,495,985)**

12- Assets/ (Liabilities) Reinsurance contracts held

	June 30, 2023 (Unaudited)	December31,2022 (Audited)
Assets/ (Liabilities) Reinsurance Contracts Held (Local)	**1,079,304**	1,178,718
Assets/ (Liabilities) Reinsurance Contracts Held (External)	**4,861,701**	4,720,102
	5,941,005	5,898,820

13- Income Tax

A- Provision for Income Tax

The movement on the income tax provision during the period/ year is as follows:

	June 30, 2023 (Unaudited)	December31,2022 (Audited)
Balance at beginning of the period/ year	**313,565**	313,057
Income tax paid	**(323,217)**	(399,847)
Provided during the period/ year	**241,700**	428,227
income tax Provision/ previous year	**(22,820)**	(27,872)
Balance at the end of the period/ year	**209,228**	313,565

This item includes deferred taxes amounting to 671,355 Jordanian dinars as of 6/30/2023.

B- In terms of the income tax presented in the statement of profit or loss, it includes the following:

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Income tax for the income of the period	**241,700**	118,041
Deferred tax assets	**(662,639)**	(536,055)
withholding Income tax	**9,432**	95,114
Deferred tax amortization	**649,436**	504,850
End of year balance	**237,929**	181,950

A final settlement has been made for the company's income tax until the end of 2020, and in the opinion of the company's tax advisor and company management, the income tax provision for the period ending on June 30, 2023 is sufficient.

13- Income Tax (Continued)

C- Deferred tax assets – liabilities

	June 30, 2023 (Unaudited)					December 31,2022 (Audited)
	Balance at the beginning of the year	**Released**	**Additions**	**Balance at the end of the period**	**Deferred tax**	**Deferred tax**
A-Deferred Tax Assets						
Unreported claims	2,493,712	(2,493,712)	2,542,190	2,542,190	660,969	648,365
End of service provision	515	-	-	515	134	134
Collective document commission Provision	8,127	(4,118)	6,420	10,429	2,712	2,113
Contingents Provision	29,000	-	-	29,000	7,540	7,540
	2,531,354	**2,497,830**	**02,548,610**	**2,582,134**	**671,355**	**658,152**

Movement on deferred tax assets and liabilities is as follows:

	June 30, 2023 (Unaudited)		December 31,2022 (Audited)	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Balance at the beginning of the year	**658,152**	-	513,788	-
Additions	**662,639**	-	649,214	-
Released	**(649,436)**	-	(504,850)	-
Balance at the end of the year	**671,355**	-	658,152	-

14- Property and Equipment

	Land	Buildings	Equipment and Furniture	Vehicles	Others	Total
Cost:						
Balance as of December 31, 2022	170,000	533,961	373,272	67,264	53,335	1,197,83
Addition	-	-	5,222	-	-	5,22
Disposals	-	-	(3,243)	-	-	(3,243
Balance as of June 30, 2023	**170,000**	**533,961**	**375,251**	**67,264**	**53,335**	**1,199,81**
Accumulated Depreciation:						
Balance as of December 31, 2022	-	(196,331)	(351,032)	(53,602)	(53,326)	(654,291
Depreciation for the period	-	5,296	(3,852)	(4,587)		(13,735
Disposals	-		(3,229)		-	3,22
Balance as of June 30, 2023	**-**	**(201,627)**	**(351,655)**	**(58,189)**	**(53,326)**	**(664,797**
Book Value:						
Balance as of June 30, 2023	**170,000**	**332,334**	**23,596**	**9,075**	**9**	**535,01**
Balance as of December 31, 2022	170,000	337,630	22,240	13,662	9	543,54

15- Intangible Assets

	June 30, 2023 (Unaudited)	December 31,2022 (Audited)
	Software's and computer systems	
Balance at the beginning of the period/ year	**55,379**	41,957
Additions	-	24,400
Released	(7,553)	(10,979)
Balance at the end of the period/ year	**47,826**	55,378

16- Other assets

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Claims Paid refunds - net	**916,714**	880,439
Due accrued revenue	**170,282**	198,073
Prepaid expenses	**2,931**	141,784
Refundable deposits	**125,757**	2,931
Interest income tax deposits	**288**	-
Advance payments on IFRS 17	**94,988**	85,226
Advance payments on income tax and national contribution	-	47,217
National contribution deposits deducted on interest income	**41**	-
	1,311,001	1,355,670

17- Account payable

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Policyholders' receivables	**754,279**	487,872
Nat Health	**749,234**	192,476
Shareholders' receivables	**265,699**	203,423
Garages and supplier's receivables	**244,196**	167,270
Globe Md	**237,820**	280,265
Brokers	**228,191**	159,367
Agents	**216,485**	141,416
Med Net	**122,744**	126,263
Due to employees	**502**	1,878
Other liabilities	**186,632**	172,313
Total	**3,005,782**	1,932,543

18- Other provisions

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Central Bank of Jordan fees provision	**22,555**	24,554
End of service compensation provision	**515**	515
Provision for group/life profit policies commission	**10,429**	8,127
	33,499	33,196

The following table shows the movement on the various provisions:

	Balance at the beginning of the period	Addition	Used	Reverse of revenue's	Balance at the ending of the period
Central Bank of Jordan fees provision	24,554	56,701	(58,700)	-	22,555
End of service compensation provision	515	-	-	-	515
Provision for group/life profit policies commission	8,127	6,420	(4,118)	-	10,429
	33,196	**63,121**	**(62,818)**	**-**	**33,499**

19- Other liabilities

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Reinsurers retention	**1,272,429**	1,018,100
Sales tax deposits	**163,072**	121,221
Stamps deposits - Ministry of Finance	**15,271**	8,312
Compensation fund for those affected by vehicle accidents	**16,934**	20,015
Social security	**12,277**	13,062
Income tax	**238,346**	228,914
External reinsurance	**93,622**	147,502
Contingent liabilities	**29,000**	29,000
Other	**47,844**	18,614
	1,888,795	1,604,740

20 - Authorized and Paid-up Capital

The subscribed and paid-up capital at the end of the year amounts to 8,000,000 dinars, divided into 8,000,000 shares, with a nominal value of one dinar per share, as of June 30, 2023, and 2022.

21 - Legal Reserve

The legal reserve is formed in accordance with the provisions of the Jordanian Companies Law, by deducting 10% of the annual net profits. The deduction stops when the accumulated reserve balance equals one-quarter of the authorized capital of the company. However, with the approval of the General Assembly of the company, the deduction may continue until the reserve balance equals the authorized capital of the company. The amounts accumulated in this account represent what has been deducted from the annual pre-tax profits at a rate of 10% during the year and previous years. These funds are not distributable to shareholders.

22 - Discretionary Reserve

The General Assembly of the company, based on the Board of Directors' proposal, may decide annually to set aside up to 20% of the annual net profits into the discretionary reserve. The discretionary reserve is used for purposes determined by the Board of Directors, and the General Assembly has the authority to distribute it in full or in part as dividends to the shareholders. The amounts accumulated in this account represent what has been deducted from the annual pre-tax profits at a rate not exceeding 20% during the year and previous years.

23- Insurance contracts revenues

	Motor-Comprehensive		Bus Complex		Third party liability		Marine		Fire		Aviation		Medical		Credibility and Warranty		Life		Total	
	For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to		For six-month period from 1 December to		For six-month period from 1 December to	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Change in insurance Contract liabilities for Remaining Coverage	1,960,384	1,913,550	223,552	157,001	4,448,335	3,103,814	402,998	556,551	1,569,700	1,479,962	85,851	79,724	2,964,566	2,78,747	105,134	42,574	200,071	220,068	11,960,591	10,289,951
Total Insurance Contracts revenue	1,960,384	1,913,550	223,552	157,001	4,448,335	3,103,814	402,998	556,551	1,569,700	1,479,962	85,851	79,724	2,964,566	2,78,747	105,134	42,574	200,071	220,068	11,960,591	10,289,951

24- Insurance contracts expenses

	Motor-Comprehensive		Bus Complex		Third party liability		Marine		Fire		Aviation		Medical		Credibility and Warranty		Life		Total	
	For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to June 30		For six-month period from 1 December to		For six-month period from 1 December to		For six-month period from 1 December to	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Incurred Insurance claims	**921,889**	805,424	**-**	62,388	**4,584,164**	3,748,596	**20,629**	39,245	**151,370**	18,096	**8,131**	25,309	**3,091,278**	2,658,387	**6,237**	4,939	**152,119**	255,091	**8,935,817**	7,617,475
Acquisition costs amortization	**60,216**	203,586			**(407,272)**	134,126	**(9,250)**	2,429	**(65,864)**	54,776	**(1,905)**	8,057	**(122,128)**	46,603	**50,664**	4,120	**(2,271)**	1,385	**497,810**	455,081
Excess of loss premiums	**132,259**	57,555	**-**	-		-	**12,250**	10,964	**52,250**	47,464	**-**	-	**-**	-	**-**	-	**-**	-	**196,759**	115,983
Loss Component	**-**	-	**-**	-	**(51,886)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(51,886)**	-
Accident Forgiveness	**(19,120)**	(14,120)	**-**	-	**(150,066)**	(147,004)	**(7,457)**	(595)	**(9,366)**	(7,250)	**-**	-	**-**	-	**-**	-	**-**	-	**(186,009)**	(168,969)
Total insurance contract expenses	**823,044**	791,304	**-**	62,388	**4,434,098**	3,374,225	**13,172**	38,650	**142,004**	10,846	**8,131**	25,309	**3,091,278**	2,658,387	**6,237**	4,939	**152,119**	255,091	**9,392,491**	8,019,570

25-Earnings per Share

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Profit of the Period/ JD	**51,354**	368,980
Weighted Average Number of Shares /per share	**9,100,000**	9,100,000
	(JD)	(JD)
Basic earnings per share (JD)	**0.0056**	0.0405

26-Cash and Cash Equivalent

The cash and its equivalents shown in the interim condensed cash flow statement are composed of the amounts indicated in the interim condensed statement of financial position, as follows:

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Cash on hands and at banks	**610,232**	1,035,048
Deposits at banks maturing within three months	**819,746**	1,594,538
Bank overdrafts	**(104,305)**	(1,417,925)
	1,325,673	1,211,661