



شركة التأمين الإسلامية

المساهمة العامة المحدودة

إشارتنا : ت/ن/١٩٤/٢٠٢٣

التاريخ : ٢٣/١٠/٢٠٢٣

To: Jordan Securities Commission

السادة / هيئة الأوراق المالية المحترمين

To: Amman Stock Exchange

السادة / بورصة عمان المحترمين

Subject:

Financial Statements as at
30/09/2023

الموضوع: البيانات المالية المنتهية في

٢٠٢٣/٠٩/٣٠

Attached the Financial Statements of
The Islamic Insurance Co. as at
30/09/2023

بالإشارة إلى الموضوع أعلاه ، يسرنا أن
نرفق طياً البيانات المالية ربع السنوية كما
هي في ٣٠ ايلول ٢٠٢٣ ، وفقاً للمعيار
الدولي لإعداد التقارير المالية رقم (١٧)
(باللغة الإنجليزية) مراجعة من قبل مدقق
حسابات الشركة السادة المهنيون العرب،
حسب الأصول.

Kindly accept our highly
appreciation and respect

وتفضلوا بقبول فائق الاحترام،،،

The Islamic Insurance Co. Plc.

عن / شركة التأمين الإسلامية م.ع.م.

A. Al- Natsheh
First Deputy. G. Manager

عبد السميع التنشه
نائب المدير العام الأول

٥٤/٤١

The Islamic Insurance Company

Public Shareholding Company

Condensed Interim Financial Statements (Unaudited)

30 September 2023

**The Islamic Insurance Company
Public Shareholding Company**

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Report on Review of the Condensed Interim Financial Statements

**To The Board of Directors
The Islamic Insurance Company
Public Shareholding Company
Amman – Jordan**

Introduction

We have reviewed the accompanying condensed interim financial statements of **The Islamic Insurance Company (PSC)** comprising the condensed interim statement of financial position as at 30 September 2023 and the related condensed interim statement of policyholders' revenues and expenses, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of changes in policyholders' equity and condensed interim statement of cash flows for the nine months period then ended. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard number (34) Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) Interim Financial Reporting.

Other matter

The condensed interim financial statements as at 30 September 2022 have been reviewed by another certified public accountant who issued an unmodified conclusion on these statements on 13 October 2022.

9 October 2023
Amman – Jordan




Arab Professionals
Ibrahim Hammoudeh
License No. (606)

The Islamic Insurance Company
Public Shareholding Company
Condensed interim statement of financial position as at 30 September 2023
(In Jordanian Dinar)

	30 September 2023 (Unaudited)	31 December 2022 (Audited) (Restated)
Assets		
Investments		
Bank deposits	25,510,069	21,002,984
Financial assets at fair value through profit or loss	4,000,000	4,000,000
Financial assets at fair value through other comprehensive income	9,119,817	9,405,999
Financial assets at amortized cost	-	747,000
Investment property	390,071	396,055
Total Investments	39,019,957	35,552,038
Cash on hand and at banks	2,689,435	830,483
Insurance contract assets - net	-	840,054
Reinsurance contract assets - net	7,819,779	9,203,918
Property and equipment - net	1,809,735	1,834,132
Intangible assets - net	134,626	19,818
Other assets	866,061	296,485
Total Assets	52,339,593	48,576,928
Liabilities, Shareholders' Equity and Policyholders' Equity		
Liabilities		
Insurance contract liabilities	8,246,515	5,739,738
Liabilities against incurred claims	14,413,256	15,233,611
Total Insurance Contract Liabilities	22,659,771	20,973,349
Accounts payable	52,698	35,468
Reinsurance contract liabilities	3,721,420	2,325,069
Income tax provision	660,969	509,767
Other provisions	862,941	862,941
Other liabilities	389,782	411,659
Total Liabilities	28,347,581	25,118,253
Policyholders' Equity		
Deficiency cover reserve (Emergency Allowance)	479,412	430,982
Cumulative change in fair value	(87,904)	(14,321)
Non demanded surplus	38,392	56,180
Accumulated surplus	166,862	-
Total Policyholders' Equity	596,762	472,841
Shareholders' Equity		
Paid in capital	15,000,000	15,000,000
Statutory reserve	3,694,510	3,694,510
Voluntary reserve	1,245,480	1,245,480
Cumulative change in fair value	(263,710)	(42,962)
Profit for the period	1,830,164	-
Retained earnings	1,888,806	3,088,806
Total Shareholders' Equity	23,395,250	22,985,834
Total Policyholders' and Shareholders' Equity	23,992,012	23,458,675
Total Liabilities, Shareholders' Equity and Policyholders' Equity	52,339,593	48,576,928

"The accompanying notes are an integral part of these condensed interim financial statements and read with review report"

The Islamic Insurance Company
Public Shareholding Company
Condensed interim statement of policyholders' revenues and expenses for the nine
months ended at 30 September 2023 (Unaudited)

(In Jordanian Dinar)

	30 September 2023	30 September 2022
Revenues		
Insurance contracts revenues	25,435,774	22,115,418
Insurance contracts expenses	(20,234,401)	(19,900,102)
Insurance service results	5,201,373	2,215,316
Reinsurance contracts results	(9,213,102)	(8,601,549)
Reinsurance contracts refunds	5,611,090	7,302,348
Reinsurance contracts service results	(3,602,012)	(1,299,201)
Net insurance service results	1,599,361	916,115
Finance (expenses) income from insurance contracts	(385,969)	324,613
Finance income (expenses) from reinsurance contracts	172,679	(131,621)
Net insurance business financing results	(213,290)	192,992
Policyholders' share of investment income	420,370	264,151
Policyholders' share of net income from financial assets and investments	94,932	79,472
Shareholders' share for managing the investment portfolio	(128,826)	(85,906)
Total revenues	1,772,547	1,366,824
Shareholders' share for managing the operations of takaful insurance	(1,530,397)	(2,180,811)
Total expenses	(1,530,397)	(2,180,811)
Policyholders' surplus (deficit) before income tax	242,150	(813,987)
Income tax expense	(26,858)	-
Policyholders' surplus (deficit)	215,292	(813,987)

"The accompanying notes are an integral part of these condensed interim financial statements and read with review report"

The Islamic Insurance Company
Public Shareholding Company
Condensed interim statement of profit or loss for the nine months ended at 30 September 2023 (Unaudited)
(In Jordanian Dinar)

	30 September 2023	30 September 2022
Revenues		
Shareholders' share for managing takaful insurance operations	4,807,063	5,190,599
Shareholders' share for managing the investment portfolio	128,826	85,906
Shareholders' share of investment income	688,568	354,288
Shareholders' share of net income from financial assets and investments	310,319	239,382
Other revenues	-	6,116
Total revenues	5,934,776	5,876,291
Employees expenses	2,509,238	2,327,187
Provision against Al Qard Al Hasan granted to policyholders	-	343,214
Administrative and general expenses	647,219	573,333
Provision for expected credit losses	250,000	125,000
Depreciation & amortization	120,209	115,492
Total expenses	3,526,666	3,484,226
Profit for the period before income tax	2,408,110	2,392,065
Income tax for the period	(577,946)	(479,220)
Profit for the period	1,830,164	1,912,845
Basic and diluted earnings per share	0.122	0.128

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The Islamic Insurance Company
Public Shareholding Company
Condensed interim statement of comprehensive income for the nine months ended
at 30 September 2023 (Unaudited)

(In Jordanian Dinar)

	<u>30 September 2023</u>	<u>30 September 2022</u>
Profit for the period	1,830,164	1,912,845
Other comprehensive income items:		
Shareholders' share from change in fair value of financial assets	<u>(220,748)</u>	<u>(360,179)</u>
Total comprehensive income for the period	<u>1,609,416</u>	<u>1,552,666</u>

“The accompanying notes from are an integral part of these condensed interim financial statements and read with review report”

The Islamic Insurance Company
Public Shareholding Company
Condensed interim statement of changes in equity for the nine months ended at 30 September 2023 (Unaudited)
(In Jordanian Dinar)

	<u>Paid-in Capital</u>	<u>Statutory Reserve</u>	<u>Voluntary Reserve</u>	<u>Foreign currency exchange differences</u>	<u>Cumulative Change in Fair Value</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance at 1 January 2023	15,000,000	3,694,510	1,245,480	-	(42,962)	3,088,806	22,985,834
Profit for the period	-	-	-	-	-	1,830,164	1,830,164
Shareholders' share from change in fair value of financial assets through other comprehensive income	-	-	-	-	(220,748)	-	(220,748)
Paid dividends	-	-	-	-	-	(1,200,000)	(1,200,000)
Balance at 30 September 2023	<u>15,000,000</u>	<u>3,694,510</u>	<u>1,245,480</u>	<u>-</u>	<u>(263,710)</u>	<u>3,718,970</u>	<u>23,395,250</u>
Balance at 1 January 2022	15,000,000	3,454,318	1,005,288	(46,815)	(258,051)	3,492,782	22,647,522
The impact of initial application of IFRS 17	-	-	-	-	-	(364,593)	(364,593)
Restated balance at 1 January 2022	<u>15,000,000</u>	<u>3,454,318</u>	<u>1,005,288</u>	<u>(46,815)</u>	<u>(258,051)</u>	<u>3,128,189</u>	<u>22,282,929</u>
Profit for the period (Restated)	-	-	-	-	-	1,912,845	1,912,845
Shareholders' share from change in fair value of financial assets through other comprehensive income	-	-	-	-	(360,179)	-	(360,179)
Paid dividends	-	-	-	-	-	(1,200,000)	(1,200,000)
Balance at 30 September 2022	<u>15,000,000</u>	<u>3,454,318</u>	<u>1,005,288</u>	<u>(46,815)</u>	<u>(618,230)</u>	<u>3,841,034</u>	<u>22,635,595</u>

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The Islamic Insurance Company
Public Shareholding Company
Condensed interim statement of changes in policyholders' equity for the nine months ended at 30 September 2023 (Unaudited)
(In Jordanian Dinar)

	Deficiency cover reserve* (Emergency Allowance)	Cumulative change in Fair Value	Non demanded surplus	Accumulated surplus (deficit)	Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	Total policyholders' equity
Balance at 1 January 2023	430,982	(14,321)	56,180	-	-	472,841
Change in non-demanded surplus	-	-	(17,788)	-	-	(17,788)
Policyholders' surplus for the period	-	-	-	215,292	-	215,292
Policyholder' share from change in fair value of financial assets through other comprehensive income	-	(73,583)	-	-	-	(73,583)
Transfer to deficiency cover reserve	48,430	-	-	(48,430)	-	-
Balance at 30 September 2023	479,412	(87,904)	38,392	166,862	-	596,762
Balance at 1 January 2022	1,300,837	(86,017)	89,617	11,180	-	1,315,617
The impact of initial application of IFRS 17	(830,064)	-	-	(11,180)	-	(841,244)
Restated balance at 1 January 2022	470,773	(86,017)	89,617	-	-	474,373
Change in non-demanded surplus	-	-	(30,202)	-	-	(30,202)
Policyholders' deficit for the period	-	-	-	(813,987)	-	(813,987)
Utilized deficiency cover reserve	(470,773)	-	-	470,773	-	-
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	-	-	-	-	343,214	343,214
Policyholder' share from change in fair value of financial assets through other comprehensive income	-	(120,060)	-	-	-	(120,060)
Balance at 30 September 2022	-	(206,077)	59,415	(343,214)	343,214	(146,662)

* 20% of all policyholders' surplus and policyholders' gain from sale of financial assets at fair value through other comprehensive income recognized during the period are transferred to the deficiency cover reserve to cover the deficits in future financial periods

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The Islamic Insurance Company
Public Shareholding Company
Condensed interim statement of cash flows for the nine months ended at 30 September 2023 (Unaudited)
(In Jordanian Dinar)

	30 September 2023	30 September 2022
Operating Activities		
Profit for the period before income tax	2,650,260	1,578,078
Depreciation & amortization	120,209	115,492
Provision against Al Qard Al Hasan granted to policyholders	-	343,214
Profit from sale of property and equipment	-	(618)
Provision for expected credit loss	-	125,000
Cash flows from operating activities before changes in working capital items	2,770,469	2,161,166
Insurance contract assets	840,054	639,264
Reinsurance contract assets	1,384,139	(973,532)
Other assets	(569,576)	(110,342)
Insurance contract liabilities	2,506,777	3,233,365
Liabilities against incurred claims	(820,355)	1,365,382
Accounts payable	17,230	(32,174)
Reinsurance contract liabilities	1,396,351	(163,818)
Other liabilities	(21,877)	82,060
Non demanded surplus	(17,788)	(30,202)
Net cash flows from operating activities before paid income tax	7,485,424	6,171,169
Income tax paid	(453,602)	(498,940)
Net cash flows from operating activities	7,031,822	5,672,229
Investing Activities		
Bank deposits	(1,614,346)	(3,452,015)
Purchase of financial assets at fair value through other comprehensive income	(8,150)	-
Purchase of property and equipment	(55,919)	(1,705,018)
Sale of property and equipment	-	1,600
Purchase of intangible assets	(148,717)	(39,404)
Sale of financial assets at amortized cost	747,000	-
Net cash flows used in investing activities	(1,080,132)	(5,194,837)
Financing Activities		
Paid dividends	(1,200,000)	(1,200,000)
Net cash flows used in financing activities	(1,200,000)	(1,200,000)
Net increase in cash and cash equivalents	4,751,690	(722,608)
Cash and cash equivalents, beginning of year	937,853	2,862,926
Cash and cash equivalents, end of period	5,689,543	2,140,318

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The Islamic Insurance Company
Public Shareholding Company
Notes to the condensed interim financial statements (Unaudited)
30 September 2023
(In Jordanian Dinar)

1. General

The **Islamic Insurance Company** (the "Company") was established on 1996 and registered as a public shareholding company under No. (306). The authorized and paid in capital is JD 15,000,000 divided into 15,000,000 shares at JD 1 per share.

The Company engages in several Insurance activities that complies with Islamic regulation including, motor, marine transportation risk, fire insurance, comprehensive householder insurance, engineering and contactor's plant and equipment insurance, miscellaneous insurance, workers compensation insurance, liability insurance, glass plate insurance, personal accidents, medical, and social takaful insurance (Life), and all investment business with means free of usury any illegitimate, and with accordance with Sharia' Islamic principles and Central Bank of Jordan regulations.

Some comparative figures for the year 2022 have been reclassified to match the classification figures for the year 2023, the reclassification had no effect on comprehensive income nor equity. Where the opening balances have been impacted as of 1/1/2022 due to the adoption of International Financial Reporting Standard (IFRS) 17 - Insurance Contracts.

The accompanying financial statements were authorized for issue by the Company's Audit Committee in their meeting held on 8 October 2023.