National Insurance Company

(Public Shareholding Company)

Amman – The Hashemite Kingdom of Jordan
Interim Condensed Consolidated Financial Statements
(Unaudited) and the Independent Auditor's Report

for the nine months period ended September 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 nine months period ended September 30, 2023

Table of Content

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 September 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 nine months period ended in that date and a summary of significant accounting policies and other explanatory notes.

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 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, and the instructions of Central Bank of Jordan.

Date: October 31, 2023

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

Hassan Amin Othman
(License No. 674)

ABBASI GROUP INTERNATIONAL
aGi
Audit - Tax - Advisory

+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
An independent member of Moore International Limited
MOORE Global

National Insurance Company
(Public Shareholding Company)
Interim Condensed Consolidated Statements of Financial Position (Unaudited)
As of September 30, 2023
(Jordanian Dinar)

	Note	September 30, 2023 (Unaudited)	December 31,2022 (Audited) (Adjusted)	January 1, 2022 (Audited) (Adjusted)
Assets				
Bank deposits- net	6	**10,249,836**	10,400,357	8,411,14
Financial assets at fair value through other comprehensive income	7	**4,359,553**	4,703,273	4,163,37
Financial assets at amortized cost		**6,448,732**	6,169,255	5,155,36
Investment properties	8	**417,549**	346,410	421,22
Total Capital		**21,475,670**	21,619,295	18,151,11
Cash on hands and at banks	9	**894,053**	218,021	171,25
Insurance contracts assets- net	11	**1,105,844**	220,293	660,13
Reinsurance contracts assets-net	10	**5,376,299**	5,898,820	5,805,20
Deferred tax assets	12	**709,066**	658,152	513,78
Property and equipment- net	13	**535,785**	543,541	562,41
Intangible assets-net		**43,989**	55,379	41,95
Other assets	14	**1,514,882**	1,355,670	962,25
Total Assets		**31,655,587**	30,569,170	26,868,13
Liabilities and Shareholders' Equity				
Liabilities				
Insurance contract liabilities- premium allocation approach	11	**14,521,973**	14,716,278	11,933,03
Total Insurance Contract Liabilities		**14,521,973**	14,716,278	11,933,03
Accounts payable		**2,824,636**	1,932,543	1,857,06
Accrual expenses		**60,065**	101,852	102,66
Other provisions		**62,173**	33,196	14,40
Provision for income tax	12	**343,320**	313,565	313,05
Other liabilities		**1,778,800**	1,604,740	1,541,10
Total liabilities		**19,590,967**	18,702,173	15,761,33
Shareholder's Equity				
Authorized and paid capital		**8,000,000**	8,000,000	8,000,00
Statutory reserve		**1,718,918**	1,718,918	1,572,02
Voluntary reserve		**800,000**	800,000	311,00
Chang in fair value without change	22	**(119,860)**	146,704	(321,619
Retained earnings		**1,665,562**	1,201,374	1,545,39
Total Shareholder's Equity		**12,064,620**	11,866,996	11,106,80
Total Liabilities and Shareholders' Equity		**31,655,587**	30,569,170	26,868,13

The accompanying notes from 1 to 23 are integral part of these interim condensed consolidated financial statement

National Insurance Company
(Public Shareholding Company)
Interim Condensed Consolidated Statements of Profit or Loss (Unaudited)
For the nine months period ended at September 30, 2023
(Jordanian Dinars)

		For the three months period From July 1 to September 30		For the nine months period from January 1 to September 30	
	Note	2023	2022	2023	2022
Revenues:					
Insurance contract revenues	17	**6,750,248**	6,298,136	**19,538,354**	17,171,261
Insurance contract expenses	18	**(5,607,289)**	(4,740,975)	**(16,556,159)**	(13,912,328)
Insurance service result		**1,142,959**	1,557,161	**2,982,195**	3,258,933
Reinsurance contracts results		**(2,060,165)**	(2,044,126)	**(5,944,656)**	(5,957,673)
Reinsurance contracts recoveries		**1,528,139**	1,111,405	**3,628,350**	3,170,135
Reinsurance contracts results		**(532,026)**	(932,721)	**(2,316,306)**	(2,787,538)
Net insurance service results		**610,934**	624,440	**665,890**	471,395
Financing expenses/ income - insurance contracts	19	**17,286**	1,958	**26,470**	13,569
Financing expenses/ income - reinsurance contracts	20	**17,682**	8,680	**16,791**	7,561
Net results of financing insurance		**34,968**	10,637	**43,261**	21,129
Interest income		**243,720**	176,792	**722,088**	508,624
Profits from financial assets		**-**	-	**290,339**	238,951
Other revenues		**(273,175)**	(320,133)	**-**	-
Total revenues		**(29,455)**	(143,341)	**1,012,427**	747,575
Other expenses		**881**	667	**881**	667
Depreciations		**(15,296)**	(14,242)	**(45,386)**	(43,403)
Provision for impairment of receivables		**-**	(75,000)	**-**	-
Total expenses		**(14,415)**	(88,575)	**(44,505)**	(117,736)
Profit before income tax		**602,031**	403,161	**1,677,072**	1,122,363
Income tax for the period		**(136,654)**	(68,993)	**(374,583)**	(250,943)
Net profit after tax		**465,377**	334,168	**1,302,489**	871,420
Earnings per share	21	**0.058**	0.041	**0.162**	0.108

The accompanying notes from 1 to 23 are integral part of these interim condensed consolidated financial statements

National Insurance Company
(Public Shareholding Company)
Interim Condensed Consolidated Statement of Other Comprehensive Income (Unaudited)
For the nine months period ended September 30, 2023
(Jordanian Dinars)

		For the three months period From July 1 to September 30		For the nine months period from January 1 to September 30	
	Note	2023	2022	2023	2022
Net profit for the period		**465,377**	334,168	**1,302,489**	871,420
Add: Other comprehensive income items					
Change in fair value reserve	22	**(169,682)**	83,143	**(266,564)**	514,586
Profit/ (loss) from the sale financial assets at fair value through other comprehensive		**-**	-	**(38,301)**	98,170
Total comprehensive income for the		**295,695**	417,311	**997,624**	1,484,176

The accompanying notes from 1 to 23 are an integral part of these interim condensed consolidated financial statements

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

	Paid- up Capital	Statutory Reserve	Voluntary Reserve	Fair Value Reserve	Retained Earnings	Total
For the nine-months period ended September 30, 2023 (Unaudited)						
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 same above	**8,000,000**	**1,718,918**	**800,000**	**146,704**	**1,201,374**	**11,866,996**
Profit for the period	-	-	-	-	**1,302,489**	**1,302,489**
Net comprehensive income for the period	-	-	-	**(266,564)**	**(38,301)**	**(304,865)**
Total comprehensive income for the period	-	-	-	**(266,564)**	**1,264,188**	**997,624**
Dividends paid	-	-	-	-	**(800,000)**	**(800,000)**
Balance as of September 30, 2023 (unaudited)	**8,000,000**	**1,718,918**	**800,000**	**(119,860)**	**1,665,562**	**12,064,620**
For the nine-months period ended September 30, 2022 (Unaudited)						
Balance as of December 31, 2022 (Audited) - Before adjustment	8,000,000	1,718,918	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
Profit for the period	-	-	-	-	871,420	871,420
Net comprehensive income for the period	-	-	-	514,586	98,170	612,756
Total comprehensive income for the period	-	-	-	514,586	969,590	1,484,176
Transferred to voluntary reserve	-	-	89,000	-	(89,000)	
Dividends paid	-	-	-	-	(800,000)	(800,000)
Balance as of September 30, 2022 (unaudited)	8,000,000	1,572,025	400,000	192,967	1,625,988	11,790,980

The accompanying notes from 1 to 23 are an integral part of these interim condensed consolidated financial statements

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

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Cash Flows from Operating Activities		
Net Profit for the period before tax	**1,677,072**	1,122,363
Adjustment to reconcile net income before tax provided from operating activities		
Depreciation and amortization	**45,386**	43,403
Cash flows from operating activities before changes in working	**1,722,458**	1,165,766
Changes in working capital:		
Insurance contract assets	**(885,551)**	(617,323)
Reinsurance contract assets	**522,521**	502,875
Others assets	**(159,213)**	(386,401)
Insurance contract liabilities	**(194,305)**	1,805,243
Accounts payable	**892,093**	685,541
Other provisions	**28,977**	41,952
Accruals expenses	**(41,787)**	17,693
Other liabilities	**174,060**	(4,212)
Income tax paid	**(297,584)**	(422,044)
Net cash flows provided by operating activities	**1,761,670**	2,789,090
Cash flow from Investing Activities		
Net change in bank deposits	**150,521**	(801,044)
Purchase/ sale of financial assets	**(279,477)**	(1,102,841)
Proceeds from sale investment properties	**(89,550)**	-
Purchase/ sale of property and equipment	**(97,378)**	(8,197)
Net cash flows used in investing activities	**(315,884)**	(1,912,082)
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 during the period	**645,786**	77,008
Cash and cash equivalents at beginning of the period	**248,267**	171,259
Cash and cash equivalents at the end of the period	**894,053**	248,267

The accompanying notes from 1 to 23 are an integral part of these interim condensed consolidated 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 8,000,000 one dinar, divided into 8,000,000shares, 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 29/10/2023

2- Basis of Preparation:

The company's condensed interim consolidated financial statements were prepared in accordance with the standards issued by the International Accounting Standards Board and in accordance with applicable local laws and in accordance with the forms established by the Central Bank of Jordan.

The interim Condensed Consolidated 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 Consolidated interim financial statements.

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

The most important accounting policies followed in preparing the condensed interim consolidated financial statements, which were disclosed in Note (4), have been applied in accordance with the consistency principle for all years presented unless otherwise stated.

Preparing the interim condensed consolidated financial statements in accordance with international financial reporting standards requires the use of important and specific accounting estimates. It also requires management to use its own estimates in the process of applying the company's accounting policies. The items for which significant estimates were used are disclosed in Note No. (4)

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	Ccountry of incorporation	Oownership percentage
Al-Nay Real Estate Investment Company*	Llimited 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.

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.

4- Use of Estimates and Assumptions

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

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

4- Use of Estimates and Assumptions (continued)

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.
The insurance company must allocate an allowance against insurance receivables between it and local insurance companies and external reinsurance companies in determining the allowance.
Our estimates in the financial statements are reasonable and detailed as follows:

Impairment in the Value of Financial Assets

The company reviews the values recorded in the records of financial assets at the date of the financial statements to determine whether there are indicators indicating a decline in their value individually or as a group. If such indicators exist, the fair value is estimated in order to determine the impairment loss.

Income Tax

The financial period was charged with its income tax expense in accordance with international financial reporting regulations, laws and standards.

1- Taxes Due

The tax expenses payable is calculated on the basis of taxable profits under IFRS 4. Taxable profits differ from the profits declared in the declared income statement. Declared profits include non-taxable revenues or expenses that are not deductible in the financial year but in subsequent years or accumulated losses. Taxable items or items that are not subject to downloading 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 Taxes

Deferred taxes are the taxes 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 compliance method in the financial statements. Deferred taxes are calculated according to the tax rates that are expected to be applied upon settlement of tax liability or realization of deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the financial statements and reduced in the event that it is expected that it will not be possible to benefit from those tax assets partially or completely, or to settle the tax liability, or to meet the need for it.

4- Use of Estimates and Assumptions (continued)

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.

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.

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 Raised Against the Company:

A provision is made for the cases brought against the company based on a legal study prepared by the company's lawyer, according to which the risks likely to occur in the future are determined, and these studies are reviewed periodically.

4- Using Estimates and Assumptions (continued)

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.

5 - Significant Accounting Policies:

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.

B- Goodwill

Goodwill is recorded at cost, which represents the excess of the cost of owning or purchasing a subsidiary or companies owned in partnership with other companies over 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 separately as intangible assets.

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

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 decrease value is recorded in the statement of profits and losses.

The impairment loss on goodwill is not reversed in the subsequent period. In the event that a subsidiary or a company owned in partnership with other companies is sold, the value of goodwill is taken into account when determining the amount of profit or loss from the sale.

C- Definition of Insurance Contracts:

The contract under which the insurance company accepts substantial insurance risks from the insured, by agreeing to compensate the contract holder in the event of the occurrence of a specific and uncertain future event (the insured event) that negatively affects the contract holder, and at the next term, whichever is earlier:

- The beginning of the contract coverage period.
- 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 expected contract.

The company adopts the beginning of coverage instead of payment maturity, as there is no data indicating that payment maturity precedes the start date of coverage for any of its products.

5- Significant Accounting Policies (Continued):

C - Definition of Insurance Contracts (continued)

As for insurance contracts that contain the feature of direct participation and that have economic characteristics similar to the insurance contract (long coverage period, recurring premiums and the amount or timing of the return according to the sources' estimation) and are linked to the same assets or participation in the performance of insurance contracts, this includes contracts that contain That feature at the beginning of the contract includes:

• Contractual terms specify that 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 insurance contract pool.

• The Company expects that a significant proportion of any change in the amounts to be paid to the contract holder will vary with the change in the fair value of the pool of insurance contracts.

As for 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 the substantial insurance risks to the insurance company and carry financial risks, for example, implicit derivatives or a change in the fair value of a financial instrument, or a change in interest rates, or a change in currency exchange rates, or credit rating, they are classified as investment contracts in accordance with International Financial Reporting Standard No. (9).

• Investment contracts that contain the optional participation feature, which are investment contracts that have the legal form of an insurance contract but do not transfer the substantial insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified according to International Financial Reporting Standard No. (17).

• Self-insurance (i.e., keeping the risks that could have been covered by the insurance contract within the company, i.e., there is no other party to the contract). For example, a company issues an insurance contract in the name of the company or a fellow subsidiary company, which is classified according to International Financial Reporting Standard No. 15)

The company has the following component that is separated from the insurance contract:

Service/good	The insurance contract that contains the service/ good	The international standard for the component
Roadside assistance service	Comprehensive/ supplementary car insurance	IFRS 15
Ownership transfer service	Motors	IFRS 15
Issuance fee service	All types	IFRS 15

D - 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

5- Significant Accounting Policies (Continued):

E- Initial Measurement of Insurance contracts / General Measurement Model / Variable Cost

At initial recognition, the company measures the group of insurance contracts according to the following:

1- Cash flows to fulfill contracts, which include:

- Estimates of future cash flows
- Adjustments for the time value of money and the financial risks associated with future cash flows by not including these financial risks in the estimates of future cash flows.
- Non-financial risk adjustments

2- Contractual service margin

F- Subsequent Recognition of Insurance Contracts/ General Measurement Model / Variable Cost

The company records the book amount of a group of groups of insurance contracts at the end of each period, which is the sum of the following:

1- Provision for liabilities for applicable contracts, which includes the net value of internal and external cash flows (after applying the discount rate) in addition to adjustments for non-financial risks and the contractual service margin.

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

G- Initial Recognition of Insurance Contracts/ Premium Allocation Approach

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.

H- 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.

The company applies the premium allocation approach to all insurance contracts and reinsurance contracts held, as the company does not have products or reinsurance contracts held in which the coverage period exceeds one year, unlike travel and diminishing life insurance, as the coverage period for these contracts is more than one year, and since the premiums of these products combined are less than 100,000 Jordanian dinars and it is not of relative importance, the premium allocation approach has been applied.

I- 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.

J- 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.

5- Significant Accounting Policies (Continued):

K- Onerous Insurance Contracts

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.

L- Obligations Related to Valid Contracts

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

M- Provision for Liabilities Against Incurred Claims

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 the expenses related to them.

N- Contractual Service Margin

It is the unearned profit from valid contracts that are expected to be profitable, which is recognized in conjunction with the provision of insurance contract services.

O- Approaches to measuring contracts

1- The insurance company classifies insurance contracts according to the following:

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
	Roadside assistance service	IFRS 15
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

2- The insurance company classifies reinsurance contracts according to the following:

Portfolio	Measurement method
Engineering	Premium allocation approach
General	Premium allocation approach
Vehicles	Premium allocation approach
Life (A)	Premium allocation approach
Life (B)	General measurement method
Fire	Premium allocation approach
Marine	Premium allocation approach
Medical	Premium allocation approach
Travil	Premium allocation approach

5 - Significant Accounting Policies (Continued):

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.

A-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.

B- 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).

5 - Significant Accounting Policies (Continued):

B- Financial Assets at Fair Value Through Profit or Loss (continued)

Reclassification

It is permissible to reclassify from financial assets at amortized cost to financial assets at fair value through profit or loss and vice versa only when the entity changes the business model on which it classified those assets as mentioned above, taking into account the following:

- It is not permissible to recover any previously recognized profits, losses or interests
- When reclassifying financial assets so that they are measured at fair value, their fair value is determined on the date of reclassification, and any gains or losses resulting from differences between the previously recorded value and the fair value are recorded in the profit or loss statement.
- When financial assets are reclassified to be measured at amortized cost, they are recorded at their fair value as on the date of reclassification.

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

C-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.

1- **Investment Properties**

Property investments are presented at cost, net of accumulated depreciation (excluding land). These investments are depreciated over their useful life at a rate of 2%. 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.

2- 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, devices, and furniture	12.25 %-20 %
Transportations	15 %
Others	2 %

5 - Significant Accounting Policies (Continued):

2- 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.

3- 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.

4- 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.

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.

Overdraft 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.

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.

The Costs of Issuing or Purchasing Shares of the Insurance Company

Any costs resulting from the issuance or purchase of shares of the insurance company are recorded on the retained earnings (net after the tax effect of these costs).

- Translation differences for non-monetary foreign currency assets and liabilities are recorded as part of the change in fair value.
- When consolidating the financial statements, the assets and liabilities of the branches and subsidiaries abroad are translated from the average rates of currencies on the date of the financial statements, the main (base) currency, into the reporting currency as declared by the Central Bank of Jordan.
- As for items of income and expenses, they are translated on the basis of the average price during the year, and the resulting currency differences appear in a separate item within 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 profit or loss statement

Revenues Recognition

1- Dividends 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, subscribing, 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 unless the entity chooses to recognize them as expenses based on the option available to the company that applies the installment allocation approach to all of its products. The company recognizes all costs as period costs other than commissions paid, which are amortized over the covered period.

Insurance contract expenses

The company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the statement of profit or

6- Bank Deposits

This item consists of the following:

	September 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	**3,173,410**	**2,000,000**	**5,076,426**	**10,249,836**	10,400,357
	3,173,410	**2,000,000**	**5,076,426**	**10,249,836**	10,400,357

The interest rates on deposits with banks in JD range from 3.5% to 6.5%,
The pledged deposits with the Central Bank amounted to 800,000 JD as at September 30, 2023, (800,000 JD as at December 31, 2022)

The allocation of the deposit over the banks as follows:

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Invest Bank	**2,000,000**	-
Capital Bank of Jordan	**2,077,600**	2,051,677
Egyptian Arab Land Bank	**-**	1,500,000
Jordan Ahli Bank	**4,172,236**	4,848,680
Cairo Amman Bank	**2,000,000**	2,000,000
	10,249,836	10,400,357

7- Financial Assets at Fair Value through Other Comprehensive Income

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Inside Jordan		
Listed Stocks	**3,203,496**	3,496,263
Total	**3,203,496**	3,496,263
Outside Jordan		
Listed Stocks	**1,123,293**	1,174,246
Unlisted Stocks	**32,764**	32,764
Total	**1,156,057**	1,207,010
	4,359,553	4,703,273

- Financial assets at fair value through other comprehensive income include financial assets that has no available market prices (32,764) JD as of 30/9/2023, and is recognized at fair value that was estimated by the Company's management and almost equal to its book value as of the date of the preparation of the financial statements.
The details of the financial assets at fair value through other comprehensive income (unlisted) outside Jordan is as follows:

	September 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- Investment Properties

	Land	Buildings	Total
2023			
Cost			
Balance as of January 1, 2023 (audited)	**47,012**	**415,830**	**462,842**
addition	**60,000**	**24,344**	**84,344**
Balance as of September 30, 2023 (unaudited)	**107,012**	**440,174**	**547,186**
2023			
Accumulated Depreciation			
Accumulated depreciation as of January 1, 2023 (audited)	**-**	**116,432**	**116,432**
Depreciation for the period	**-**	**13,205**	**13,205**
Accumulated depreciation as of September 30, 2023 (unaudited)	**-**	**129,637**	**129,637**
Net real estate investments as of September 30, 2023 (unaudited)	**107,012**	**310,537**	**417,549**

	Land	Buildings	Total
2022			
Cost			
Balance as of January 1, 2022 (audited)	54,547	482,475	537,022
Disposals	7,535	66,645	74,180
Balance as of December 31, 2022 (audited)	47,012	415,830	462,842
2022			
Accumulated depreciation			
Accumulated depreciation as of January 1, 2022 (audited)	-	115,794	115,794
Depreciation for the period	-	18,632	18,632
Disposals	-	17,994	17,994
Balance as of December 31, 2022 (audited)	-	116,432	116,432
Net real estate investments as of December 31, 2022 (audited)	47,012	299,398	346,410

- Investment properties are depreciated at the rate of 2% annually, and recognized at book value

9- Cash on Hands and at Banks

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash on hands	**137,327**	3,741
Cash at banks	**756,726**	214,280
	894,053	218,021

10- Reinsurance Contract Assets

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Local reinsurance contract assets	**1,240,283**	1,178,718
Foreign reinsurance contract assets	**4,136,016**	4,720,102
	5,376,299	5,898,820

11- Insurance Contract Liabilities

	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 contracts liabilities – beginning of the period	(1,134,851)	4,617,427	10,510,251	723,452	14,716,278
Insurance contracts assets – beginning of the period	(385,775)	-	154,426	11,056	(220,293)
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	(11,455,880)	(6,906,029)	-	-	(18,361,909)
Incurred claims	-	-	13,248,887	6,087	13,254,974
Amortization of acquisition cost	461,569	356,922	-	-	818,492
Loss on onerous contracts	-	18,166	-	-	18,166
Administrative costs	-	-	471,050	-	471,050
Employees costs	-	-	1,001,121	-	1,001,121
Insurance contracts expenses	461,569	375,088	14,721,058	6,087	15,563,803
Insurance service results	(10,994,311)	(6,530,941)	14,721,058	6,087	(2,798,106)
Finance Costs - from Insurance Contracts	-	-	26,470	-	26,470
Net change -other comprehensive income	(10,994,311)	(6,530,941)	14,747,528	6,087	(2,771,636)
Cash received from underwritten contracts	10,950,089	6,334,384	-	-	17,284,473
Paid claims and other direct expenses	-	-	(14,666,765)	-	(14,666,765)
Paid from acquisition cost	(706,855)	(219,072)	-	-	(925,927)
Other expenses	-	-	-	-	-
Transferred to Liabilities against Incurred Claims	10,243,234	6,115,312	(14,666,765)	-	1,691,781
Insurance contracts liabilities – end of period	(883,780)	4,201,798	10,482,177	721,779	14,521,973
Insurance contracts assets – end of period	(1,387,923)	-	263,262	18,816	(1,105,844)
Net Insurance contracts liabilities – end of period	(2,271,703)	4,201,798	10,745,439	740,595	13,416,130

11- Insurance Contract Liabilities (Continued)

	Liabilities for remaining coverage		Liabilities for Incurred claims		
December 31, 2022	**Non-Onerous Contracts**	**Onerous Contracts**	**Present value of cash flows**	**Non-financial risk adjustments**	**Total**
Insurance contracts liabilities – beginning of the period	(1,202,011)	3,064,314	9,424,007	646,725	11,933,035
Insurance contracts assets – beginning of the period	(1,478,065)	-	763,783	54,149	(660,133)
Net insurance contract (liabilities) / assets at the beginning of the period	(2,680,076)	3,064,314	10,187,790	700,874	11,272,902
Insurance contract revenues	(14,800,908)	(6,968,053)	-	-	(21,768,961)
Incurred claims	-	-	15,887,189	33,635	15,920,824
Amortization of acquisition cost	694,115	316,350	-	-	1,010,464
Loss on onerous contracts	-	164,601	-	-	164,601
Employees costs	-	-	1,013,714	-	1,013,714
Administrative costs	-	-	749,337	-	749,337
Insurance contracts expenses	694,115	480,950	17,650,240	33,635	18,858,939
Insurance Service Results	(14,106,793)	(6,487,103)	17,650,240	33,635	(2,910,022)
Finance Costs - from Insurance Contracts	-	-	179,900	-	179,900
Net change -other comprehensive income	(14,106,793)	(6,487,103)	17,830,140	33,635	(2,730,122)
Cash received from underwritten contracts	16,006,244	8,270,581	-	-	24,276,825
Paid claims and other direct expenses	-	-	(17,353,245)	-	(17,353,254)
Paid from acquisition cost	(740,000)	(230,366)	-	-	(970,366)
Other expenses	-	-	-	-	-
Transferred to Liabilities against Incurred Claims	15,266,244	8,040,215	(17,353,254)	-	5,953,205
Insurance contracts liabilities – end of period	(1,134,851)	4,617,427	10,510,251	723,452	14,716,278
Insurance contracts assets – end of period	(385,775)	-	154,426	11,056	(220,293)
Net Insurance contracts liabilities – end of period	(1,520,626)	4,617,427	10,664,676	734,508	14,495,985

12- Income Tax

A- Provision for Income Tax

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

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Balance at beginning of the period/ year	**313,565**	313,057
Income tax paid	**(323,217)**	(399,847)
Income tax for the period/ year	**387,624**	428,227
Income tax deduction	**(34,652)**	(27,872)
End of the period/ year balance	**343,320**	313,565

Income tax recognized at the interim income statement includes the following:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Income tax for the income of the period	**387,623**	118,041
Deferred tax assets	**(700,350)**	(536,055)
Deferred tax amortization	**649,436**	504,850
Recovery of provision for income tax	**37,874**	95,114
	374,583	181,950

Summary of reconciliation of accounting profit to tax profit:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Accounting profit	**1,729,203**	796,353
Non-taxable profits	**(2,842,462)**	(2,414,289)
Non-deductible expenses	**2,693,654**	2,159,921
Tax profit	**1,580,395**	541,985
Legal income tax rate and national contribution	**%26**	%26
Actual income tax due	**410,903**	140,916
Profits from foreign investments	**275,422**	182,975
Income tax due on profits from foreign investments	**27,542**	18,298
Income tax due on profits for the period from local and foreign income	**438,445**	159,214

12- Income Tax (continued)

B- Deferred Tax Assets – Liabilities

	September 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 reserve	2,493,712	2,493,712	2,685,402	2,685,402	698,205	648,365
End of service provision	515	-	-	515	134	134
Collective document commission provision	8,127	4,118	8,252	12,261	3,188	2,113
Contingents provision	29,000	-	-	29,000	7,540	7,540
	2,531,354	2,497,830	2,693,654	2,727,178	709,066	658,152

Movement on deferred tax assets and liabilities is as follows:

	Liabilities		Assets	
	September 30, 2023 (Unaudited)	December 31,2022 (Audited)	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Balance at the beginning of the period/ year	-	-	658,152	513.788
Additions	-	-	700,350	649.214
Released	-	-	(649,436)	(504.850)
Balance at the end of the period /year	-	-	709,066	658.152

13- Property and Equipment

	Lands	Buildings	Equipment and Furniture	Vehicles	Others	Total
Cost:						
Balance as of December 31, 2022	170,000	533,961	373,272	67,264	53,335	1,197,832
Addition	-	-	**13,054**	-	-	**13,054**
Disposals	-	-	**(4,546)**	-	-	**(4,546)**
Balance as of September 30, 2023	**170,000**	**533,961**	**381,780**	**67,264**	**53,335**	**1,206,340**
Less:						
Accumulated Depreciation:						
Balance as of December 31, 2022	-	196,331	351,032	53,602	53,326	654,291
Depreciation for the period	-	**7,988**	**5,884**	**6,918**	-	**20,790**
Disposals	-	-	**(4,526)**		-	**(4,526)**
Balance as of September 30, 2023	-	**204,319**	**352,390**	**60,520**	**53,326**	**670,555**
Book Value:						
Balance as of September 30, 2023	**170,000**	**329,642**	**29,390**	**6,744**	**9**	**535,785**
Balance as of December 31, 2022	170,000	337,630	22,240	13,662	9	543,541

14- Other Assets

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Claims refunds paid– net	**1,026,107**	880,439
Prepaid expenses	**91,284**	141,784
Due accrued revenue	**90,042**	198,073
Refundable deposits	**2,931**	2,931
Interest income tax withholding	**461**	-
Advance payments on IFRS 17 and income tax	**204,448**	132,443
National contribution deposits deducted on interest income	**66**	-
Others	**99,543**	-
	1,514,882	1,355,670

15- Authorized and Paid-up Capital

The subscribed and paid-up capital at the end of the period amounts to 8,000,000 dinars, divided into 8,000,000.8 shares, the nominal value of each share is 1 JD, as of September 30, 2023 and 2022.

16- Statutory Reserve

The statutory 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 reaches the equivalent of a quarter of the company's authorized capital. However, with the approval of the company's general assembly, it is permissible to continue deducting this percentage until it reaches the balance of this reserve is equal to the amount of the authorized capital of the company.

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.

17- Insurance Contracts Revenues

For the nine months period From January 1 to September 30, 2023	Vehicles Comprehensive	Vehicles - Third Part Liability	Border Complex	Medical	Life	General Insurance	Fire	Engineering	Marine	Total
Change in insurance contract liabilities against remaining coverage	**3,008,137**	**6,906,029**	**389,405**	**4,477,417**	**308,728**	**74,410**	**2,468,824**	**118,231**	**610,728**	**18,361,909**
Insurance contract issuance fees	**237,924**	**272,906**	**-**	**156,003**	**2,949**	**1,247**	**30,776**	**3,729**	**14,185**	**719,719**
Other revenue	**-**	**110,063**	**-**	**314,814**	**18,441**	**-**	**-**	**-**	**13,408**	**456,726**
Total revenues from insurance contracts	**3,246,061**	**7,288,998**	**389,405**	**4,948,234**	**330,118**	**75,657**	**2,499,600**	**121,960**	**638,321**	**19,538,354**

For the nine months period From January 1 to September 30, 2022	Vehicles - comprehensive	Vehicles Third Party Liability	Border Complex	Medical	Life	General Insurances	Fire	Engineering	Marine	Total
Change in insurance contract liabilities against remaining coverage	2,920,817	5,012,257	320,385	4,133,955	333,511	65,858	2,271,978	118,080	876,708	16,053,549
Insurance contract issuance fees	202,130	237,924	-	132,680	2,517	1,592	27,612	3,744	16,698	624,897
Other revenue	-	65,175	-	427,640	-	-	-	-	-	497,815
Total revenues from insurance contracts	3,122,947	5,315,356	320,385	4,694,275	336,028	67,450	2,299,590	121,824	893,406	17,171,261

18- Insurance Contract Expenses

For the nine months period from January 1 to September 30, 2023	Vehicles - Comprehensiv	Vehicles - Third Party Liability	Border Complex	Medical	Life	General Insurances	Fire	Engineering	Marine	Total
Insurance claims incurred	1,610,979	7,086,103	198,218	4,245,639	194,856	34,529	(136,398)	6,668	8,293	13,248,887
Amortization of acquisition costs	356,922	215,037	-	117,739	4,280	1,388	98,744	9,033	15,349	818,492
Administrative expenses	61,466	143,992	7,957	79,708	16,423	8,512	67,813	3,183	88,153	471,050
Employees expenses	158,685	371,691	20,542	291,495	18,233	3,100	116,604	5,473	31,150	1,001,121
Other expenses	45,151	103,658	5,845	563,434	7,223	-	4,876	233	498	730,918
Excess of loss expense	164,688	-	-	-	-	-	78,375	-	18,375	261,438
Recovered from loss of onerous contracts	-	18,166	-	-	-	-	-	-	-	18,166
Non-financial risks adjustments	25,254	34,469	6,001	(24,917)	(307)	2,041	(31,898)	(97)	(4,460)	6,086
Recovered from financial risk adjustment	-	-	-	-	-	-	-	-	-	-
Total insurance contract expenses	2,423,146	7,973,115	238,563	5,273,099	240,708	49,570	198,116	24,493	157,357	16,556,159

18- Insurance Contract Expenses (continued)

For the nine months period from January 1 to September 30, 2022	Vehicles Comprehensive	Vehicles - Third party liability	Border Complex	Medical	Life	General Insurances	Fire	Engineering	Marine	Total
Insurance claims incurred	433,595	6,109,744	228,561	4,040,186	260,577	8,462	289,171	7,015	21,374	11,398,658
Amortization of acquisition costs	319,584	149,421	-	56,517	1,589	4,407	43,036	5,643	6,094	586,291
Administrative expenses	73,057	123,055	8,014	73,120	12,627	4,358	55,514	2,939	66,400	424,054
Employees expenses	167,518	282,311	18,375	211,480	17,168	3,742	115,204	6,097	42,460	875,794
Other expenses	52,134	89,464	5,719	284,430	819	-	1,573	82	516	434,737
Excess of loss expense	86,333	-	-	-	-	-	65,714	-	21,929	173,976
Recovered from loss of onerous contracts	-	-	-	-	-	-	-	-	-	-
Non-financial risks adjustments	4,796	6,405	4,081	(8,651)	(3,607)	(5,313)	23,680	(1,259)	(1,313)	18,819
Recovered from financial risk adjustment	-	-	-	-	-	-	-	-	-	-
Total insurance contract expenses	1,137,017	6,760,401	264,749	4,657,081	289,174	15,655	593,892	20,517	157,433	13,912,328

19- Financing Income/ (Expenses) - Insurance Contracts

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Financing income	**26,470**	13,569

The discount rate used to calculate 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.

20- Financing income/ (Expenses) – Reinsurance Contracts

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Finance income	**16,791**	7,561

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

21- Earnings Per Share for the Period

Earnings per share are calculated by dividing the profit for the period by the weighted average number of shares during the period and shown as follows:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Profit for the period (JD)	**1,302,489**	871,420
Weighted average number of shares (share)	**8,000,000**	8,000 ,000
The basic and diluted share of profit for the period	**0,162**	0,108

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

22- Fair value reserve

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

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Balance at the beginning of the period/year	**146,704**	(321,619)
Change during the period/year	**(266,564)**	468,323
Deferred tax assets	**-**	-
Balance at the end of the period/year	**(119,860)**	146,704

23- Cash and Cash Equivalents

The cash and cash equivalents appearing in the Condensed Consolidated interim statement of cash flows are as follows:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Cash on hands and at banks	**894,053**	248,267
Add: deposits with banks	**10,249,836**	9,212,184
Less: Deposits with banks that mature within three months and up to a year	**(5,076,426)**	(3,009,478)
Net cash and cash equivalents	**6,067,463**	6,450,973