United Insurance Company
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Interim Condensed Financial Statements (Unaudited) and the Independent Auditor's Report
for the nine months period ended September 30, 2023

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Table of Content

Independent Auditor's Report

To, The Shareholders
United Insurance Company
(Public Limited Shareholding Company)
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Introduction

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

The management is responsible for the preparation and fair presentation of these interim condensed 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 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 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 instruction of Central Bank of Jordan.

Date: October 31, 2023

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

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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

United Insurance Company
(Public Limited Shareholding Company)
Interim Condensed Statements of financial position (Unaudited)
As of September 30, 2023
(Jordanian Dinars)

	Note	September 30,2023 (Unaudited)	December 31,2022 (Audited) (Adjusted)	January 1,2022 (Audited) (Adjusted)
Assets				
Deposits at banks, net	6	**12,189,100**	11,089,100	8,310,717
Financial assets at fair value through profit or loss	7	**153,166**	108,247	125,322
Financial assets at fair value through other comprehensive income	8	**5,595,451**	5,692,410	5,429,328
Financial assets at amortized cost	9	**3,529,001**	3,547,001	4,547,001
Investment properties	10	**4,772,618**	4,837,957	4,774,382
Total investments		**26,239,336**	25,274,715	23,186,750
Cash on hands and at banks	11	**243,033**	896,422	628,387
Insurance contract assets, net	13	**1,579,473**	886,567	503,489
Account receivables, net	12	**342,906**	239,910	225,605
Reinsurance contract assets held, net	14	**3,896,930**	3,677,041	3,618,772
Deferred tax assets	15	**696,326**	662,385	687,298
Property and equipment, net	16	**4,474,788**	4,576,517	4,653,596
Intangible assets, net	17	**6,336**	9,280	15,639
Other assets	18	**820,272**	1,339,438	1,941,628
Total Assets		**38,299,400**	37,562,275	35,461,164
Liabilities and Shareholders' Equity				
Liabilities				
Insurance contract liabilities	13	**20,087,999**	19,621,941	17,684,457
Total insurance contract liabilities		**20,087,999**	19,621,941	17,684,457
Accounts payable	19	**224,731**	240,874	914,913
Reinsurance contract liabilities	14	**81,901**	264,630	206,348
Provision for income tax	15	**328,465**	348,912	260,747
Deferred tax liabilities	15	**26,864**	26,864	26,864
Other provisions	20	**272,169**	247,491	176,127
Other liabilities		**242,057**	190,532	159,635
Total liabilities		**21,264,186**	20,941,244	19,429,091
Shareholders				
Authorized and paid share capital	21	**8,000,000**	8,000,000	8,000,000
Share premium		**41,507**	41,507	41,507
Statutory reserve	22	**2,000,000**	2,000,000	2,000,000
Change in fair value reserve	31	**(185,528)**	(113,784)	(308,460)
Retained earnings		**7,179,235**	6,693,308	6,299,026
Total Shareholders' Equity		**17,035,214**	16,621,031	16,032,073
Total Liabilities and Shareholders' Equity		**38,299,400**	37,562,275	35,461,164

The accompanying notes from 1 to 33 are integral part of these interim condensed financial statements

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

	Notes	For the nine months period from January 1 to September 30 2023	2022
Revenues:			
Insurance contract revenue	23	**20,861,434**	19,187,584
Insurance contract expenses	24	**(17,509,579)**	(15,641,178)
Insurance contract service result		**3,351,855**	3,546,406
Reinsurance contracts Results	25	**(5,945,768)**	(6,573,779)
Reinsurance contracts Recoveries	26	**3,370,961**	3,867,840
Reinsurance contracts results		**(2,574,807)**	(2,705,939)
Net insurance business results		**777,048**	840,467
Financing income/ (expenses) - insurance contracts	27	**82,510**	(21,243)
Financing (expenses)/ income – reinsurance contracts	28	**(44,945)**	11,960
Net financing results of insurance operations		**37,565**	(9,283)
Interest income	29	**673,881**	473,586
Profit from financial assets and investments	30	**451,987**	293,180
Other revenues		**16,374**	13,268
Net investment revenues		**1,142,242**	780,034
Net results of insurance and investment (Total revenue)		**1,956,855**	1,611,218
Expected credit losses provision		**(18,000)**	(5,003)
Depreciation and amortization		**(129,127)**	(139,800)
Depreciation of investment properties		**(65,342)**	(64,485)
Other Expenses		**(33,750)**	(29,167)
Total expenses		**(246,219)**	(238,455)
Net profit for the period before tax		**1,710,636**	1,372,763
Income tax expense		**(389,297)**	(333,623)
National contribution fees		**(35,412)**	(31,807)
Profit for the year after tax		**1,285,927**	1,007,333
Earnings per share	32	**0.161**	0.126

The accompanying notes from 1 to 33 are integral part of these interim condensed financial statements

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

	Notes	For the nine months period from January 1 to September 30	
		2023	**2022**
Profit for the period		**1,285,927**	1,007,333
Add: Other comprehensive income items			
Change in fair value reserve	31	**(71,744)**	167,974
Total comprehensive income for the period		**1,214,183**	1,175,307

The accompanying notes from 1 to 33 are an integral part of these interim condensed financial statements

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

	Paid in Capital	Share premium	Statutory Reserve	Fair value reserve	Retained earning: Realized	Retained earning: Unrealized	Retained earning: Total retained earning	Total
For the nine months period ending September 30, 2023								
Balance as of December 31, 2022 (Audited) - Before adjustment for the impact of the application of (IFRS 17)	8,000,000	41,507	2,000,000	(113,784)	6,661,517	662,385	7,323,902	17,251,625
The impact of the application of (IFRS 17)	-	-	-	-	(630,594)	-	(630,594)	(630,594)
The balance as of December 31, 2022 - After adjustment for the impact of the application of (IFRS 17)	8,000,000	41,507	2,000,000	(113,784)	6,030,923	662,385	6,693,308	16,621,031
Income for the period	-	-	-	-	**1,251,986**	**33,941**	**1,285,927**	**1,285,927**
Change in fair value reserve	-	-	-	**(71,744)**	-	-	-	**(71,744)**
Comprehensive income for the period	-	-	-	**(71,744)**	**1,251,986**	**33,941**	**1,285,927**	**1,214,183**
Distributed dividends	-	-	-	-	**(800,000)**	-	**(800,000)**	**(800,000)**
Balance as of September 30, 2023 (Unaudited)	**8,000,000**	**41,507**	**2,000,000**	**(185,528)**	**6,482,909**	**696,326**	**7,179,235**	**17,035,214**
For the nine months period ending September 30, 2022								
Balance as of January 1, 2022 (Audited) - Before adjustment for the impact of the application of (IFRS 17)	8,000,000	41,507	2,000,000	(308,460)	6,096,604	687,298	6,783,902	16,516,949
The impact of the application of (IFRS 17)	-	-	-	-	(484,876)	-	(484,876)	(484,876)
The balance as of January 1, 2022 - After adjustment for the impact of the application of (IFRS 17)	8,000,000	41,507	2,000,000	(308,460)	5,611,728	687,298	6,299,026	16,032,073
Income for the period	-	-	-	-	1,061,178	(53,845)	1,007,333	1,007,333
Change in fair value reserve	-	-	-	167,974	-	-	-	167,974
Comprehensive income for the period	-	-	-	167,974	1,061,178	(53,845)	1,007,333	1,175,307
Distributed dividends	-	-	-	-	(800,000)	-	(800,000)	(800,000)
Balance as of September 30, 2022 (Unaudited)	8,000,000	41,507	2,000,000	(140,486)	5,872,906	633,453	6,506,359	16,407,380

The accompanying notes from 1 to 33 are an integral part of these interim condensed financial statements

United Insurance Company
(Public Limited Shareholding Company)
Interim Condensed 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 flow from Operating Activities		
Profit for the period before tax	**1,710,636**	1,372,763
Adjustments to reconcile net income before tax to net cash flow generated from operating activities:		
Depreciation and amortization	**194,469**	204,285
Expected credit losses provision	**18,000**	5,003
Other provisions	**260,370**	237,624
Change in the fair value of financial assets through Profit or Loss Statements	**(44,919)**	20,749
Interest income	**(673,881)**	(473,586)
Gain from sale of investment properties	**-**	1,278
Cash flows from operating activities before changes in working capital	**1,464,675**	1,368,116
Changes in working capital		
Insurance contract assets -net	**(692,906)**	(1,125,474)
Accounts receivables -net	**(102,996)**	(193,838)
Reinsurance contract assets -net	**(219,889)**	12,425
Other assets	**519,171**	531,617
Insurance contract liabilities	**466,058**	1,133,931
Accounts payable	**(16,143)**	(608,312)
Reinsurance contract liabilities	**(182,729)**	(100,598)
Other provisions paid	**(235,692)**	(250,501)
Other liabilities	**51,525**	24,719
Cash flows generated from operating activities before tax	**1,051,074**	792,085
Paid income tax	**(453,887)**	(367,116)
Net cash flows generated from operating activities	**597,187**	424,969
Cash flow from Investing Activities		
Interest income	**673,881**	473,586
Term deposits mature after 3 months	**(4,800,000)**	(7,550,000)
Purchase of property and equipment	**(24,457)**	(9,654)
Net sales and purchase of investment properties	**-**	(151,364)
Net cash flows used in investing activities	**(4,150,576)**	(7,237,432)
Cash flow from financing activities		
Paid dividends expenses	**(800,000)**	(765,011)
Net cash flows used in financing activities	**(800,000)**	(765,011)
Net decrease in cash and cash equivalents	**(4,353,389)**	(7,577,474)
Cash and cash equivalents at beginning of the year	**7,796,422**	6,749,186
Cash and cash equivalents at the end of the period	**3,443,033**	(828,288)

The accompanying notes from 1 to 33 are an integral part of these interim condensed financial statements

1. Legal Status and Activities

The United Insurance Company was established in 1972 under the Jordanian Corporate Law and its amendments under No. (74) as a limited public shareholding company. The United Insurance Company was merged with the Egyptian Orient Insurance Company and the New India Insurance Company in Jordan in 1988.
The company resulting from the merger (United Insurance Company) became a general successor to the merged companies. As a Several amendments were made to the capital, the latest was during 2008, so that the authorized and paid-up capital amounted to 8,000,000 JOD, divided into 8,000,000 shares, with a nominal value of 1 JOD per share.
The company's address is Zahran Street, Building No. (188), P.O. Box 7521, Amman 11118, Jordan.
The company aims to practice all types of insurance, including the field of life insurance.
The interim condensed financial statements were approved by the Board of Directors' decision held on October 26, 2023.

2. Basis of Preparation

The interim condensed financial statements of the company have been prepared in accordance with the standards issued by the International Accounting Standards Board and in accordance with the applicable local laws and according to the forms set by the Central Bank of Jordan.
The condensed interim financial statements have been prepared according to the historical cost principle, with the exception of financial assets at fair value through statement of profit or loss or other comprehensive income, details of which appear in their accounting policies.
The Jordanian Dinar is the currency of showing the interim condensed financial statements, which represents the main currency of the company.
The most important accounting policies used in the preparation of the interim condensed financial statements, which are disclosed in Note (4), have been applied on a consistent basis for all the years presented, unless otherwise stated.
The preparation of the interim condensed financial statements in accordance with International Financial Reporting Standards requires the use of significant and specific accounting estimates, and also requires management to use its own estimates in the process of applying the company's accounting policies. Items in which significant estimates were used are disclosed in Note No. (3).

3. Changes in Accounting Policies

New standards, interpretations and amendments effective from January 1, 2023
The company applied IFRS 17 "Insurance Contracts", where it evaluated the impact of applying the standard and identified the gap between the previous situation and the requirements of the standard and prepared a risk assessment system through actuarial statistical models for various insurance contracts in addition to updating information technology systems to ensure the availability of all databases necessary for applying actuarial models and preparing systems for estimating future cash flows for contracts, and determining the present value of money, in addition to updating accounting policies and procedures and updating other operational policies and procedures, which had an impact on the financial statements. The requirements of the standard as shown in the applied policies in Note 4.
The transitional provisions for applying the standard retrospectively require the company to follow one of the following approaches (full retrospective/modified retrospective/fair value) recognizing the cumulative effect of applying the standard as an adjustment to the opening balance of retained earnings (or other component of equity, if applicable) at the beginning of the year.

3. Changes in Accounting Policies

The effect of applying the standard and the amendment on the opening balance of retained earnings is disclosed in the statement of changes in shareholders' equity.
The impact of the application is also disclosed in addition to a summary of restating the items of the financial statements for the year ended as on December 31, 2023 in note 4.

- 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 12 "Income Taxes".

The company disclosed the accounting policies in line with the requirements of the International Accounting Standards Board and its amendments regarding the presentation of the financial statements "Practice Statement 2" under the framework of the requirements of the Central Bank of Jordan. (The impact of other new policies and standards will be disclosed according to the company's licensed insurance licenses).

The impact of the implementation of IFRS 17 on the retained earnings as of January 1,2022

The impact of the implementation of IFRS 17 on the retained earnings as of January 1,2022

Statement name	Amount
Loss component	**(524,013)**
The current non-reporting cash flow estimate for vehicles has been reduced by 439,537	**439,537**
The current non-reporting cash flow estimate for medical has been reduced by 391,800	**391,800**
The current non-reporting cash flow estimate for medical reinsurers share has been reduced by 215,172	**(215,172)**
Cash discount (financing expenses)	**941,143**
Non-financial risk margin	**(918,064)**
Reinsurers share from cash discount	**(217,345)**
Reinsurers share from non-financial risk margin	**195,723**
Commissions deposits paid (DAC)	**309,079**
Commissions deposits received (DAC)	**(144,224)**
Issuance fees deposit (DAC)	**(243,600)**
Business Interruption Provision (Unallocated Expenses)	**(499,740)**
Net effect on retained earnings	**(484,876)**

4. Use of Estimates and Assumptions (Continued)

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

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

Expected Credit Loss

The company applies (The methodology used by the company in calculating the expected credit loss provision is stated) the requirements imposed by IFRS (9) in order to recognize the decrease in measuring expected credit losses over the life of receivables and contractual assets based on credit risks and homogeneous ages.

Expected loss rates are based on the company's historical credit losses experienced during the preceding three-year period up to the end date of the current period. Historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the company's customers. (The factors that the company relied on in determining the provision are mentioned).

The insurance company must allocate a provision for insurance receivables between it and the local insurance companies and foreign reinsurance companies in determining the provision.

Impairment in the value of financial assets

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

Income Tax

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

1- Accrued Tax

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

Taxes are calculated according to the tax rates established under the laws, regulations and instructions in the Hashemite Kingdom of Jordan

2- Deferred Tax

Deferred taxes are taxes that are expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. Taxes are calculated using the liability method in the financial statements, and deferred taxes are calculated according to the tax rates that are expected to be applied when settling the tax liability or realizing the deferred tax assets.

4. Use of Estimates and Assumptions (Continued)

Impairment in the value of financial assets

2- Deferred Tax

The balance of deferred tax assets is reviewed on the date of the financial statements and is reduced in the event that it is expected that it is not possible to benefit from those tax assets in part or in whole or by paying the tax liability or selecting the need for it.

Property and equipment and intangible assets

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

The present value of future cash flows

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

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

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

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

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

Non-financial risk adjustments

A sum of money allocated by the company against the uncertainty of the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the company's experience in managing the group of insurance contracts / reinsurance contracts held. (The method that will be followed in determining the value of non-financial risk adjustments is mentioned, such as the value-at-risk method, or cost of capital methods, and the appropriate confidence level, if one exists.)

Non-insurance Components

The company discloses the following aspects:

- Definition of insurance risks.
- Defining the insurance contract, and defining the written insurance contracts that are consistent with the definition.
- Determine the contracts issued by the company that are consistent with the definition of the insurance contract.
- Mechanism for Separating non-insurance components (investment component, service component, etc.)
- Mechanism for determining the materiality of the risks of the insurance contract.

4- Use of Estimates and Assumptions (continued)

Lawsuits Raised against the Company

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

Fair Value Levels

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

5- Significate Accounting Policies

A. Segments Information

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

B.Goodwill

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

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

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

C. Insurance contracts

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

5- Significate Accounting Policies (continued)

C. insurance contracts (continued)

Definition of a non-insurance contract

IFRS 17 defines insurance risk as risk, other than financial risk, that is transferred from the contract holder to the issuer and therefore a contract that exposes the issuer to financial risks without significant insurance risk is not an insurance contract.

Company's products

All contracts issued by the company meet the definition of an insurance contract. Below is a breakdown of the insurance contracts issued by the company that meet the definition:

Main Insurance Type	Sub-insurance type.	
Engineering	-Electronic Equipment Contractors All Risks (C.A.R) -Deterioration Of Stock Loss of Profit Following Machinery/Breakdown	Boilers and Pressure Vessel Contractors Plant & Machinery / Equipment Machinery Breakdown Insurance Erection All Risks (E.A.R)
Liability insurances	Employer's Liability General And Product Liability Professional Indemnity Insurance Workmen Compensation (WCP) Professional Indemnity Insurance - Brokers	Public Liability Insurance Cyber Airport Liability Insurance Directors & Officers Liability Event Cancellation
Fire	-Property All Risks -Fire & Allied Perils - Property Terrorism	-Jewelers' Block - House holders
Other general insurances	Travel Insurance Transit Personal Accidents (P.A) Plate Glass (P.G) Burglary Kidnap & Ransom	Resident Financial loss Bankers Blanket Bond. (B.B.B) Money Insurance Commercial Crime Fidelity Guarantee (F.G)
Aviation insurances	Aviation Insurance	
Motor vehicles	- Border complex - Comprehensive - Third party liability	- Orange card - Supplementary - Buses
Life	- Individual	- Collective
Marine	- Hulls	- Marine goods
Medical	- Individual	- Collective

5- Significate Accounting Policies (continued)

C. insurance contracts (continued)

Direct participating feature

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

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

Types of direct participating feature:

A- Investment contracts:

Investment contracts that have a legal form similar to an insurance contract but do not transfer significant insurance risk to the issuer and bear financial risks (embedded derivatives, change in the fair value of an instrument, change in interest rates, change in currency exchange rates, or credit rating) are classified as investment contract in accordance with IFRS (9).

Investment contracts that contain the feature of voluntary participation, which are investment contracts that have a legal form similar to an insurance contract, but do not transfer significant insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified in accordance with International Financial Reporting Standard No. (17) within the issuer licensed as an insurance company.
The company does not have investment contracts.

B- Self-insurance:

Self-insurance (keeping the risks that could have been covered by the insurance contract within the company, there is no other party to the contract). For example, a company issuing an insurance contract in the name of the company or a fellow subsidiary, which is classified in accordance with IFRS 15.

The company issues the following contracts that are classified according to IFRS 15:

- Medical insurance contract for employees of the United Insurance Company.
- Life insurance contract for employees of the United Insurance Company.
- Vehicle insurance contracts owned by the United Insurance Company.
- All-risk insurance contracts for buildings owned by the United Insurance Company.

C- Separation of non-insurance components:

A- The investment component:

A company is required to September rate the investment component distinct from the underlying insurance contract when the investment component is distinct if and only if the following two conditions are met:

1- The investment component and the insurance component are not closely related.
2- The contract is sold on equivalent terms, or may be sold, September separately in the same market or jurisdiction, either by the entities issuing the insurance contracts or by other parties.

The investment component and the insurance component are directly related if, and only if:

The facility was unable to measure one component without looking at the other. Thus, if the value of one component differs from the value of the other component, the entity shall apply IFRS 17 to calculate the investment and co-insurance component.

D. Separation of non-insurance components:

A- The investment component:

2- The policyholder cannot benefit from one of the components unless the other is also present. Thus, if the expiry or maturity of one contract component causes the expiry or maturity of the other, the entity shall apply IFRS 17 to account for the investment component and the pooled insurance component.

- The company has no products that contain an investment component.

B- Components of services and goods

The company shall September rate any undertaking to transfer distinct goods or services to the policyholder other than insurance contract services. And it must account for these commitments by applying International Financial Reporting Standard 15. Accordingly, it is:

1- Separate the cash inflows between the insurance component and any promises to provide distinct goods or services other than insurance contract services;

2- Separate the cash outflows between the insurance component and any promised goods or services other than insurance contract services, so that:

- The cash outflows that relate directly to each component are attributable to that component; and
- Any cash outflows are attributed on a systematic and logical basis, reflecting the cash outflows the entity expects to arise as if this component were a Separate contract.

A good or service other than the insurance contract promised to the policyholder is not distinctive if:

A- The cash flows and risks associated with the good or service are closely related to the cash flows and risks associated with the insurance components of the contract; and

B- The establishment provides an important service in linking the commodity or service with the components of the insurance.

The company has the following service component that is not Separated from the insurance contract under item (a + b):

Service / commodity	Insurance contract that includes the service / commodity	Related international standard
Road assistance	Comprehensive/supplementary car insurance	IFRS 17
Transfer vehicle ownership	Motor vehicles	IFRS 17
Issuance fees service	All types	IFRS 17

5- Significate Accounting Policies (continued)

C- Acquisition costs

An entity shall allocate acquisition costs to the acquisition of the insurance contract to groups of insurance contracts and amortize them over the term of the contract, unless the entity elects to recognize them as an expense by applying paragraph 59(a), which states:
When applying the premium allocation approach, the entity:

It may choose to recognize any cash flows from acquiring insurance as an expense when those costs are incurred, provided that the coverage period for each contract in the group on initial recognition does not exceed one year.

The company did not choose the aforementioned exception, and all revenues and expenses were amortized over the contract period.

D- Recognition of the insurance contract

The company shall recognize the group of insurance contracts as of the following dates, whichever is earlier:

- The beginning of the coverage period.
- Eligibility for the first payment.
- When the group of contracts becomes onerous.

The company relies on the onset of coverage rather than the payment due since there is no data indicating that the payment due date precedes the coverage start date for any of its products.

E- Amending Insurance Contracts

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

F- Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

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

G- Approaches to measuring contracts

The standard provides insurance companies with three approaches for measuring and processing insurance contracts and reinsurance contracts held by accounting, as follows:

1- Premium Allocation Approach:

It applies to the groups of insurance contracts shown below:

- The duration of the insurance coverage does not exceed one year.
- In which the value of "Liabilities vs. Residual Coverage" does not substantially differ from its value when applying the requirements of the general approach.

2- General Measurement Model:

It is applied to all insurance contracts, where it is required to measure the obligations of the insurance contract groups by deducting the future cash flows "incoming and outgoing", and then subtracting from them non-financial risk adjustments to reach the contractual service margin, which represents the unearned profit from the group of insurance contracts.

5- Significate Accounting Policies (continued)

G- Approaches to measuring contracts (continued)

3- The variable fee approach:

It is the approach through which some requirements of the general approach are modified to deal with investment contracts that include the participation feature.

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 JD and it is not of relative importance. The method of allocating premiums has been applied.

Summary of the approved insurance contract measurement methodology:

Portfolio (level one) *	Classification of contracts**	Measurement method***
Engineering	Insurance contracts	Premium allocation approach
General insurance	Insurance contracts	Premium allocation approach
Fire	Insurance contracts	Premium allocation approach
Liability	Insurance contracts	Premium allocation approach
Aviation	Insurance contracts	Premium allocation approach
Motor vehicles (comprehensive)	Insurance contracts	Premium allocation approach
Motor vehicles (Third party liability)	Insurance contracts	Premium allocation approach
Motor vehicles (Buses)	Insurance contracts	Premium allocation approach
Motor vehicles (Borders)	Insurance contracts	Premium allocation approach
Life	Insurance contracts	Premium allocation approach
Marine	Insurance contracts	Premium allocation approach
Medical	Insurance contracts	Premium allocation approach

Insurance contracts portfolios underwritten by the company
** Classification of contracts in the event that there are non-insurance components (investment or service components), and in the event that these components are not present and do not require Separation, are classified as insurance contracts only.

5- Significate Accounting Policies (continued)
G. Approaches to measuring contracts (continued)

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

Portfolio	Measurement method
Engineering	Premium allocation approach
General insurance	Premium allocation approach
Fire	Premium allocation approach
Liability	Premium allocation approach
Aviation	Premium allocation approach
Motor (Excess of loss engagement)	Premium allocation approach
Motor (High Value Vehicle Agreement)	Premium allocation approach
Life	Premium allocation approach
Marine	Premium allocation approach
Medical	Premium allocation approach

G- Materiality:

The materially in the company is 3% of the total written premiums.
A test was applied to the applicability of the premium allocation approach to diminishing travel and life insurance, since the coverage period for these contracts is more than one year, and since the combined premiums of these products are less than 100,000 JD and is not of material, the premium allocation approach was applied.

H- Measurement models
Premium Allocation Approach:
Initial recognition of insurance contracts

- Upon initial confirmation, the company records the amount of the insurance premium received as a liability, from which the acquisition costs (commissions, if any) are deducted and distributed over the coverage period.
- The premium amount not received upon initial recognition is not recognized

Subsequent measurement

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

- 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.
- Subtract the amount recognized as insurance income for the coverage provided in that period.

The company recognizes the assets of insurance contracts for insurance contracts for which service is provided and has not been collected. Expected credit losses for these assets are treated under IFRS 9.

I- Grouping levels

The company must collect insurance contracts into Separate portfolios (Portfolio) to be classified and processed Separately for the year of subscription (Cohort) and then profitability (Group) at the portfolio level.

5- Significate Accounting Policies (continued)

1- Grouping levels (continued)

A. Determine the portfolios of insurance contracts

The entity must specify portfolios of insurance contracts. The portfolio consists of contracts that are subject to similar risks and are managed together.
The company distributed portfolios of insurance contracts as follows:

Main Insurance Type	Portfolio	Sub-insurance type	
Engineering Insurance	Engineering Insurance	-Electronic Equipment	Boilers and Pressure Vessel
		Contractors All Risks (C.A.R)	Contractors Plant & Machinery / Equipment
		-Deterioration Of Stock	Machinery Breakdown Insurance
		Loss of Profit Following Machinery/Breakdown	Erection All Risks (E.A.R)
Liability insurances	Liability insurances	Employer's Liability	Public Liability Insurance
		General And Product Liability	Cyber
		Professional Indemnity Insurance	Airport Liability Insurance
		Workmen Compensation (WCP)	Directors & Officers Liability
		Professional Indemnity Insurance - Brokers	Event Cancellation
Fire Insurance	Fire Insurance	-Property All Risks	-Jewelers' Block
		-Fire & Allied Perils	HOUSE HOLDERS-
		Property Terrorism-	
Other General Insurances	Other General Insurances	Travel Insurance	Resident
		Transit	Financial loss
		Personal Accidents (P.A)	Bankers Blanket Bond. (B.B.B)
		Plate Glass (P.G)	Money Insurance
		Burglary	Commercial Crime
		Kidnap & Ransom	Fidelity Guarantee (F.G)
Aviation Insurance	Aviation Insurance	Aviation Insurance	
Life Insurance	Life Insurance	Individual	Collective
Marine Insurance	Marine Insurance	Hulls	Marine goods
Medical Insurance	Medical Insurance	Individual	Collective
Motor vehicles	Comprehensive Insurance portfolio	Comprehensive Insurance	Supplementary Insurance
		Total loss insurance	
Motor vehicles	Third party liability Insurance portfolio	Third party liability Insurance	
Motor vehicles	Buses Insurance portfolio	Buses Insurance / comprehensive	Buses Insurance / Third party liability
Motor vehicles	Border Complex Insuran portfolio	Border Complex Insurance	

5- Significate Accounting Policies (continued)

I- Grouping levels (continued)

The Company must collect the insurance contracts into Separate portfolios (Portfolio) to be classified and treated Separately for the subscription year (Cohort) and then the profitability (Group) at the portfolio level.

B. Recognition of levels of aggregation (Cohort) :

The Company should not include contracts that are more than one year apart in the same group.

C. Compilation of insurance contracts

The company shall divide the portfolio of insurance contracts issued into at least:
- Group contracts are not likely to be onerous.
- Onerous group.
- Another group.

The company performs the following procedures to determine the groups. The profitability of the contract is not judged as the available system does not provide this service. Rather, the profitability of the products as a whole is evaluated based on the historical loss rate information for the last 3 years.
The historical Combined Loss Ratio is adopted at the by-product level in the grouping distribution.
The combined loss ratio is calculated using the following formula:

$$\frac{\text{Total paid claims + suspended claims + costs related to subscription and claims - refunds}}{\text{Total Premiums}}$$

The compilation is done as follows:

- The rate of technical losses for the last 5 years is less than 100% is classified under the group unlikely to become onerous.
- The new contracts that have no historical loss rate is classifies in another group
- The rate of technical losses for the last 5 years is more than 100% is classified within the onerous contract.

2- Dealing with Onerous Insurance Contracts

The value of losses is recognized for the portfolio that has been evaluated as "Onerous" on the initial recognition date, and the loss is recognized and re-evaluated during the cohort coverage period.

3- The present value of future cash flows

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

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

A combination of bottom-top and top-bottom approaches are applied in determining discount rates for different products. The bottom-top approach is used to derive the discount rate for cash flows that do not change based on the returns of the underlying items in participating contracts (except for investment contracts without a development policy loan which are not within the scope of IFRS 17).

5- Significate Accounting Policies (continued)

3- The present value of future cash flows (continued)

Under this approach, the discount rate is determined as the risk-free return adjusted for the differences in liquidity characteristics between the financial assets used to derive the risk-free return and the cash flows of the related liabilities (known as the illiquidity premium). The risk-free return is derived using swap rates available in the market that are denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with AAA credit ratings are used.

Management uses judgment to evaluate the liquidity characteristics of the liabilities' cash flows. Direct participation contracts and investment contracts with a development policy loan are less liquid financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated on the basis of the market observable liquidity premium of the financial asset adjusted to reflect the illiquidity characteristics of the cash flows of the liability.
The top-bottom approach is used to derive discount rates for cash flows that do not change based on the returns of the underlying items in all other contracts within the scope of IFRS 17.

Under this approach, the discount rate is determined as the return implicit in the fair value of a reference portfolio adjusted for the difference between the reference portfolio of assets and the cash flows of the relevant liabilities.
The reference portfolio consists of a mix of sovereign and corporate bonds available in the markets. Assets are selected to match the cash flows of liabilities.

The return of the reference portfolio is adjusted to remove expected and unexpected credit risk.
These adjustments are estimated using information from historical observed levels of credit default swaps and credit defaults related to the bonds included in the reference portfolio. For the unobservable period, the yield curve between the final rate and the last observable point is approximated using the Smith-Wilson method.
The company will not calculate a present value of future cash flows on insurance and reinsurance premiums that have a duration of less than 12 months.

The company calculates a present value of future cash flows on claims incurred, recoveries and liabilities from reinsurance contracts held based on the company's assessment if payment or collection is expected after more than 12 months.

To calculate the discount rate, a top- bottom approach will be used as follows:

Risk-free yield curve:

The risk-free yield curve will be derived based on the following:
1- The prices of (European Insurance and Occupational Pensions Authority) (EIOPA) will be used for the purposes of determining the interest rate according to the required year.
2- A margin of increase will be added to the above interest rate by (1.5%) for the purposes of the interest equation from the dollar to the dinar, since the company's investments are in JD.

Market risk premium for credit risk:
The market risk premium for credit risk will be removed from yield curves to account for "non-payment" in insurance contracts.

Discount rate = risk-free rate - market risk premium for credit risk
Illiquidity premium:
The illiquidity premium is used to calculate the following:
- Uncertainty in cash flows for later periods
- Uncertainty in the management of assets and liabilities in later periods

5- Significate Accounting Policies (continued)
The present value of future cash flows (continued)

4- Non-financial risk adjustments

A sum of money allocated by the company against the uncertainty of the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the company's experience in managing the group of insurance contracts / reinsurance contracts held.
Non-financial risk adjustment is the compensation required for a company to bear uncertainty about the amount and timing of cash flows that arise from non-financial risks when fulfilling an insurance contract. It reflects the company's degree of risk reduction. The Company makes an adjustment estimate for non-financial risk Separately from all other estimates. The risk adjustment is calculated at the issuer level and then distributed to each group of contracts according to their risk levels. The cost of capital method is used to derive the overall risk adjustment for non-financial risks. In the cost of capital method, the risk adjustment is determined by applying the cost rate to the present value of expected capital attributable to non-financial risks.
The cost rate for non-financial risk adjustments has been determined according to the following ratios:

1. Third party liability 9%
2. Other insurances 1%
3. A confidence level of 75% has been established and is expected to be consistent with the runoff of the works. A diversification feature is included to reflect the diversification of contracts sold across geographic regions as this reflects the compensation required by the entity. The adjustments for non-financial risks shall be re-evaluated annually by the actuary.

I- Reinsurance contracts held

A reinsurance contract held is an insurance contract issued by a reinsurer to compensate another entity for claims arising from one or more insurance contracts issued by that other entity (the base contracts).

Reinsurance contracts held are recognized:

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

2. Compilation of reinsurance contracts

The company shall divide portfolios of reinsurance contracts held in accordance with paragraphs 14 to 24 of IFRS 17, except that references to onerous contracts in those paragraphs must be replaced by reference to contracts on which there is a net profit at initial recognition. For certain reinsurance contracts held, the application of paragraphs 14-24 of IFRS 17 will result in a group consisting of a single contract.
The company must collect the insurance and reinsurance contracts held in Separate portfolios (Portfolio) to be classified and treated Separately for the underwriting year (Cohort) and then the profitability (Group) at the portfolio level.

A- Determine the portfolios of reinsurance contracts held

The entity must identify the portfolios of reinsurance contracts held. The portfolio consists of contracts that are subject to similar risks and are managed together (reinsurance portfolios held follow portfolios of insurance contracts).

5- Significate Accounting Policies (continued)

A- Determine the portfolios of reinsurance contracts held (continued)

The company distributed the portfolios of reinsurance contracts held as follows:

Main Insurance Type	Portfolio	Sub-insurance type	
Engineering	Engineering	-Electronic Equipment	Boilers and Pressure Vessel
		Contractors All Risks (C.A.R)	Contractors Plant & Machinery / Equipment
		-Deterioration Of Stock	Machinery Breakdown Insurance
		Loss of Profit Following Machinery/Breakdown	Erection All Risks (E.A.R)
Liability insurances	Liability insurances	Employer's Liability	Public Liability Insurance
		General And Product Liability	Cyber
		Professional Indemnity	Airport Liability Insurance
		Workmen Compensation (WCP)	Directors & Officers Liability
		Professional Indemnity Insurance - Brokers	Event Cancellation
Fire Insurance	Fire Insurance	-Property All Risks	-Jewelers' Block
		-Fire & Allied Perils	HOUSE HOLDERS-
		Property Terrorism	
Other general insurances	Other general insurances	Travel Insurance	Resident
		Transit	Financial loss
		Personal Accidents (P.A)	Bankers Blanket Bond. (B.B.B)
		Plate Glass (P.G)	Money Insurance
		Burglary	Commercial Crime
		Kidnap & Ransom	Fidelity Guarantee (F.G)
Aviation insurances	Aviation insurances	Aviation Insurance	
Life Insurance	Life Insurance	Individual	- Collective
Marine	Marine Insurance	Hulls	Marine goods
		War risks	
Medical	Medical Insurance	Individual	- Collective
Motor	Comprehensive Insurance	High Value Vehicle Agreement	
Motor	Third party liability insurance	Excess of Loss Agreement	

5- Significate Accounting Policies (continued)

B- Recognition of (Cohort) aggregation level

An entity should not include reinsurance contracts held that are more than one year apart in the same group. The company details the portfolios of reinsurance contracts held according to the classifications referred to above by year of underwriting on an annual basis

1- A group of contracts that are not likely to become a net profit.
2- Group net profit.
3- Another group

The Company evaluates the profitability of the group of reinsurance contracts held based on the evaluation of the insurance contracts

2- Reinsurance contracts commissions

The company records the commission for reinsurance contracts as unearned revenue and it is remitted over the term of the contract

3- Reinsurance contracts held

When measuring the assets of reinsurance contracts, allowance for default risk of reinsurance companies (reinsurers) is calculated outside the framework of Standard 17, as it is considered a credit risk dealt with under Standard 9.

1- Financial assets

The classification of financial assets depends on the business model of the Company to manage its financial assets and contractual terms of cash flows. The Company classifies its financial assets as follows:

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

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 the financial assets and when both of the following conditions are met:

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

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

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

In rare cases, the standard allows these assets to be measured at fair value through the statement of profit or loss if this eliminates or significantly reduces the measurement inconsistency that arises from measuring the assets or liabilities or recognizing the gains and losses resulting from them.
The value of financial assets is reduced at amortized cost by impairment losses, as interest income, gains and losses on foreign currency differences and impairment are recognized in the statement of profits or losses, and the profits or losses resulting from the exclusion of financial assets appear in the statement of profits or losses.

5- Significate Accounting Policies (continued)
1- Financial assets (continued)

B. Financial assets at fair value through statement of profit or loss

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

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.

C. Financial assets at fair value through statement of other comprehensive income

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

2. Investment properties

Investment properties are shown at cost after subtracting accumulated depreciation (excluding land). These investments are depreciated over their useful life at a rate of 2%. Any impairment in their value is recorded in the profit or loss statement. The operating revenues or expenses of these investments are recorded in the profit or loss statement.
(Investment properties are evaluated in accordance with legislation, and their fair value is disclosed in the real estate investment note).

5- Significate Accounting Policies (continued)

3. Property and equipment

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

Asset	Depreciation Rate %
Furniture	10
Computer devices	20
Transportation	15
Tools and equipment	15
Electricals	15
Buildings	2
Heating and cooling devices	15
Fire alarm device	15
Elevators	15
Solar energy	4

Depreciation of property and equipment is calculated when these assets are ready for use for their intended use. The full value of the depreciation expense for the period is shown in the statement of profit or loss. When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable value and the impairment value is recorded in the profit or loss statement.
The property and equipment under construction for the company's use are shown at cost and after deducting any impairment losses in their value. The useful life of the property and equipment is reviewed at the end of each year. If the expected useful life differs from the previously prepared estimates, the change in the estimate for subsequent years is recorded as a change in the estimates.
Gains or losses resulting from the disposal or write-off of any property and equipment, which represents the difference between the proceeds from the sale and the carrying amount of the asset, are shown in the profit or loss statement. Property and equipment are disposed of upon disposal or when no future benefits are expected from their use.

3. Intangible assets

- Intangible assets obtained through a merger are recorded at fair value on the date of acquisition. Intangible assets acquired through a method other than merger are recorded at cost.
- Other intangible assets are classified based on their estimated life for a specific period or periods. Intangible assets that have a specified life are amortized during this life and are amortized in the profit or loss statement. As for intangible assets with an indefinite life, the decline in their value is reviewed on the date of the financial statements, and any decline in their value is recorded in the profit or loss statement.
- Any indications of impairment in the value of intangible assets are reviewed at the date of the financial statements. The estimation of the useful life of those assets is also reviewed and any adjustments are made to subsequent periods.
- accounting policies for each item of the company's intangible assets (the company's policy, the time period, and the amortization mechanism for each item are mentioned).

4. Cash and cash equivalent

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

5- Significate Accounting Policies (continued)

Offsetting

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

The date the financial assets are recognized

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

Fair Value

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

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

- Comparing it with the current market value of a financial instrument that is substantially similar to it.
- Analyzing future cash flows and discounting the expected cash flows at a rate used in a similar financial instrument.
- Options pricing models

Valuation methods aim to obtain a fair value that reflects market expectations and takes into consideration market factors and any expected risks or benefits when estimating the value of financial instruments

Financial Liabilities

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

1- Creditors and reinsurance contract liabilities

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

2-Due to banks

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

Provisions

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

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

5- Significate Accounting Policies (continued)

End of service provision

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

Foreign Currency

- Transactions in foreign currencies during the current year are recorded at the prevailing exchange rates on the date of the transactions.
- Balances of financial assets and financial liabilities are transferred at the average foreign currency rates prevailing on the date of the statement of financial position and announced by the Central Bank of Jordan
- Non-financial assets and non-financial liabilities denominated in foreign currencies that are stated at fair value are translated on the date the fair value was determined
- Profits and losses resulting from foreign currency translation are recorded in the statement of profit or loss.

The costs of issuing or buying 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.

Revenue

1. Dividend and interest income

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

2. Rental income

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

Acquisition costs

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

Insurance contract expenses

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

6- Deposits at Banks

This item consists of the following:

	September 30, 2023 (Unaudited)				December 31,2022 (Audited)
	Deposits due within a month	Deposits due from 1 to 3 months	Deposits due from 3 months to 1 year	Total	Total
Deposit in Jordan	4,300,000	-	7,900,000	12,200,000	11,100,000
Less:					
Expected credit loss provision	-	-	(10,900)	(10,900)	(10,900)
	4,300,000	-	7,889,100	12,189,100	11,089,100

-Interest rates on bank deposits balances in Jordanian Dinar ranges from 4.25% to 6.9% during the period ended September 30,2023, and on US Dollars deposits %1.75.

-Deposits pledged to the order of the Central Bank Governor amounted to 800,000 JOD as on September 30,2023 and December 31,2022 at the Investment Bank.

-The restricted balances amounted to 300,000 JOD as of September 30, 2023 (300,000 JOD as of December 31, 2022) in the form of cash deposits, in addition to deposits pledged to the order of the Director of the Central Bank of Jordan.

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

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Invest Bank	3,200,000	3,100,000
Cairo Amman Bank	-	2,000,000
Capital Bank of Jordan	2,300,000	2,000,000
Arab Jordan Investment Bank	2,300,000	2,000,000
Jordan Kuwait Bank	-	2,000,000
Al- Ahli Bank	2,400,000	-
Jordan Commercial Bank	2,000,000	-
Total	12,200,000	11,100,000

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

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Balance at the beginning of the period/year	10,900	10,082
Provision during the period/year	-	818
Balance at the end of the period/year	10,900	10,900

7- Financial Assets at Fair Value through Profit or Loss

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Inside Jordan		
Shares listed on the Amman Stock Exchange	**153,166**	108,247
	153,166	108,247

8- Financial Assets at Fair Value through Other Comprehensive Income

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Inside Jordan		
Shares listed on the Amman Stock Exchange	**5,374,742**	5,484,532
Unlisted shares	**10,180**	6,477
Total	**5,384,922**	5,491,009
Outside Jordan		
Arab Reinsurance Company - Lebanon*	**210,529**	201,401
Total	**210,529**	201,401
Grand Total	**5,595,451**	5,692,410

* This item represents the valuation of investments according to equity method, and is shown at fair value as of the date of the condensed interim financial statements.

9- Financial Assets at Amortized Cost

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Inside Jordan		
Arab corp. subordinated bond *	**50,000**	50,000
Less: Impairment provision at Arab corp.	**(49,999)**	(49,999)
	1	1
Jordanian treasury subordinated bond **	**3,124,000**	3,124,000
Turkish government subordinated bond ***	**426,000**	426,000
Total	**3,550,001**	3,550,001
Less: Expected credit loss	**(21,000)**	(3,000)
Total Financial assets at amortized cost	**3,529,001**	3,547,001

*The bond of the Arab Corp. loan came due on the first of April 2014, and the original bond or any interest was not paid to the company. A provision was made for the full value of this bond and interest recognition was suspended over the past years.

**On June 17, 2021, the company invested in (13) Jordanian government loan bonds, with a nominal value of 200,000 dollars / loan bond, with a total value of $ 2,600,000, and on March 28, 2021, the company invested in (1) Jordanian government loan bonds, with a nominal value of $ 200,000 / bond through the Housing Bank. These bonds mature on October 10, 2047, with a fixed interest rate of 7.375% annually, calculated on the basis of the actual number of days divided by 360 days.

*** On April 5, 2021, the company invested in (3) Turkish government loan bonds with a nominal value of $200,000 / loan bonds with a total value of $600,000 through the Housing Bank. These bonds are due on January 14, 2041, and at a fixed interest rate of 6% annually, to be calculated Based on the number of actual days divided by 360 days.

10- Investment Properties

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Land	**723,272**	723,272
Buildings	**5,081,252**	5,081,252
Less: accumulated depreciation	**1,031,906**	966,567
Buildings, net	**4,049,346**	4,114,685
Total	**4,772,618**	4,837,957

- Investment buildings are depreciated at 2% annually and appears at net book value.

11- Cash on hand and at banks

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Cash on hand	**10,856**	4,607
Cash at bank	**232,177**	891,815
	243,033	896,422

12-Account receivables

This item consists of the following

	September 30, 2023 (Unaudited)	31 December 2022 (Audited)
Policy holder's receivables	**23,847**	29,992
Agents' receivables	**380**	-
Brockers receivables	**386**	-
Employee's receivables	**15,366**	30,646
Other receivables	**236,669**	219,822
Note receivable and checks under collection	**112,522**	111,082
	389,170	391,542
*Less: Provision for expected credit losses	**(46,264)**	(151,632)
Account receivable, net	**342,906**	239,910

*The movement in the provision for expected credit losses was as follows:

	September 30, 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period/year	**151,632**	219,977
Released	**(105,368)**	(68,345)
Balance at the end of the period/year	**46,264**	151,632

13-(Assets) / liabilities insurance contracts (Premium Allocation Approach)

	Liabilities for remaining coverage		Liabilities for Incurred Claims		
September 30 ,2023	**Non-Onerous Contracts**	**Onerous Contracts**	**Present Value of Cash Flows**	**Non-Financial Risk Adjustments**	**Total**
Insurance contract liabilities-beginning of the period	(417,582)	5,109,563	14,005,616	924,344	19,621,941
Insurance contract assets-beginning of the period	(196,892)	(2,254,282)	1,483,272	81,335	(886,567)
Net insurance contract liabilities (Assets) at the beginning of the period	(614,474)	2,855,281	15,488,888	1,005,679	18,735,374
Insurance contract revenues	**(8,065,709)**	**(12,795,725)**	-	-	**(20,861,434)**
Claims incurred	-	-	**14,711,169**	**64,773**	**14,775,942**
Amortization of acquisition cost	**700,159**	-	-	-	**700,159**
Employees costs	-	-	**1,204,744**	-	**1,204,744**
Administrative costs	-	-	**828,734**	-	**828,734**
Insurance contract expenses	**700,159**	-	**16,744,647**	**64,773**	**17,509,579**
Insurance service results	**(7,365,550)**	**(12,795,725)**	**16,744,647**	**64,773**	**(3,351,855)**
Finance costs - from insurance contracts	-	-	**82,510**	-	**82,510**
Net change - other comprehensive income	**(7,365,550)**	**(12,795,725)**	**16,827,157**	**64,773**	**(3,269,345)**
Cash received from written contracts	**7,552,657**	**11,481,844**	-	-	**19,034,501**
Cash paid for incurred claims and other direct expenses	-	-	**(13,316,447)**	-	**(13,316,447)**
Paid from acquisition costs	**(642,079)**	-	-	-	**(642,079)**
Other expenses	-	-	-	-	-
Transferred to liabilities for incurred claims	**6,910,578**	**11,481,844**	**(13,316,447)**	-	**5,075,975**
Liabilities insurance contract – end of period	**(1,069,446)**	**4,918,932**	**15,219,758**	**1,018,755**	**20,087,999**
Assets insurance contract – end of period	-	**(3,377,532)**	**1,746,362**	**51,697**	**(1,579,473)**
Net insurance contract liabilities (assets) - end of period	**(1,069,446)**	**1,541,400**	**16,966,120**	**1,070,452**	**18,508,526**

13-(Assets) / liabilities insurance contracts (Premium Allocation Approach) (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 contract liabilities-beginning of the period	(273,782)	3,411,551	13,680,585	866,103	17,684,457
Insurance contract assets-beginning of the period	-	(1,739,828)	1,184,378	51,961	(503,489)
Net insurance contract liabilities (Assets) at the beginning of the period	(273,782)	1,671,723	14,864,963	918,064	17,180,968
Insurance contract revenues	(9,930,699)	(16,231,366)	-	-	(26,162,065)
Claims incurred	-	-	18,293,778	87,615	18,381,393
Amortization of acquisition cost	895,157	-	-	-	895,157
Employees costs	-	-	865,735	-	865,735
Administrative costs	-	-	1,625,180	-	1,625,180
Insurance contract expenses	895,157	-	20,784,693	87,615	21,767,465
Insurance service results	(9,035,542)	(16,231,366)	20,784,693	87,615	(4,394,600)
Finance costs - from insurance contracts	-	-	30,509	-	30,509
Net change - other comprehensive income	(9,035,542)	(16,231,366)	20,815,202	87,615	(4,364,091)
Cash received from written contracts	9,558,627	17,414,924	-	-	26,973,551
Cash paid for incurred claims and other direct expenses	-	-	(17,669,853)	-	(17,669,853)
Paid from acquisition costs	(863,777)	-	-	-	(863,777)
Other expenses	-	-	-	-	-
Transferred to liabilities for incurred claims	8,694,850	17,414,924	(17,669,853)	-	8,439,921
Liabilities insurance contract – end of period	(417,582)	5,109,563	14,005,616	924,344	19,621,941
Assets insurance contract – end of period	(196,892)	(2,254,282)	1,483,272	81,335	(886,567)
Net insurance contract liabilities (assets) - end of period	(614,474)	2,855,281	15,488,888	1,005,679	18,735,374

14 - Reinsurance contract liabilities held

September 30 ,2023	Liabilities for remaining coverage		Liabilities for Incurred Claims		
	Non-Onerous Contracts	**Onerous Contracts**	**Present Value of Cash Flows**	**Non-Financial Risk Adjustments**	**Total**
Reinsurance contract liabilities-beginning of the period	(710,465)	-	382,712	63,123	(264,630)
Reinsurance contract assets-beginning of the period	(175,948)	-	3,720,257	132,732	3,677,041
Net reinsurance contract (liabilities) assets at the beginning of the period	(886,413)	-	4,102,969	195,855	3,412,411
Reinsurance contract expenses	**5,945,768**	-	-	-	**5,945,768**
Reinsurance claims incurred	-	-	(2,957,412)	(1,176)	(2,958,588)
Commissions income	(412,374)	-	-	-	(412,374)
Reinsurance contract income	(412,374)	-	(2,957,411)	(1,176)	(3,370,961)
Reinsurance service results	5,533,394	-	(2,957,411)	(1,176)	2,574,807
Finance costs - from reinsurance contracts	-	-	(44,945)	-	(44,945)
Net change - other comprehensive income	5,533,394	-	(3,002,356)	(1,176)	2,529,862
Cash paid from written contracts	(4,651,337)	-	-	-	(4,651,337)
Recoveries from reinsurance	-	-	2,168,493	2,353	2,170,846
Received from commissions income	353,247	-	-	-	353,247
Other revenues	-	-	-	-	-
Transferred to liabilities for incurred claims	(4,298,090)	-	2,168,493	2,353	(2,127,244)
Reinsurance contract liabilities – end of period	(226,531)	-	121,149	23,481	(81,901)
Reinsurance contract assets – end of period	575,422	-	3,147,957	173,551	3,896,930
Net reinsurance contract (liabilities) assets - end of period	348,891	-	3,269,106	197,032	3,815,029

14 - Reinsurance contract Liabilities held (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**
Reinsurance contract liabilities-beginning of the period	(535,848)	-	326,704	23,223	(185,921)
Reinsurance contract assets-beginning of the period	(77,658)	-	3,523,930	172,500	3,618,772
Net reinsurance contract (liabilities) assets at the beginning of the period	(613,506)	-	3,850,634	195,723	3,432,851
Reinsurance contract expenses	8,733,158				8,733,158
Reinsurance claims incurred	-	-	(4,722,440)	132	(4,722,307)
Commissions income	(504,756)	-	-	-	(504,756)
Reinsurance contract income	(504,756)	-	(4,722,440)	132	(5,227,064)
Reinsurance service results	8,228,402	-	(4,722,440)	132	3,506,094
Finance costs - from reinsurance contracts	-	-	21,329	-	21,329
Net change - other comprehensive income	8,228,402	-	(4,701,111)	132	3,527,423
Cash paid from written contracts	(8,976,068)	-	-	-	(8,976,068)
Recoveries from reinsurance	-	-	4,953,446	-	4,953,446
Received from commissions income	474,759	-	-	-	474,759
Other revenues	-	-	-	-	-
Transferred to liabilities for incurred claims	(8,501,309)	-	4,953,446	-	(3,547,863)
Reinsurance contract liabilities – end of period	(710,465)	-	382,712	63,123	(264,630)
Reinsurance contract assets – end of period	(175,948)	-	3,720,257	132,732	3,677,041
Net reinsurance contract (liabilities) assets - end of period	(886,413)	-	4,102,969	195,855	3,412,411

15 – Income tax

A- Provision for Income Tax

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

	September 30, 2023 (Unaudited)	December 31,2022 (Audited)
Balance at beginning of the period/ year	**348,912**	260,747
Income tax paid	**(453,887)**	(367,475)
Provided during the period/ year	**433,440**	455,640
Balance at the end of the period/ year	**328,465**	348,912

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

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Accrued income tax for the period	**433,440**	370,603
Deferred tax assets additions	**(8,731)**	(5,172)
End of year balance	**424,709**	365,431

A final settlement was reached with the Income Tax Department until the end of 2020, and the self-assessment statements for the years 2020 and 2021 were submitted and were not reviewed by the Income and sales tax department.

B- Deferred tax assets – liabilities

	September 30, 2023 (Unaudited)					December 31,2022 (Audited)
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred T:
A- Deferred tax assets:						
Expected credit loss provision	2,313,005	-	-	**2,313,005**	**601,381**	601,
Provision for end of service benefits	59,884	-	**15,581**	**75,466**	**19,621**	15,
Financial assets evaluation reserve	153,759	-	**96,959**	**250,718**	**65,187**	39,
Applying IFRS 9 on bank deposits and cheques under collection	20,988	-	**18,000**	**38,988**	**10,137**	5,
	2,547,636	-	**130,541**	**2,678,177**	**696,326**	662,
B- Deferred tax liabilities:						
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	111,934	-	-	**111,934**	**26,864**	26,
	111,934	-	-	**111,934**	**26,864**	26,

15-Income Tax (continued)

B- Deferred tax assets – liabilities (continued)

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	26,864	26,864	662,385	687,298
Additions	-	-	**33,941**	43,487
Released	-	-	-	(68,400)
Balance at the end of the period/ year	**26,864**	26,864	**696,326**	662,385

16- Property plant and equipment

	Furniture and Internal fixture	Computer devices	Cars	Machines and equipment	Electronics devices	Buildings	Heating and cooling devices	Fire Alarm	Elevators	Total
Cost:										
Balance as of December 31, 2022	261,944	196,051	227,964	9,843	64,394	5,203,624	347,443	29,601	286,365	6,627,229
Additions	-	**10,609**	**9,800**	-	**2,852**	-	**1,199**	-	-	**24,460**
Balance as of September 30, 2023	**261,944**	**206,660**	**237,764**	**9,843**	**67,246**	**5,203,624**	**348,642**	**29,601**	**286,365**	**6,651,689**
Less: Accumulated depreciation:										
Balance as of December 31, 2022	(208,992)	(186,022)	(167,342)	(7,675)	(46,724)	(777,987)	(346,102)	(23,514)	(286,361)	(2,050,719)
Depreciation for the period	**(15,292)**	**(3,722)**	**(20,805)**	**(1,104)**	**(2,271)**	**(79,835)**	**(879)**	**(2,274)**	-	**(126,182)**
Balance as of September 30, 2023	**(224,284)**	**(189,744)**	**(188,147)**	**(8,779)**	**(48,995)**	**(857,822)**	**(346,981)**	**(25,788)**	**(286,361)**	**(2,176,901)**
Book value:										
Balance as of September 30, 2023	**37,660**	**16,916**	**49,617**	**1,064**	**18,251**	**4,345,802**	**1,661**	**3,813**	**4**	**4,474,788**
Balance as of December 31, 2022	52,952	10,030	60,623	2,168	17,670	4,425,637	1,347	6,086	4	4,576,517

17- Intangible Assets

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	Computer systems and software	
Balance at the beginning of the period	296,859	296,859
Additions	-	-
Amortizations	**(287,579)**	(281,220)
Impairment during the period/ Year	**(2,944)**	(6,359)
Balance at the end of the period/ Year	**6,336**	9,280

18- Other Assets

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Accrued and unreceived revenues	**276,259**	267,508
Prepaid expenses	**49,589**	10,728
Refundable deposits	**3,426**	3,426
International War trust Fund	**371,532**	349,039
Withholding sales tax	**119,466**	708,737
	820,272	1,339,438

19- Accounts payable

This item consists of the following:

	September 30, 2023 (Unaudited)	31 December 2022 (Audited)
Employees' payables	**313**	353
Broker's payables	**47**	-
Other payables *	**224,370**	240,521
	224,731	240,874

* This item consists of the following:

	September 30, 2023 (Unaudited)	31 December 2022 (Audited)
Policyholders	**1,950**	11,439
Other	**222,420**	229,082
	224,370	240,521

20- Other provisions

	September 30, 2023 (Unaudited)	31 December 2022 (Audited)
Central bank of Jordan fees provision	**69,639**	26,085
End of service benefit provision	**75,466**	59,884
Accrual rewards provision	**127,064**	161,522
	272,169	247,491

The following table shows the movement on accrued expenses and various provisions

	Beginning Balance	During the period	Paid during the period	Ending balance
Central bank of Jordan fees provision	26,085	**97,067**	**53,513**	**69,639**
End of service benefit provision	59,884	**15,582**	**-**	**75,466**
Accrual rewards	161,521	**147,722**	**182,179**	**127,064**
	247,490	**260,371**	**235,692**	**272,169**

21-Share capital

The capital at the end of the period amounted to 8,000,000 Jordanian dinars, divided into 8,000,000 shares, with a nominal value of one dinar per share, as on September 30, 2023 and December 31,2022.

22-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, it is permissible, with the approval of the company's general assembly, to continue deducting this percentage until it reaches the balance of this reserve is equivalent to the amount of the company's authorized capital.

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

23-Insurance contracts revenue

For the nine months period From January 1 to September 30, 2023	Motor- Comprehensive	Motor- Third party liability	Motor- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts revenue	2,843,291	6,126,511	2,011,462	6,225,362	285,968	1,819,069	119,474	210,266	214,438	248,794	20,104,635
Issuance fees	168,492	239,194	-	204,658	5,842	67,874	6,121	9,561	6,033	9,155	716,930
Other revenue	33,567	-	-	-	5,172	1,130	-	-	-	-	39,869
Total insurance contracts revenue	**3,045,350**	**6,365,705**	**2,011,462**	**6,430,020**	**296,982**	**1,888,073**	**125,595**	**219,827**	**220,471**	**257,949**	**20,861,434**

For the nine months period From January 1 to September 30, 2022	Motor- Comprehensive	Motor- Third party liability	Motor-Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts revenue	2,811,912	4,523,452	1,535,019	6,733,081	284,660	1,725,024	90,823	208,862	288,593	269,570	18,470,996
Issuance fees	164,950	221,401	-	197,130	6,116	66,293	4,390	9,318	5,748	9,381	684,727
Other revenue	17,005	-	-	-	12,875	1,981	-	-	-	-	31,861
Total insurance contracts revenue	2,993,867	4,744,853	1,535,019	6,930,211	303,651	1,793,298	95,213	218,180	294,341	278,951	19,187,584

24-Insurance contracts expenses

For the nine months period From January 1 to September 30, 2023	Motor-Comprehensive	Motor-Third party	Motor-Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Incurred insurance claims	2,098,509	5,714,19	93,921	6,084,028	103,433	514,050	13,105	9,515	(4,008)	88,283	14,715,030
Amortization acquisition costs	308,689	202,113	-	81,954	2,826	66,147	15,542	15,694	3,993	3,203	700,161
Employee expenses	351,393	224,886	68,133	356,522	9,093	131,015	4,401	7,725	7,664	43,913	1,204,745
Administrative expenses	104,178	237,093	66,754	310,029	9,608	70,026	4,035	7,245	10,055	9,709	828,732
Recovered from onerous contract	-	(2,786)	-	(1,075)	-	-	-	-	-	-	(3,861)
Non-financial risk adjustments	2,376	61,017	-	-	691	742	20	81	-	699	65,626
Recovery from non-financial risk adjustments	-	-	-	(662)	-	-	-	-	(190)	-	(852)
Total expenses of insurance contracts	865,145	6,436,515	228,808	6,830,796	125,651	781,980	37,103	40,260	17,514	145,807	17,509,579

24-Insurance contract expenses(continued)

For the nine months period From January 1 to September 30, 2022	Motor-Comprehensive	Motor-Third party liability	Motor- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Incurred insurance claims	2,067,033	3,255,347	903,157	6,457,278	160,488	258,998	13,217	(29,798)	20,365	(1,579)	13,104,506
Amortization acquisition costs	305,168	192,810	-	61,090	3,155	64,894	9,750	14,797	22,759	6,178	680,601
Employee expenses	320,238	166,908	57,653	367,942	9,700	112,902	3,331	7,686	10,709	44,950	1,102,019
Administrative expenses	85,575	176,506	39,487	295,211	9,544	52,774	2,387	(660)	8,655	1,986	671,465
onerous contract	-	41,950	-	3,925	-	-	-	-	-	-	45,875
Non-financial risk adjustments	1,054	36,382	-	-	265	-	106	-	159	-	37,966
Recovery from non-financial risk adjustments	-	-	-	(529)	-	(127)	-	(373)	-	(225)	(1,254)
Total expenses of insurance contracts	2,779,068	3,869,903	1,000,297	7,184,917	183,152	489,441	28,791	(8,348)	62,647	51,310	15,641,178

25- Reinsurance contract results

For the nine months period From January 1 to September 30, 2023	Motor-Comprehensive	Motor-Third party liability	Motor-Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Reinsurance contract revenues	132,086	92,954	768,070	2,342,887	198,594	1,665,978	94,646	135,396	186,487	213,670	5,830,768
Excess of loss	70,000	-	-	-	-	45,000	-	-	-	-	115,000
Total expenses of insurance contracts	202,086	92,954	768,070	2,342,887	198,594	1,710,978	94,646	135,396	186,487	213,670	5,945,768

For the nine months period From January 1 to September 30, 2022	Motor-Comprehensive	Motor-Third party liability	Car- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Reinsurance contract revenues	104,781	115,171	646,804	3,187,501	207,813	1,571,708	71,774	130,417	221,335	227,721	6,485,025
Excess of loss	54,066	-	-	-	-	34,688	-	-	-	-	88,754
Total expenses of insurance contracts	158,847	115,171	646,804	3,187,501	207,813	1,606,396	71,774	130,417	221,335	227,721	6,573,779

26 - Recoveries of reinsurance contracts

For the nine months period From January 1 to September 30, 2023	Motor-Comprehensive	Motor-Third party liability	Motor-Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Incurred reinsurance claims	32,556	40,708	(72,045)	2,299,402	85,107	476,576	11,287	1,576	(3,082)	85,327	2,957,412
Commission income	-	4,648	-	2,444	-	216,667	32,461	23,144	21,378	111,631	412,373
Reinsurance shares of risk adjustments - non-financial	-	-	-	-	589	542	29	16	-	545	1,721
Change in reinsurance shares of risk adjustments - non-	(59)	-	-	(334)	-	-	-	-	(152)	-	(545)
Total expenses of reinsurance contracts	32,497	45,356	(72,045)	2,301,512	85,696	693,785	43,777	24,736	18,144	197,503	3,370,961

For the nine months period From January 1 to September 30, 2022	Motor-Comprehensive	Motor-Third party liability	Motor-Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Incurred reinsurance claims	(123,167)	(316,488)	256,521	3,309,261	126,742	244,331	9,132	(26,633)	15,078	(2,250)	3,492,527
Commission income	(169)	4,392	-	10,559	-	201,330	23,513	10,781	16,109	108,813	375,328
Reinsurance shares of risk adjustments - non-financial	-	38	-	-	183	-	74	-	986	-	1,281
Change in reinsurance shares of risk adjustments - non-financial	(135)	-	-	(480)	-	(212)	-	(323)	-	(146)	(1,296)
Total expenses of reinsurance contracts	(123,471)	(312,058)	256,521	3,319,340	126,925	445,449	32,719	(16,175)	32,173	106,417	3,867,840

27- Financing Income/(Expenses) – Insurance Contracts

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Financing Income/(Expenses) – Insurance Contracts	**82,510**	(21,243)

The discount rate used in calculating the present value of future cash flows is 3.71% - 4.5% cumulative over 5 years, taking into account the method of paying claims during the years.

28- Financing Income/(Expenses) – Reinsurance Contracts

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Financing (Expenses)/ Income – Reinsurance Contracts	**(44,945)**	11,960

The discount rate used in calculating the present value of future cash flows is 3.71% - 4.5% cumulative over 5 years, taking into account the method of paying claims during the years.

29-Interest income

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Bank Interest	**482,126**	281,515
Interest on investments in financial assets at amortized cost	**191,756**	192,072
Total	**673,881**	473,586

30-Net Income from Financial Assets and Investments

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Cash dividend income	**300,281**	276,060
Net rental revenues	**106,055**	37,869
Net change in fair value of financial assets through profit or loss	**45,651**	(20,749)
	451,987	293,180

31-Fair value reserve

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

	September 30, 2023 (Unaudited)	31 December 2022 (Audited)
Begging balance of the period / year	**(113,784)**	(308,460)
Change during the period / year	**(96,959)**	263,076
Transfer from deferred tax assets	**25,215**	(68,400)
Ending balance of the period / year	**(185,528)**	(113,784)

32-Earnings per Share

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

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Profit of the Period/ JD	**1,285,927**	1,007,333
Weighted Average Number of Share	**8,000,000**	8,000,000
Basic and diluted earnings for the period per share	**0.161**	0.126

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

33-Cash and cash equivalent

This item consists of the following:

	September 30, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Cash on hands	**10,856**	4,607
Deposits at banks	**232,177**	891,815
Cash on hands and at banks	**243,033**	896,422

Cash and cash equivalents appearing in the interim condensed statement of cash flows are as follows:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
Cash on hands and at banks	**243,033**	271,712
Add: deposits at banks due within three months	**4,300,000**	-
Less: Deposits pledged to the order of the Central Bank Governor	**(1,100,000)**	(1,100,000)
Net Cash and cash equivalent	**3,443,033**	(828,288)