

**JORDAN INSURANCE COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**30 JUNE 2023**

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF  
JORDAN INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN – JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed financial statements of Jordan Insurance Company, a public shareholding company (“the Company”) as at 30 June 2023, comprising of the interim condensed statement of financial position as at 30 June 2023 and the related interim condensed income statement, interim condensed statement of comprehensive income, interim condensed statement of changes in equity, and interim condensed statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the accounting policies described in note (2). 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”. A review of Interim financial information consists of making inquiries, primarily of persons responsible for the 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 are not prepared, in all material respects, in accordance with the accounting policies disclosed in note (2).

### **Emphasis of matters**

#### **- Basis of accounting and restriction on use**

We draw attention to Note (2) to the interim condensed financial statements, which describes the basis of preparation. These interim condensed financial statements have been prepared for the purposes of compliance with the reporting requirements of the Insurance Management Department of Central Bank of Jordan, and therefore they may not be suitable for other purposes. This matter does not modify the conclusion that we reached on the accompanying interim condensed financial statements.

#### **- Solvency ratio**

Without qualifying our conclusion, we draw attention to note (28) to the interim condensed financial statements, the solvency ratio of the Company reached 181% as of 30 June 2023, which is less than the required rate by the Insurance management of 200%.

For and on behalf of Ernst & Young – Jordan.

Ali Hasan Samara  
License No. 503

Amman - Jordan  
31 July 2023

**ERNST & YOUNG**  
Amman - Jordan

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

|   | <u>Notes</u> | <u>30 June<br/>2023</u> | <u>31 December<br/>2022</u> |
|---|--------------|-------------------------|-----------------------------|
|   |              | JD<br>(Unaudited)       | JD<br>(Audited)             |
| <b><u>Assets</u></b>  |              |                         |                             |
| <b>Investments -</b>  |              |                         |                             |
| Bank deposits   | 3            | 25,402,394              | 22,207,347                  |
| Financial assets at fair value through profit or loss             | 4            | 2,937,067               | 2,848,284                   |
| Financial assets at fair value through other comprehensive income | 5            | 22,200,162              | 19,917,394                  |
| Investment properties   | 6            | 15,634,231              | 15,587,294                  |
| Life policyholder's loans   | 7            | 26,239                  | 26,739                      |
| <b>Total investments</b>  |              | <u>66,200,093</u>       | <u>60,587,058</u>           |
| <b>Other assets -</b>   |              |                         |                             |
| Cash on hand and at banks   | 8            | 4,005,244               | 4,716,326                   |
| Notes receivable and checks under collection                      | 9            | 2,768,163               | 1,963,710                   |
| Accounts receivable, net  | 10           | 19,077,284              | 15,523,659                  |
| Reinsurance receivable, net                                       | 11           | 3,794,329               | 4,031,222                   |
| Deferred tax assets   | 12/d         | 2,604,700               | 2,802,399                   |
| Property and equipment, net                                       | 13           | 1,154,264               | 1,066,887                   |
| Intangible assets, net  |              | 296,268                 | 341,579                     |
| Other assets  | 14           | 2,855,358               | 2,476,525                   |
| <b>Total assets</b>   |              | <u>102,755,703</u>      | <u>93,509,365</u>           |
| <b><u>Liabilities and Equity</u></b>                              |              |                         |                             |
| <b>Technical reserves -</b>                                       |              |                         |                             |
| Unearned premium reserve, net                                     |              | 14,034,349              | 13,395,557                  |
| Outstanding claims reserve, net                                   |              | 17,076,008              | 16,450,627                  |
| Mathematical reserve, net   | 15           | 2,109,589               | 1,599,633                   |
| Premium deficiency reserve  |              | 319,550                 | 297,390                     |
| <b>Total technical reserves</b>                                   |              | <u>33,539,496</u>       | <u>31,743,207</u>           |
| <b>Other liabilities -</b>  |              |                         |                             |
| Bank overdraft  | 16           | 7,860,588               | 9,050,549                   |
| Accounts payable  |              | 2,849,095               | 2,691,195                   |
| Reinsurance payables  | 17           | 12,272,209              | 7,534,486                   |
| Other provisions  |              | 1,168,673               | 1,210,701                   |
| Income tax provision  | 12/a         | 789,867                 | 627,524                     |
| Deferred tax liabilities  | 12/d         | 274,982                 | 274,982                     |
| Other liabilities   | 18           | 1,047,524               | 697,949                     |
| <b>Total technical reserve and other liabilities</b>              |              | <u>59,802,434</u>       | <u>53,830,593</u>           |
| <b>Equity -</b>   |              |                         |                             |
| Paid in capital   | 19           | 30,000,000              | 30,000,000                  |
| Statutory reserve   |              | 7,500,000               | 7,500,000                   |
| Fair value reserve  | 20           | (2,370,678)             | (4,374,701)                 |
| Retained earnings   | 21           | 6,553,473               | 6,542,768                   |
| Profit for the period/ year                                       | 21           | 1,270,474               | 10,705                      |
| <b>Total equity</b>   |              | <u>42,953,269</u>       | <u>39,678,772</u>           |
| <b>Total liabilities and equity</b>                               |              | <u>102,755,703</u>      | <u>93,509,365</u>           |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED INCOME STATEMENT**  
**FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|   | Notes | For the three months<br>ended 30 June |                   | For the six months<br>ended 30 June |                   |
|---|-------|---------------------------------------|-------------------|-------------------------------------|-------------------|
|   |       | 2023                                  | 2022              | 2023                                | 2022              |
|   |       | JD                                    | JD                | JD                                  | JD                |
| <b>Revenues –</b>                                   |       |                                       |                   |                                     |                   |
| Gross written premiums - general insurance          |       | 12,379,958                            | 12,652,937        | 30,693,853                          | 28,666,125        |
| Gross written premiums - life                       |       | 8,069,275                             | 7,304,461         | 15,875,168                          | 13,822,574        |
| Less: reinsurance share - general insurance         |       | 6,119,283                             | 6,972,595         | 16,138,997                          | 15,050,280        |
| Less: reinsurance share - life                      |       | 5,001,917                             | 5,098,446         | 10,151,324                          | 8,941,584         |
| Net written premiums                                |       | 9,328,033                             | 7,886,357         | 20,278,700                          | 18,496,835        |
| Net change in unearned premiums reserve             |       | 803,944                               | 496,994           | (638,792)                           | (1,452,643)       |
| Net change in mathematical reserve                  |       | (589,614)                             | (15,976)          | (509,956)                           | 28,756            |
| Net change in premiums deficiency reserve           |       | (22,160)                              | (69,918)          | (22,160)                            | (173,091)         |
| Net earned premiums                                 |       | 9,520,203                             | 8,297,457         | 19,107,792                          | 16,899,857        |
| Commissions received                                |       | 442,463                               | 927,830           | 1,312,578                           | 1,717,346         |
| Insurance policies issuance fees                    |       | 426,856                               | 426,004           | 867,696                             | 866,454           |
| Interest income                                     |       | 241,942                               | 61,807            | 455,068                             | 111,223           |
| Net gain from financial assets and investments      | 22    | 168,503                               | 420,704           | 510,289                             | 796,541           |
| Other revenues                                      |       | 302,656                               | 211,375           | 381,543                             | 183,012           |
| <b>Total revenues</b>                               |       | <b>11,102,623</b>                     | <b>10,345,177</b> | <b>22,634,966</b>                   | <b>20,574,433</b> |
| <b>Claims, losses and expenses –</b>                |       |                                       |                   |                                     |                   |
| Paid claims   |       | 11,498,161                            | 12,588,206        | 24,194,298                          | 27,338,327        |
| Less: recoveries                                    |       | 1,109,026                             | 945,342           | 2,073,684                           | 1,926,147         |
| Less: reinsurance share                             |       | 4,482,475                             | 5,883,592         | 9,750,328                           | 13,928,774        |
| Maturity and surrender of insurance policies        |       | 10,815                                | -                 | 31,961                              | 44,952            |
| Net paid claims                                     |       | 5,917,475                             | 5,759,272         | 12,402,247                          | 11,528,358        |
| Net change in outstanding claims reserve            |       | 541,250                               | (160,332)         | 625,381                             | 109,649           |
| Allocated employees' expenses                       |       | 990,397                               | 1,165,470         | 2,042,889                           | 2,186,922         |
| Allocated general and administrative expenses       |       | 685,000                               | 762,222           | 1,374,025                           | 1,355,926         |
| Excess of loss premiums                             |       | 193,150                               | 197,689           | 386,300                             | 302,177           |
| Policies acquisition costs                          |       | 816,075                               | 742,086           | 1,599,622                           | 1,472,874         |
| Other expenses related to underwriting accounts     |       | 419,340                               | 406,285           | 877,207                             | 849,846           |
| <b>Net claims costs</b>                             |       | <b>9,562,687</b>                      | <b>8,872,692</b>  | <b>19,307,671</b>                   | <b>17,805,752</b> |
| Unallocated employees' expenses                     |       | 172,498                               | 211,436           | 356,161                             | 389,728           |
| Depreciation and amortization                       |       | 86,902                                | 70,704            | 171,903                             | 140,156           |
| Unallocated general and administrative expenses     |       | 119,709                               | 141,340           | 244,192                             | 263,585           |
| Provision for expected credit losses                | 10,11 | -                                     | 128,800           | 200,000                             | 128,800           |
| Bank interests and expenses                         |       | 246,125                               | 290,139           | 409,899                             | 748,155           |
| Other expenses                                      |       | 27,361                                | 29,240            | 62,666                              | 64,609            |
| <b>Total</b>  |       | <b>652,595</b>                        | <b>871,659</b>    | <b>1,444,821</b>                    | <b>1,735,033</b>  |
| <b>Gross expenses</b>                               |       | <b>10,215,282</b>                     | <b>9,744,351</b>  | <b>20,752,492</b>                   | <b>19,540,785</b> |
| <b>Profit for the period before tax</b>             |       | <b>887,341</b>                        | <b>600,826</b>    | <b>1,882,474</b>                    | <b>1,033,648</b>  |
| Less: income tax expense                            | 12/B  | (335,282)                             | (139,806)         | (612,000)                           | (315,023)         |
| <b>Profit for the period</b>                        |       | <b>552,059</b>                        | <b>461,020</b>    | <b>1,270,474</b>                    | <b>718,625</b>    |
| Basic and diluted earnings per share for the period | 23    | 0.018                                 | 0.015             | 0.042                               | 0.024             |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|  | For the three months<br>ended 30 June |                    | For the six months<br>ended 30 June |                    |
|--|---------------------------------------|--------------------|-------------------------------------|--------------------|
|  | 2023                                  | 2022               | 2023                                | 2022               |
|  | JD                                    | JD                 | JD                                  | JD                 |
| <b>Profit for the period</b>   | 552,059                               | 461,020            | 1,270,474                           | 718,625            |
| <b>Add: Other comprehensive income items after tax<br/>that will not to be reclassified to profit or loss in<br/>subsequent periods:</b> |                                       |                    |                                     |                    |
| Gain from sale of financial assets at fair value through<br>other comprehensive income   | -                                     | 312,515            | -                                   | 312,515            |
| Change in fair value of financial assets through other<br>comprehensive income   | 1,092,816                             | (3,837,184)        | 2,004,023                           | (5,412,136)        |
| <b>Total comprehensive income for the period</b>   | <u>1,644,875</u>                      | <u>(3,063,649)</u> | <u>3,274,497</u>                    | <u>(4,380,996)</u> |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|  | Paid-in capital   | Statutory reserve | Fair value reserve | Retained earnings | Total             |
|--|-------------------|-------------------|--------------------|-------------------|-------------------|
|  | JD                | JD                | JD                 | JD                | JD                |
| <b>For the six months ended 30 June 2023 -</b>         |                   |                   |                    |                   |                   |
| Balance as at 1 January 2023                           | 30,000,000        | 7,500,000         | (4,374,701)        | 6,553,473         | 39,678,772        |
| Profit for the period                                  | -                 | -                 | -                  | 1,270,474         | 1,270,474         |
| Other comprehensive income items for the period, net   | -                 | -                 | 2,004,023          | -                 | 2,004,023         |
| Total other comprehensive income for the period        | -                 | -                 | 2,004,023          | 1,270,474         | 3,274,497         |
| <b>Balance as at 30 June 2023</b>                      | <b>30,000,000</b> | <b>7,500,000</b>  | <b>(2,370,678)</b> | <b>7,823,947</b>  | <b>42,953,269</b> |
| <b>For the six months ended 30 June 2022 -</b>         |                   |                   |                    |                   |                   |
| Balance as at 1 January 2022                           | 30,000,000        | 7,500,000         | 6,823,258          | 5,936,265         | 50,259,523        |
| Profit for the period                                  | -                 | -                 | -                  | 718,625           | 718,625           |
| Other comprehensive income items for the period, net   | -                 | -                 | (5,099,621)        | -                 | (5,099,621)       |
| Total other comprehensive income for the period        | -                 | -                 | (5,099,621)        | 718,625           | (4,380,996)       |
| Transfers from fair value reserve to retained earnings | -                 | -                 | (312,515)          | 312,515           | -                 |
| <b>Balance as at 30 June 2022</b>                      | <b>30,000,000</b> | <b>7,500,000</b>  | <b>1,411,122</b>   | <b>6,967,405</b>  | <b>45,878,527</b> |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|   | Notes | For the six months ended 30 June |                    |
|---|-------|----------------------------------|--------------------|
|   |       | 2023                             | 2022               |
|   |       | JD                               | JD                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |       |                                  |                    |
| Profit for the period before tax -  |       | 1,882,474                        | 1,033,648          |
| <b>Adjustments:</b>   |       |                                  |                    |
| Depreciation and amortization   |       | 171,903                          | 195,689            |
| Provision for expected credit losses  | 10,11 | 200,000                          | 128,800            |
| Gain from change in fair value of financial assets at fair value through profit or loss |       | (88,783)                         | (139,686)          |
| Gain from sale of financial assets at fair value through profit or loss                 |       | -                                | (185,880)          |
| Gain on sale of property and equipment  |       | (48,500)                         | -                  |
| Dividend's income   |       | (251,506)                        | (310,975)          |
| Net change in unearned premiums reserve   |       | 638,792                          | 1,452,643          |
| Net change in outstanding claims reserve  |       | 625,381                          | 109,650            |
| Net change in mathematical reserve  |       | 509,956                          | (28,756)           |
| Net change in premiums deficiency reserve   |       | 22,160                           | 173,090            |
| End-of-service indemnity expense  |       | 35,165                           | -                  |
| Interest income   |       | (455,068)                        | -                  |
| <b>Cash flows from operating activities before change in working capital</b>            |       | <b>3,241,974</b>                 | <b>2,428,223</b>   |
| Notes receivable and checks under collection  |       | (804,453)                        | 520,468            |
| Accounts receivable   |       | (3,653,625)                      | (5,320,896)        |
| Reinsurance receivables   |       | 136,893                          | 1,849,633          |
| Other assets  |       | (378,833)                        | (287,087)          |
| Accounts payable  |       | 157,900                          | 1,295,992          |
| Reinsurance payable   |       | 4,737,723                        | 2,455,051          |
| Other provisions  |       | 14,662                           | 59,433             |
| Other liabilities   |       | 349,575                          | 761,163            |
| <b>Net cash flows from operating activities before income tax paid</b>                  |       | <b>3,801,816</b>                 | <b>3,761,980</b>   |
| Income tax paid   | 12/A  | (490,371)                        | (51,892)           |
| End of service provision paid   |       | (91,855)                         | -                  |
| <b>Net cash flows from operating activities</b>   |       | <b>3,219,590</b>                 | <b>3,710,088</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |       |                                  |                    |
| Bank deposits mature after three months   |       | (86,400)                         | (3,136,179)        |
| Life policyholder's loans   |       | 500                              | -                  |
| Purchase of property and equipment and intangible assets                                |       | (155,665)                        | (71,772)           |
| Purchase of investment properties   |       | (105,241)                        | (35,851)           |
| Proceeds from sale of property and equipment  |       | 48,500                           | -                  |
| Purchase of financial assets at fair value through other comprehensive income           |       | 40,334                           | -                  |
| Proceeds from sale of financial assets at fair value through profit or loss             |       | -                                | 365,458            |
| Proceeds from sale of financial assets at fair value through other comprehensive income |       | -                                | 247,437            |
| Dividends distribution received   |       | 251,506                          | 310,975            |
| Interest received   |       | 374,402                          | -                  |
| <b>Net cash flows from (used in) investing activities</b>                               |       | <b>367,936</b>                   | <b>(2,319,932)</b> |
| <b>Net increase in cash and cash equivalents</b>  |       | <b>3,587,526</b>                 | <b>1,390,156</b>   |
| Cash and cash equivalents at the beginning of the period / year                         |       | 15,863,524                       | 9,940,998          |
| <b>Cash and cash equivalents at the end of the period / year</b>                        | 24    | <b>19,451,050</b>                | <b>11,331,154</b>  |

The attached notes from 1 to 31 form part of these interim condensed financial statements



**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF UNDERWRITING REVENUE FOR THE GENERAL INSURANCE**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|  | Motor            |                  | Marine         |                | Fire and property |                   | Civil responsibility |                | Medical          |                  | Others        |               | Total             |                   |
|--|------------------|------------------|----------------|----------------|-------------------|-------------------|----------------------|----------------|------------------|------------------|---------------|---------------|-------------------|-------------------|
|  | 2023             | 2022             | 2023           | 2022           | 2023              | 2022              | 2023                 | 2022           | 2023             | 2022             | 2023          | 2022          | 2023              | 2022              |
|  | JD               | JD               | JD             | JD             | JD                | JD                | JD                   | JD             | JD               | JD               | JD            | JD            | JD                | JD                |
| <b>Written premiums</b>  |                  |                  |                |                |                   |                   |                      |                |                  |                  |               |               |                   |                   |
| Direct insurance   | 7,438,420        | 7,394,088        | 440,313        | 402,242        | 9,971,052         | 10,364,012        | 524,743              | 325,027        | 5,694,802        | 5,396,664        | 32,027        | 34,846        | 24,101,357        | 23,916,879        |
| Facultative inward reinsurance business                              | 502,385          | 387,378          | 149,443        | 155,721        | 2,183,843         | 1,114,637         | -                    | 37,778         | -                | -                | -             | -             | 2,835,671         | 1,695,514         |
| <b>Gross written premiums</b>  | <b>7,940,805</b> | <b>7,781,466</b> | <b>589,756</b> | <b>557,963</b> | <b>12,154,895</b> | <b>11,478,649</b> | <b>524,743</b>       | <b>362,805</b> | <b>5,694,802</b> | <b>5,396,664</b> | <b>32,027</b> | <b>34,846</b> | <b>26,937,028</b> | <b>25,612,393</b> |
| Less:  |                  |                  |                |                |                   |                   |                      |                |                  |                  |               |               |                   |                   |
| Local reinsurance share  | -                | -                | 98,937         | 98,882         | 2,056,102         | 2,278,001         | -                    | 37,440         | -                | -                | -             | -             | 2,155,039         | 2,414,323         |
| Foreign reinsurance share  | 376,238          | 304,896          | 390,000        | 366,613        | 9,852,732         | 8,948,252         | 502,298              | 302,931        | 2,008,937        | 1,919,422        | 14,773        | 15,618        | 13,144,978        | 11,857,732        |
| <b>Net written premiums</b>  | <b>7,564,567</b> | <b>7,476,570</b> | <b>100,819</b> | <b>92,468</b>  | <b>246,061</b>    | <b>252,396</b>    | <b>22,445</b>        | <b>22,434</b>  | <b>3,685,865</b> | <b>3,477,242</b> | <b>17,254</b> | <b>19,228</b> | <b>11,637,011</b> | <b>11,340,338</b> |
| Add: unearned premiums reserve at the beginning of the period        | 8,361,295        | 6,558,589        | 311,998        | 277,217        | 5,763,083         | 5,516,778         | 275,050              | 413,466        | 3,821,214        | 3,677,017        | 18,987        | 15,612        | 18,551,627        | 16,458,679        |
| Less: reinsurance share at the beginning of the period               | 249,871          | 190,755          | 262,100        | 235,025        | 5,664,415         | 5,427,171         | 271,813              | 410,160        | 1,302,450        | 1,250,395        | 5,536         | 4,321         | 7,756,185         | 7,517,827         |
| <b>Beginning balance of net unearned premiums reserve</b>            | <b>8,111,424</b> | <b>6,367,834</b> | <b>49,898</b>  | <b>42,192</b>  | <b>98,668</b>     | <b>89,607</b>     | <b>3,237</b>         | <b>3,306</b>   | <b>2,518,764</b> | <b>2,426,622</b> | <b>13,451</b> | <b>11,291</b> | <b>10,795,442</b> | <b>8,940,852</b>  |
| Less: balance at the end of the period of unearned premiums reserve  | 8,110,077        | 7,583,438        | 285,994        | 289,557        | 8,613,296         | 9,015,315         | 382,890              | 366,036        | 4,675,856        | 4,471,467        | 26,688        | 26,470        | 22,094,801        | 21,752,283        |
| Less: reinsurance share  | 333,126          | 271,147          | 240,996        | 242,292        | 8,488,919         | 8,891,712         | 369,953              | 352,777        | 1,614,126        | 1,545,905        | 9,990         | 10,062        | 11,057,110        | 11,313,895        |
| <b>Net unearned premiums reserve at the end of the period</b>        | <b>7,776,951</b> | <b>7,312,291</b> | <b>44,998</b>  | <b>47,265</b>  | <b>124,377</b>    | <b>123,603</b>    | <b>12,937</b>        | <b>13,259</b>  | <b>3,061,730</b> | <b>2,925,562</b> | <b>16,698</b> | <b>16,408</b> | <b>11,037,691</b> | <b>10,438,388</b> |
| Add: Beginning balance of premium deficiency reserve                 | 220,000          | -                | -              | -              | -                 | -                 | -                    | -              | -                | -                | -             | -             | 220,000           | -                 |
| Less: balance at the end of the period of premium deficiency reserve | -                | -                | -              | -              | -                 | -                 | -                    | -              | -                | -                | -             | -             | -                 | -                 |
| <b>Net premiums deficiency reserve – end of the year</b>             | <b>220,000</b>   | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>          | <b>-</b>          | <b>-</b>             | <b>-</b>       | <b>-</b>         | <b>-</b>         | <b>-</b>      | <b>-</b>      | <b>220,000</b>    | <b>-</b>          |
| <b>Net earned revenues from written Premiums</b>                     | <b>8,119,040</b> | <b>6,532,113</b> | <b>105,719</b> | <b>87,395</b>  | <b>220,352</b>    | <b>218,400</b>    | <b>12,745</b>        | <b>12,481</b>  | <b>3,142,899</b> | <b>2,978,302</b> | <b>14,007</b> | <b>14,111</b> | <b>11,614,762</b> | <b>9,842,802</b>  |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|  | Motor             |                   | Marine        |                | Fire and property |                | Civil responsibility |               | Medical          |                  | Others         |               | Total             |                   |
|--|-------------------|-------------------|---------------|----------------|-------------------|----------------|----------------------|---------------|------------------|------------------|----------------|---------------|-------------------|-------------------|
|  | 2023              | 2022              | 2023          | 2022           | 2023              | 2022           | 2023                 | 2022          | 2023             | 2022             | 2023           | 2022          | 2023              | 2022              |
|  | JD                | JD                | JD            | JD             | JD                | JD             | JD                   | JD            | JD               | JD               | JD             | JD            | JD                | JD                |
| <b>Paid claims</b>   | 7,675,075         | 6,294,851         | 142,917       | 111,731        | 218,326           | 199,515        | 61,020               | 6,864         | 3,610,858        | 4,263,722        | -              | 53,647        | 11,708,196        | 10,930,330        |
| Less:  |                   |                   |               |                |                   |                |                      |               |                  |                  |                |               |                   |                   |
| Recoveries   | 1,447,377         | 1,394,886         | 17,653        | 603            | 1,664             | 9,196          | 4,400                | 1,150         | -                | -                | 600            | 1,775         | 1,471,694         | 1,407,610         |
| Local reinsurance share  | -                 | -                 | -             | -              | 17,781            | 8,496          | -                    | -             | -                | -                | -              | -             | 17,781            | 8,496             |
| Foreign reinsurance share  | 219,546           | 87,766            | 103,145       | 78,978         | 188,541           | 159,599        | 51,707               | 4,173         | 1,533,169        | 1,829,043        | (420)          | 36,310        | 2,095,688         | 2,195,869         |
| <b>Net paid claims</b>   | <u>6,008,152</u>  | <u>4,812,199</u>  | <u>22,119</u> | <u>32,150</u>  | <u>10,340</u>     | <u>22,224</u>  | <u>4,913</u>         | <u>1,541</u>  | <u>2,077,689</u> | <u>2,434,679</u> | <u>(180)</u>   | <u>15,562</u> | <u>8,123,033</u>  | <u>7,318,355</u>  |
| Add: Outstanding claims reserve at the end of the period             |                   |                   |               |                |                   |                |                      |               |                  |                  |                |               |                   |                   |
| Reported   | 13,115,072        | 12,431,515        | 362,135       | 407,908        | 4,772,072         | 4,121,238      | 420,015              | 455,325       | 415,680          | 583,142          | 170,799        | 176,099       | 19,255,773        | 18,175,227        |
| Unreported   | 2,670,000         | 2,670,000         | 17,000        | 18,000         | 18,000            | 5,000          | 7,000                | 6,000         | 788,462          | 525,368          | 1,000          | -             | 3,501,462         | 3,224,368         |
| Less:  |                   |                   |               |                |                   |                |                      |               |                  |                  |                |               |                   |                   |
| Reinsurance share  | 363,443           | 429,694           | 309,510       | 349,916        | 4,470,877         | 3,831,925      | 384,285              | 433,784       | 491,126          | 471,668          | 133,194        | 137,394       | 6,152,435         | 5,654,381         |
| Recoveries   | <u>2,481,063</u>  | <u>2,823,214</u>  | <u>-</u>      | <u>-</u>       | <u>-</u>          | <u>-</u>       | <u>-</u>             | <u>-</u>      | <u>-</u>         | <u>-</u>         | <u>-</u>       | <u>-</u>      | <u>2,481,063</u>  | <u>2,823,214</u>  |
| <b>Net outstanding claims reserve at the end of the period</b>       | <u>12,940,566</u> | <u>11,848,607</u> | <u>69,625</u> | <u>75,992</u>  | <u>319,195</u>    | <u>294,313</u> | <u>42,730</u>        | <u>27,541</u> | <u>713,016</u>   | <u>636,842</u>   | <u>38,605</u>  | <u>38,705</u> | <u>14,123,737</u> | <u>12,922,000</u> |
| Less: Outstanding claims reserve at the beginning of the period      |                   |                   |               |                |                   |                |                      |               |                  |                  |                |               |                   |                   |
| Reported   | 12,929,577        | 11,513,119        | 398,137       | 584,403        | 4,042,435         | 3,676,743      | 487,600              | 413,300       | 505,451          | 794,562          | 180,099        | 230,599       | 18,543,299        | 17,212,726        |
| Unreported   | 2,670,000         | 2,670,000         | 17,000        | 18,000         | 18,000            | 5,000          | 7,000                | 6,000         | 576,060          | 606,508          | 1,000          | -             | 3,289,060         | 3,305,508         |
| Less: Reinsurance share  | 413,088           | 364,348           | 340,997       | 492,653        | 3,852,148         | 3,468,415      | 458,823              | 399,689       | 467,369          | 595,655          | 140,194        | 175,544       | 5,672,619         | 5,496,304         |
| Recoveries   | <u>2,545,198</u>  | <u>2,686,436</u>  | <u>-</u>      | <u>-</u>       | <u>-</u>          | <u>-</u>       | <u>-</u>             | <u>-</u>      | <u>-</u>         | <u>-</u>         | <u>-</u>       | <u>-</u>      | <u>2,545,198</u>  | <u>2,686,436</u>  |
| <b>Net outstanding claims reserve at the beginning of the period</b> | <u>12,641,291</u> | <u>11,132,335</u> | <u>74,140</u> | <u>109,750</u> | <u>208,287</u>    | <u>213,328</u> | <u>35,777</u>        | <u>19,611</u> | <u>614,142</u>   | <u>805,415</u>   | <u>40,905</u>  | <u>55,055</u> | <u>13,614,542</u> | <u>12,335,494</u> |
| <b>Net claims cost</b>   | <u>6,307,427</u>  | <u>5,528,471</u>  | <u>17,604</u> | <u>(1,608)</u> | <u>121,248</u>    | <u>103,209</u> | <u>11,866</u>        | <u>9,471</u>  | <u>2,176,563</u> | <u>2,266,106</u> | <u>(2,480)</u> | <u>(788)</u>  | <u>8,632,228</u>  | <u>7,904,861</u>  |

**The attached notes from 1 to 31 form part of these interim condensed financial statements**

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF UNDERWRITING PROFIT FOR THE GENERAL INSURANCE**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|  | Motor            |                  | Marine         |                | Fire and property |                  | Civil responsibility |               | Medical          |                | Others        |               | Total            |                  |
|--|------------------|------------------|----------------|----------------|-------------------|------------------|----------------------|---------------|------------------|----------------|---------------|---------------|------------------|------------------|
|  | 2023             | 2022             | 2023           | 2022           | 2023              | 2022             | 2023                 | 2022          | 2023             | 2022           | 2023          | 2022          | 2023             | 2022             |
|  | JD               | JD               | JD             | JD             | JD                | JD               | JD                   | JD            | JD               | JD             | JD            | JD            | JD               | JD               |
| <b>Net earned revenues from written premiums</b> | 8,119,040        | 6,532,113        | 105,719        | 87,395         | 220,352           | 218,400          | 12,745               | 12,481        | 3,142,899        | 2,978,302      | 14,007        | 14,111        | 11,614,762       | 9,842,802        |
| <b>Less: Net claims cost</b>                     | 6,307,427        | 5,528,471        | 17,604         | (1,608)        | 121,248           | 103,209          | 11,866               | 9,471         | 2,176,563        | 2,266,106      | (2,480)       | (788)         | 8,632,228        | 7,904,861        |
|  | 1,811,613        | 1,003,642        | 88,115         | 89,003         | 99,104            | 115,191          | 879                  | 3,010         | 966,336          | 712,196        | 16,487        | 14,899        | 2,982,534        | 1,937,941        |
| Add:   |                  |                  |                |                |                   |                  |                      |               |                  |                |               |               |                  |                  |
| Commissions received                             | 94,060           | 76,193           | 121,950        | 122,955        | 866,487           | 1,282,487        | 64,603               | 58,958        | -                | -              | 5,540         | 5,857         | 1,152,640        | 1,546,450        |
| Insurance policies issuance fees                 | 417,528          | 353,691          | 7,293          | 6,591          | 98,865            | 112,225          | 7,377                | 4,895         | 164,199          | 152,462        | 756           | 680           | 696,018          | 630,544          |
| Other revenues                                   | 15,078           | 18,966           | 54,856         | 50,246         | -                 | -                | -                    | -             | -                | 1,123          | -             | -             | 69,934           | 70,335           |
| <b>Total revenues</b>                            | <u>2,338,279</u> | <u>1,452,492</u> | <u>272,214</u> | <u>268,795</u> | <u>1,064,456</u>  | <u>1,509,903</u> | <u>72,859</u>        | <u>66,863</u> | <u>1,130,535</u> | <u>865,781</u> | <u>22,783</u> | <u>21,436</u> | <u>4,901,126</u> | <u>4,185,270</u> |
| Less:  |                  |                  |                |                |                   |                  |                      |               |                  |                |               |               |                  |                  |
| Commissions paid                                 | 251,329          | 254,181          | 22,441         | 18,443         | 124,521           | 78,432           | 5,946                | 2,166         | 98,366           | 84,377         | 1,481         | 2,108         | 504,084          | 439,707          |
| Excess of loss premiums                          | 148,509          | 93,037           | 21,172         | 18,527         | 129,001           | 130,617          | -                    | -             | -                | -              | -             | -             | 298,682          | 242,181          |
| Allocated general and administrative expenses    | 445,502          | 515,810          | 33,089         | 36,985         | 681,925           | 760,548          | 29,439               | 24,049        | 319,493          | 357,744        | 1,797         | 2,310         | 1,511,245        | 1,697,446        |
| Other expenses                                   | 258,206          | 226,957          | 2,014          | 2,196          | 51,757            | 52,013           | -                    | -             | 337,322          | 348,910        | -             | -             | 649,299          | 630,076          |
| <b>Total expenses</b>                            | <u>1,103,546</u> | <u>1,089,985</u> | <u>78,716</u>  | <u>76,151</u>  | <u>987,204</u>    | <u>1,021,610</u> | <u>35,385</u>        | <u>26,215</u> | <u>755,181</u>   | <u>791,031</u> | <u>3,278</u>  | <u>4,418</u>  | <u>2,963,310</u> | <u>3,009,410</u> |
| <b>Underwriting profit</b>                       | <u>1,234,733</u> | <u>362,507</u>   | <u>193,498</u> | <u>192,644</u> | <u>77,252</u>     | <u>488,293</u>   | <u>37,474</u>        | <u>40,648</u> | <u>375,354</u>   | <u>74,750</u>  | <u>19,505</u> | <u>17,018</u> | <u>1,937,816</u> | <u>1,175,860</u> |

**The attached notes from 1 to 31 form part of these interim condensed financial statements**

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF UNDERWRITING REVENUE FOR THE GENERAL INSURANCE FOR BRANCHES OUTSIDE JORDAN**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|   | Motor            |                  | Marine         |                | Fire and property |                | Civil responsibility |               | Medical        |                | Others        |               | Total            |                  |
|---|------------------|------------------|----------------|----------------|-------------------|----------------|----------------------|---------------|----------------|----------------|---------------|---------------|------------------|------------------|
|   | 2023             | 2022             | 2023           | 2022           | 2023              | 2022           | 2023                 | 2022          | 2023           | 2022           | 2023          | 2022          | 2023             | 2022             |
|   | JD               | JD               | JD             | JD             | JD                | JD             | JD                   | JD            | JD             | JD             | JD            | JD            | JD               | JD               |
| <b>Written premiums</b>   |                  |                  |                |                |                   |                |                      |               |                |                |               |               |                  |                  |
| Direct insurance  | 2,576,777        | 1,909,827        | 105,352        | 105,749        | 303,994           | 267,069        | 40,327               | 36,550        | 650,737        | 672,641        | 58,639        | 50,979        | 3,735,826        | 3,042,815        |
| Facultative inward reinsurance business                         | -                | -                | -              | -              | 20,999            | 10,917         | -                    | -             | -              | -              | -             | -             | 20,999           | 10,917           |
| <b>Gross written premiums</b>                                   | <b>2,576,777</b> | <b>1,909,827</b> | <b>105,352</b> | <b>105,749</b> | <b>324,993</b>    | <b>277,986</b> | <b>40,327</b>        | <b>36,550</b> | <b>650,737</b> | <b>672,641</b> | <b>58,639</b> | <b>50,979</b> | <b>3,756,825</b> | <b>3,053,732</b> |
| Less:   |                  |                  |                |                |                   |                |                      |               |                |                |               |               |                  |                  |
| Local reinsurance share   | -                | -                | -              | -              | 13,798            | -              | -                    | -             | 504            | 464            | -             | -             | 14,302           | 464              |
| Foreign reinsurance share                                       | 94,054           | 82,428           | 75,220         | 73,440         | 250,950           | 219,729        | 35,995               | 32,668        | 360,923        | 361,959        | 7,536         | 7,537         | 824,678          | 777,761          |
| <b>Net written premiums</b>                                     | <b>2,482,723</b> | <b>1,827,399</b> | <b>30,132</b>  | <b>32,309</b>  | <b>60,245</b>     | <b>58,257</b>  | <b>4,332</b>         | <b>3,882</b>  | <b>289,310</b> | <b>310,218</b> | <b>51,103</b> | <b>43,442</b> | <b>2,917,845</b> | <b>2,275,507</b> |
| <br>  |                  |                  |                |                |                   |                |                      |               |                |                |               |               |                  |                  |
| Add: Unearned premiums reserve at the beginning of the period   | 2,288,652        | 2,120,996        | 60,167         | 89,688         | 248,013           | 279,250        | 56,966               | 49,688        | 685,118        | 607,661        | 45,965        | 46,198        | 3,384,881        | 3,193,481        |
| Less: Reinsurance shares at the beginning of the period         | 89,135           | 70,607           | 45,523         | 68,641         | 218,601           | 245,158        | 51,951               | 43,972        | 376,472        | 337,120        | 3,084         | 2,978         | 784,766          | 768,476          |
| <b>Beginning balance of net unearned premiums reserve</b>       | <b>2,199,517</b> | <b>2,050,389</b> | <b>14,644</b>  | <b>21,047</b>  | <b>29,412</b>     | <b>34,092</b>  | <b>5,015</b>         | <b>5,716</b>  | <b>308,646</b> | <b>270,541</b> | <b>42,881</b> | <b>43,220</b> | <b>2,600,115</b> | <b>2,425,005</b> |
| <br>  |                  |                  |                |                |                   |                |                      |               |                |                |               |               |                  |                  |
| Add: unearned premiums reserve balance at the end of the period | 2,721,406        | 2,042,404        | 52,346         | 47,103         | 264,485           | 249,742        | 51,586               | 44,687        | 636,591        | 627,477        | 53,791        | 47,109        | 3,780,205        | 3,058,522        |
| Less: Reinsurance shares  | 101,147          | 39,031           | 37,494         | 33,063         | 236,597           | 219,975        | 47,169               | 40,292        | 355,999        | 340,658        | 5,141         | 5,391         | 783,547          | 678,410          |
| <b>Net unearned premiums reserve at the end of the period</b>   | <b>2,620,259</b> | <b>2,003,373</b> | <b>14,852</b>  | <b>14,040</b>  | <b>27,888</b>     | <b>29,767</b>  | <b>4,417</b>         | <b>4,395</b>  | <b>280,592</b> | <b>286,819</b> | <b>48,650</b> | <b>41,718</b> | <b>2,996,658</b> | <b>2,380,112</b> |
| <br>  |                  |                  |                |                |                   |                |                      |               |                |                |               |               |                  |                  |
| Add: beginning balance of premiums deficiency reserve           | 47,000           | -                | 850            | 19,200         | 20,940            | 35,850         | -                    | -             | 8,600          | 28,127         | -             | -             | 77,390           | 83,177           |
| Less: ending balance of premiums deficiency reserve             | 287,000          | 187,829          | 2,550          | 4,122          | 19,000            | 37,581         | -                    | -             | 11,000         | 26,736         | -             | -             | 319,550          | 256,268          |
| <b>Net premiums deficiency reserve</b>                          | <b>(240,000)</b> | <b>(187,829)</b> | <b>(1,700)</b> | <b>15,078</b>  | <b>1,940</b>      | <b>(1,731)</b> | <b>-</b>             | <b>-</b>      | <b>(2,400)</b> | <b>1,391</b>   | <b>-</b>      | <b>-</b>      | <b>(242,160)</b> | <b>(173,091)</b> |
| <b>Net revenues from written premiums</b>                       | <b>1,821,981</b> | <b>1,686,586</b> | <b>28,224</b>  | <b>54,394</b>  | <b>63,709</b>     | <b>60,851</b>  | <b>4,930</b>         | <b>5,203</b>  | <b>314,964</b> | <b>295,331</b> | <b>45,334</b> | <b>44,944</b> | <b>2,279,142</b> | <b>2,147,309</b> |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE FOR BRANCHES OUTSIDE JORDAN**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|  | Motor            |                  | Marine         |                | Fire and property |                 | Civil responsibility |          | Medical        |                | Others         |                 | Total            |                  |
|--|------------------|------------------|----------------|----------------|-------------------|-----------------|----------------------|----------|----------------|----------------|----------------|-----------------|------------------|------------------|
|  | 2023             | 2022             | 2023           | 2022           | 2023              | 2022            | 2023                 | 2022     | 2023           | 2022           | 2023           | 2022            | 2023             | 2022             |
|  | JD               | JD               | JD             | JD             | JD                | JD              | JD                   | JD       | JD             | JD             | JD             | JD              | JD               | JD               |
| <b>Paid claims</b>   | 2,129,809        | 4,579,990        | 89,872         | 83,663         | 3,272             | 7,385           | -                    | -        | 610,977        | 394,319        | 16,667         | 1,004           | 2,850,597        | 5,066,361        |
| Less:  |                  |                  |                |                |                   |                 |                      |          |                |                |                |                 |                  |                  |
| Recoveries   | 601,990          | 518,537          | -              | -              | -                 | -               | -                    | -        | -              | -              | -              | -               | 601,990          | 518,537          |
| Local reinsurance share  | -                | -                | -              | -              | -                 | -               | -                    | -        | -              | -              | -              | -               | -                | -                |
| Foreign reinsurance share  | 15,143           | 2,887,872        | 69,029         | 51,970         | 3,078             | 3,253           | -                    | -        | 427,214        | 278,659        | -              | -               | 514,464          | 3,221,754        |
| <b>Net paid claims</b>   | <u>1,512,676</u> | <u>1,173,581</u> | <u>20,843</u>  | <u>31,693</u>  | <u>194</u>        | <u>4,132</u>    | <u>-</u>             | <u>-</u> | <u>183,763</u> | <u>115,660</u> | <u>16,667</u>  | <u>1,004</u>    | <u>1,734,143</u> | <u>1,326,070</u> |
| <br>Add: Outstanding claims reserve at the end of the period         |                  |                  |                |                |                   |                 |                      |          |                |                |                |                 |                  |                  |
| Reported   | 1,771,639        | 1,892,813        | 704,824        | 701,488        | 46,498            | 22,229          | -                    | -        | 146,040        | 77,156         | 93,113         | 75,013          | 2,762,114        | 2,768,699        |
| Unreported   | 509,000          | 342,204          | 21,000         | 39,587         | 62,000            | 76,568          | -                    | -        | 98,000         | 69,344         | 14,000         | 18,271          | 704,000          | 545,974          |
| Less:  |                  |                  |                |                |                   |                 |                      |          |                |                |                |                 |                  |                  |
| Reinsurance share  | 75,562           | 99,670           | 617,722        | 639,560        | 96,065            | 93,846          | -                    | -        | 167,145        | 101,707        | -              | -               | 956,494          | 934,783          |
| Recoveries   | 1,081,358        | 815,532          | -              | -              | -                 | -               | -                    | -        | -              | -              | -              | -               | 1,081,358        | 815,532          |
| <b>Net outstanding claims reserve at the end of the period</b>       | <u>1,123,719</u> | <u>1,319,815</u> | <u>108,102</u> | <u>101,515</u> | <u>12,433</u>     | <u>4,951</u>    | <u>-</u>             | <u>-</u> | <u>76,895</u>  | <u>44,793</u>  | <u>107,113</u> | <u>93,284</u>   | <u>1,428,262</u> | <u>1,564,358</u> |
| <br>Outstanding claims reserve at the beginning of the period        |                  |                  |                |                |                   |                 |                      |          |                |                |                |                 |                  |                  |
| Reported   | 1,765,543        | 3,959,863        | 696,650        | 610,435        | 44,461            | 83,161          | -                    | -        | 63,564         | 64,128         | 84,290         | 123,564         | 2,654,508        | 4,841,151        |
| Unreported   | 434,000          | 461,850          | 21,607         | 45,090         | 60,208            | 81,955          | -                    | -        | 101,729        | 88,267         | 14,835         | 19,990          | 632,379          | 697,152          |
| Less: Reinsurance share  | 81,715           | 1,996,752        | 619,640        | 576,568        | 98,767            | 142,019         | -                    | -        | 115,026        | 104,620        | -              | -               | 915,148          | 2,819,959        |
| Recoveries   | 927,194          | 689,373          | -              | -              | -                 | -               | -                    | -        | -              | -              | -              | -               | 927,194          | 689,373          |
| <b>Net outstanding claims reserve at the beginning of the period</b> | <u>1,190,634</u> | <u>1,735,588</u> | <u>98,617</u>  | <u>78,957</u>  | <u>5,902</u>      | <u>23,097</u>   | <u>-</u>             | <u>-</u> | <u>50,267</u>  | <u>47,775</u>  | <u>99,125</u>  | <u>143,554</u>  | <u>1,444,545</u> | <u>2,028,971</u> |
| <b>Net claims cost</b>   | <u>1,445,761</u> | <u>757,808</u>   | <u>30,328</u>  | <u>54,251</u>  | <u>6,725</u>      | <u>(14,014)</u> | <u>-</u>             | <u>-</u> | <u>210,391</u> | <u>112,678</u> | <u>24,655</u>  | <u>(49,266)</u> | <u>1,717,860</u> | <u>861,457</u>   |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF UNDERWRITING LOSSES FOR THE GENERAL INSURANCE FOR BRANCHES OUTSIDE JORDAN**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

|  | Motor            |                | Marine          |                 | Fire and property |                | Civil responsibility |               | Medical          |                  | Others        |               | Total            |                  |
|--|------------------|----------------|-----------------|-----------------|-------------------|----------------|----------------------|---------------|------------------|------------------|---------------|---------------|------------------|------------------|
|  | 2023             | 2022           | 2023            | 2022            | 2023              | 2022           | 2023                 | 2022          | 2023             | 2022             | 2023          | 2022          | 2023             | 2022             |
|  | JD               | JD             | JD              | JD              | JD                | JD             | JD                   | JD            | JD               | JD               | JD            | JD            | JD               | JD               |
| <b>Net earned revenues from written premiums</b> | 1,821,981        | 1,686,586      | 28,224          | 54,394          | 63,709            | 60,851         | 4,930                | 5,203         | 314,964          | 295,331          | 45,334        | 44,944        | 2,279,142        | 2,147,309        |
| <b>Less: Net claims cost</b>                     | 1,445,761        | 757,808        | 30,328          | 54,251          | 6,725             | (14,014)       | -                    | -             | 210,391          | 112,678          | 24,655        | (49,266)      | 1,717,860        | 861,457          |
|  | <u>376,220</u>   | <u>928,778</u> | <u>(2,104)</u>  | <u>143</u>      | <u>56,984</u>     | <u>74,865</u>  | <u>4,930</u>         | <u>5,203</u>  | <u>104,573</u>   | <u>182,653</u>   | <u>20,679</u> | <u>94,210</u> | <u>561,282</u>   | <u>1,285,852</u> |
| <b>Add:</b>                                      |                  |                |                 |                 |                   |                |                      |               |                  |                  |               |               |                  |                  |
| Commissions received                             | 23,514           | 20,607         | 29,532          | 28,664          | 78,055            | 63,980         | 10,080               | 9,615         | -                | -                | 2,825         | 2,826         | 144,006          | 125,692          |
| Insurance policies issuance fees                 | 532              | 514            | 554             | 663             | 958               | 845            | 87                   | 43            | 624              | 26               | 82            | 82            | 2,837            | 2,173            |
| Other revenues related to underwriting accounts  | 11,416           | 10,284         | -               | -               | -                 | -              | -                    | -             | 280              | -                | -             | -             | 11,696           | 10,284           |
| <b>Total revenues</b>                            | <u>411,682</u>   | <u>960,183</u> | <u>27,982</u>   | <u>29,470</u>   | <u>135,997</u>    | <u>139,690</u> | <u>15,097</u>        | <u>14,861</u> | <u>105,477</u>   | <u>182,679</u>   | <u>23,586</u> | <u>97,118</u> | <u>719,821</u>   | <u>1,424,001</u> |
| <b>Less:</b>                                     |                  |                |                 |                 |                   |                |                      |               |                  |                  |               |               |                  |                  |
| Commissions paid                                 | 342,567          | 236,246        | 9,478           | 9,291           | 29,857            | 22,292         | 4,001                | 3,736         | 26,768           | 94,436           | 6,636         | 5,262         | 419,307          | 371,263          |
| Excess of loss premiums                          | 48,741           | 22,740         | 6,328           | 6,473           | 32,549            | 30,783         | -                    | -             | -                | -                | -             | -             | 87,618           | 59,996           |
| Allocated general and administrative expenses    | 719,119          | 615,935        | 27,336          | 31,053          | 75,232            | 77,468         | 9,219                | 8,234         | 170,068          | 183,989          | 13,984        | 12,584        | 1,014,958        | 929,263          |
| Other expenses                                   | 24,641           | 32,681         | -               | -               | 2,544             | 115            | -                    | -             | 56,690           | 48,181           | -             | -             | 83,875           | 80,977           |
| <b>Total expenses</b>                            | <u>1,135,068</u> | <u>907,602</u> | <u>43,142</u>   | <u>46,817</u>   | <u>140,182</u>    | <u>130,658</u> | <u>13,220</u>        | <u>11,970</u> | <u>253,526</u>   | <u>326,606</u>   | <u>20,620</u> | <u>17,846</u> | <u>1,605,758</u> | <u>1,441,499</u> |
| <b>Underwriting (losses) profit</b>              | <u>(723,386)</u> | <u>52,581</u>  | <u>(15,160)</u> | <u>(17,347)</u> | <u>(4,185)</u>    | <u>9,032</u>   | <u>1,877</u>         | <u>2,891</u>  | <u>(148,049)</u> | <u>(143,927)</u> | <u>2,966</u>  | <u>79,272</u> | <u>(885,937)</u> | <u>(17,498)</u>  |

**The attached notes from 1 to 31 form part of these interim condensed financial statements**

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF UNDER WRITING REVENUES FOR THE LIFE INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

|  | For the six months ended 30 June |            |
|--|----------------------------------|------------|
|  | 2023                             | 2022       |
|  | JD                               | JD         |
| <b>Written premiums</b>  |                                  |            |
| Direct insurance   | 15,875,168                       | 13,822,574 |
| Facultative inward reinsurance business                        | -                                | -          |
| <b>Total premiums</b>  | 15,875,168                       | 13,822,574 |
| Less: local reinsurance shares                                 | 139,731                          | 90,129     |
| Less: foreign reinsurance shares                               | 10,011,593                       | 8,851,455  |
| <b>Net Written premiums</b>                                    | 5,723,844                        | 4,880,990  |
| <br>Add: mathematical reserve at the beginning of the period   | 2,897,069                        | 2,098,997  |
| Less: reinsurance share  | 1,297,436                        | 681,078    |
| <b>Net mathematical reserve at the beginning of the period</b> | 1,599,633                        | 1,417,919  |
| <br>Mathematical reserve at the end of the period              | 3,393,566                        | 2,009,849  |
| Less: reinsurance share  | 1,283,977                        | 620,686    |
| <b>Net mathematical reserve at the end of the period</b>       | 2,109,589                        | 1,389,163  |
| <br><b>Net earned revenues from the written premiums</b>       | 5,213,888                        | 4,909,746  |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

|  | For the six months ended 30 June |                         |
|--|----------------------------------|-------------------------|
|  | 2023                             | 2022                    |
|  | JD                               | JD                      |
| <b>Paid claims</b>   | 9,635,505                        | 11,341,636              |
| Maturity and surrender of policies                                   | 31,961                           | 44,952                  |
| Less: local reinsurance share  | 86,698                           | 48,089                  |
| Less: Foreign reinsurance share                                      | 7,035,697                        | 8,454,566               |
| <b>Net paid claims</b>   | <u>2,545,071</u>                 | <u>2,883,933</u>        |
| <br>Outstanding claims reserve at the end of the period              | 8,192,567                        | 7,287,160               |
| Less: reinsurance share  | 6,668,558                        | 6,041,232               |
| <b>Net outstanding claims reserve at the end of the period</b>       | <u>1,524,009</u>                 | <u>1,245,928</u>        |
| <br>Less: outstanding claims reserve at the beginning of the period  | 7,480,425                        | 7,376,480               |
| Less: reinsurance share  | 6,088,885                        | 6,118,308               |
| <b>Net outstanding claims reserve at the beginning of the period</b> | <u>1,391,540</u>                 | <u>1,258,172</u>        |
| <b>Net claims cost</b>   | <u><u>2,677,540</u></u>          | <u><u>2,871,689</u></u> |

The attached notes from 1 to 31 form part of these interim condensed financial statements



**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF UNDERWRITING PROFITS FOR THE LIFE INSURANCE**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

|  | For the six months ended 30 June |                  |
|--|----------------------------------|------------------|
|  | 2023                             | 2022             |
|  | JD                               | JD               |
| Net earned revenues from written premiums                                  | 5,213,888                        | 4,909,746        |
| Less: Net claims cost  | 2,677,540                        | 2,871,689        |
|  | 2,536,348                        | 2,038,057        |
| Add: commission received   | 15,932                           | 45,204           |
| Insurance policies issuance fees   | 168,841                          | 233,737          |
| Investment income related to underwriting accounts                         | 200,000                          | 100,000          |
| Other revenues   | 84,840                           | 8,545            |
| <b>Total revenues</b>  | <b>3,005,961</b>                 | <b>2,425,543</b> |
| Less: commissions paid   | 676,231                          | 661,904          |
| Less: general and administrative expenses related to underwriting accounts | 890,712                          | 916,139          |
| Other expenses   | 144,033                          | 138,793          |
| <b>Total expenses</b>  | <b>1,710,976</b>                 | <b>1,716,836</b> |
| <b>Underwriting profits</b>  | <b>1,294,985</b>                 | <b>708,707</b>   |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION FOR THE LIFE INSURANCE**  
**AS AT 30 JUNE 2023**

|   | 30 June<br>2023   | 31 December<br>2022 |
|---|-------------------|---------------------|
|   | JD                | JD                  |
|   | (Unaudited)       | (Audited)           |
| <b><u>Assets</u></b>                                  |                   |                     |
| Bank deposits   | 1,390,194         | 1,680,475           |
| Financial assets at fair value through profit or loss | 2,241,526         | 707,279             |
| Life policyholder's loans                             | 26,239            | 26,739              |
| <b>Total investments</b>                              | <b>3,657,959</b>  | <b>2,414,493</b>    |
| Cash on hand and at banks                             | 1,374,822         | 3,211,538           |
| Checks under collection                               | 1,378,774         | 802,141             |
| Accounts receivable                                   | 11,658,044        | 11,207,378          |
| Reinsurance receivables                               | 624,135           | 798,021             |
| Property and equipment                                | 21,893            | 22,697              |
| Other assets  | 573,626           | 493,139             |
| <b>Total Assets</b>                                   | <b>19,289,253</b> | <b>18,949,407</b>   |
| <b><u>Liabilities and head office account</u></b>     |                   |                     |
| <b><u>Liabilities</u></b>                             |                   |                     |
| Accounts payable                                      | 1,265,177         | 1,326,644           |
| Reinsurance payable                                   | 4,313,055         | 2,515,929           |
| Other liabilities                                     | 55,256            | 54,842              |
| <b><u>Technical reserves</u></b>                      |                   |                     |
| Outstanding claims reserve, net                       | 2,220,530         | 1,391,540           |
| Mathematical reserve, net                             | 2,109,589         | 1,599,633           |
| Other technical reserves                              | 152,933           | 152,933             |
| <b>Total technical reserves</b>                       | <b>4,483,052</b>  | <b>3,144,106</b>    |
| <b>Total liabilities</b>                              | <b>10,116,540</b> | <b>7,041,521</b>    |
| <b><u>Head office account</u></b>                     |                   |                     |
| Head Office's current account                         | 7,877,728         | 10,716,717          |
| Profit for the period / year                          | 1,294,985         | 1,191,169           |
| <b>Total head office account</b>                      | <b>9,172,713</b>  | <b>11,907,886</b>   |
| <b>Total liabilities and head office account</b>      | <b>19,289,253</b> | <b>18,949,407</b>   |

The attached notes from 1 to 31 form part of these interim condensed financial statements

**(1) GENERAL**

Jordan Insurance Company was established in 1951 and registered as a Jordanian public shareholding limited company under Number (11) with an authorized capital of JD 100 thousand. On 12 July, the Company's capital was increased to JD 1.1 million. On 1 May 1988, the General Insurance Society for Near East Company (Al – Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after evaluating both companies' assets. Consequently, the Company's capital was increased to JD 5 million, divided into 5 million shares of JD 1 each. Furthermore, the Company's capital was increased in stages, the last of which was during the year 2006. Accordingly the Company's authorized and paid-up capital was increased by JD 10 million to become JD 30 million, divided into 30 million shares of JD 1 per share. The Company's address is Amman - Prince Mohammed Street – P.O. Box 279 Amman - 11118, Jordan.

The Company conducts all types of insurance activities inside the Hashemite Kingdom of Jordan and has branches in Abu Dhabi, Sharjah, and Dubai. It also markets insurance policies in Kuwait through an agency.

The interim condensed financial statements were approved for issuance by the board of directors in its meeting held on 27 July 2023.

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the six months ended 30 June 2023 were prepared in accordance with the instructions of the Insurance Management Department of the Central Bank of Jordan in their letter No. 17/1/12675 dated 20 July 2023 and in accordance with the accounting policies followed by the Company set out below, as the Company did not adopt IFRS (17) effective as of 1 January 2023, and continued to prepare its financial statements in accordance with IFRS (4) as instructed by the regulatory authorities referred to above.

The Jordanian Dinar is the functional and reporting currency of the interim condensed financial statements.

The interim condensed financial statements have been prepared on historical cost convention, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss that have been measured at fair value at the date of the interim condensed financial statement.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements and should be read in conjunction with the Group annual report as of 31 December 2022. In addition, results for the six - months period ended 30 June 2023 are not necessarily indicative to the results that may be expected for the financial year ending 31 December 2023.

## **(2-1) CHANGES IN ACCOUNTING POLICIES**

### **Segmental Information**

The business segment represents a set of assets and operations that jointly provide products or services subject to risks and returns different from those of other business segments which were measured according to the reports used by the Company's Chief Executive Officer and the decision maker.

The geographic segment relates to providing products or services in a defined economic environment subject to risks and returns different from those operating in other economic environments.

### **Financial Assets at Fair Value through Other Comprehensive Income**

These financial assets represents the investments in equity instruments held for the long term, These financial assets are recognized at fair value plus transaction costs at purchase date and are subsequently measured at fair value, The change in fair value is reflected in the statement of comprehensive income and within equity, including the change in fair value resulting from differences in the conversion of items of non-cash assets in foreign currencies, and in the event of the sale of these assets or part thereof, the resulting gains or losses are recorded in the statement of comprehensive income and within equity, and the balance of the reserve for the valuation of sold assets is transferred directly to rounded profits and losses and not through the income statement.

No financial assets may be reclassified from/to this item except in the cases specified in IFRS.

These assets are not subject to impairment loss testing.

Dividends distributed are recorded in the income statement.

### **Date of recognition of financial assets**

The purchase and sale of financial assets is recognized at the date of trading (the date of the company's obligation to sell or purchase financial assets).

### **Fair Value**

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements in active markets. In case declared market prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium / discount using the effective interest rate method within interest revenue / expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured. they are stated at cost less any impairment.

### **Investment properties**

Investment Properties are measured by cost, which includes the costs of completing the purchase process.

Investment Properties are depreciated based on their productive life using the productive straight-line method ranging from 2% to 12%. The lands are not depreciated.

The book value of investment properties is reviewed for impairment, when events or changes in circumstances indicate that the book value cannot be recovered. When such indicators exist and when the book value exceeds the recoverable value, the value of these investments is reduced to their recoverable value, and the impairment provision is recorded in the income statement.

### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and balances at banks and balances with banks and financial institutions maturing within three months less balances due to banks and restricted funds.

### **Trade receivables**

Trade receivables are stated at original invoice amount less any provision for expected credit loss. The company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a provision based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### **Reinsurance receivables**

Reinsurance quotas shall be calculated from insurance premiums, compensation paid, technical provisions and all rights and obligations arising from reinsurance based on contracts concluded between the company and reinsurers and in accordance with the accrual basis.

## **Reinsurance**

Within the company's normal activity, it carries out incoming and outgoing reinsurance operations with other insurance and reinsurance companies and is exposed to certain levels of risks in many areas with insurance and reinsurance companies. Reinsurance operations include quota, loss excess agreements, optional reinsurance and other forms of reinsurance in a way that basically covers all types of insurance. Reinsurance contracts do not exempt the company from its obligations to policyholders, as the failure of reinsurers to fulfill their obligations may lead to losses for the company, and therefore provisions are made for uncollectible amounts. The amounts recoverable from the reinsurer are estimated in a manner commensurate with the company's commitment to each claim.

### **The impairment of reinsurance assets**

If there is any indication of a decrease in the value of the reinsurance assets of the company that owns the reinsured contracts, then the company must reduce the current value of those contracts and record the impairment loss in the income statement. An understatement is recognized only in the following cases:

- 1- The presence of objective evidence as a result of an event that occurred after the registration of the reinsurance assets confirms the inability of the company to collect all the amounts due under the terms of the contracts.
- 2- This event has an impact that can be measured clearly and reliably on the amounts that the company will collect from the reinsurer.

### **Costs of purchasing insurance policies**

Acquisition costs represent the costs incurred by the company for selling, underwriting or starting new insurance contracts. Acquisition costs are recorded in the income statement.

## **Property and Equipment**

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in its value. Moreover, Property and Equipment (except for land) are depreciated according to the straight-line method over the estimated useful lives when ready for use of these assets using the following annual rates.

|                                  | <u>%</u> |
|----------------------------------|----------|
| Buildings                        | 2        |
| Equipment furniture and fixtures | 7-25     |
| Vehicles                         | 15       |

Depreciation is recognized for property and equipment when they are ready for use for their intended use. Property and equipment under construction for the Company's use are stated at cost after deducting any impairment losses.

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 income statement. The useful life of 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 deletion of any property and equipment, which represent the difference between the amount received from the sale and the book value of the asset, are shown in the income statement. Property and equipment are derecognised upon disposal or when no future benefits are expected from their use or disposal.

### **Intangible assets**

Intangible assets are to be classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful economic lives are amortized over their useful lives and recorded as an expense in the consolidated statement of income. Intangible assets with indefinite lives are reviewed for impairment as of the consolidated financial statements date. and impairment loss is recorded in the consolidated statement of income.

Any indications of impairment of intangible assets are reviewed at the date of the financial statements. The chronological life estimate for those assets is also reviewed and any adjustments are made to subsequent periods.

Intangible assets include computer systems and programs, and the company's management estimates the life span of each item, as these assets are amortized using the straight-line method.

### **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Pledged financial assets**

They are those financial assets that are mortgaged in favor of other parties with the right of the other party to dispose of them (sale or re-mortgaging). These assets continue to be evaluated according to the accounting policies used to evaluate each according to its original classification.

## **Provisions**

Provisions are recognized when the company has an obligation on the date of the financial statement arising from a past event and the costs to settle the obligation is probable and can be reliably measured.

The amounts recognized as provisions are the best estimate of the amounts required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When the amount of a provision is determined on the basis of the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

### **A. Technical provisions**

Technical provisions are monitored and kept in accordance with the instructions of the Insurance Department, as follows:

- 1- The provision for unearned premiums for general insurance business is calculated on the basis of the number of days remaining for the expiration of the insurance policy period, given that the number of days in a year is (365) days, with the exception of marine and transport insurance licenses. Where it is calculated on the basis of the written premiums for the documents in force on the date of the financial statements submitted in accordance with the provisions of the law and the regulations and instructions issued pursuant thereto.
- 2- The provision for (notified) claims under settlement is calculated by determining the value of the expected total costs for each claim separately.
- 3- The provision for unreported claims is calculated based on the company's experience and estimates.
- 4- The provision for unearned premiums for life insurance business is calculated based on the company's experience and estimates.
- 5- The computational allowance for life insurance policies is calculated in accordance with the provisions of the instructions and decisions issued by the Insurance Department in this regard.

### **B. Provision for expected credit losses**

The company applied the simplified method for recording expected credit losses on all debt instruments and calculated expected credit losses over the entire life of the debt instruments. The company has prepared a study based on the historical experience of credit loss, taking into account the future factors specific to the debtors and the economic environment.

### **C. Provision for end of service compensation**

The provision for end of service compensation for employees is calculated according to the company's policy that is in accordance with the Jordanian Labor Law. The annual compensations paid to employees who leave the service are recorded on the account of the provision for end of service compensation when paid, and a provision is taken for the company's obligations for employees' end of service compensation in the income statement.



### **Compliance adequacy test**

At the date of the financial statements, the adequacy and suitability of insurance liabilities is assessed by calculating the present value of future cash flows related to existing insurance contracts.

If the assessment shows that the present value of the insurance liabilities is insufficient compared to the expected future cash flows, then the entire value of the deficiency is included in the income statement.

### **Income Tax**

Income tax expenses represent accrued taxes and deferred taxes.

#### **A. Accrued taxes**

Income tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the financial statements because the latter includes non-taxable revenues or taxable expenses disallowed in the current year but deductible in subsequent years accumulated losses acceptable by the tax law and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws regulations and instructions of the countries where the bank operates.

#### **B. Deferred taxes**

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount.

Deferred tax is calculated on the basis of the liability method in the statement of financial position according to the rates expected to be applied when the tax liability is settled or tax assets are recognized.

Deferred tax assets and liabilities are reviewed as of the date of the financial statements and reduced in case it is expected that no benefit will arise from payment or the elimination of the need for deferred tax liabilities partially or totally.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **Realization of Income**

#### **A. Insurance contracts**

Insurance premiums resulting from insurance contracts are recorded as revenue for the year (earned insurance premiums) on the basis of due time periods and in proportion to the period of insurance coverage. Unearned insurance premiums through insurance contracts as at the date of the financial statements are recorded in liabilities as unearned insurance premiums.

Claims and expenses for adjusting losses incurred are recorded in the income statement on the basis of the value of the expected liability for compensation belonging to insurance contract holders or to other affected parties.

#### **B. Dividend and interest income**

Dividend income from investments is realized when shareholders have the right to receive dividend payments, when approved by the General Assembly of Shareholders.

Interest income is accounted for on an accrual basis, based on the time periods due, principal amounts and the interest rate earned.

#### **C. Rental Income**

Rental income from real estate investments under operating lease contracts are recognized on a straight-line basis over the term of those contracts. Other expenses are recognized on an accrual basis.

### **Recognition of Expenses**

All commissions and other costs for obtaining new or renewed insurance policies are amortized in the income statement in the year in which they occur. Other expenses are recognized on an accrual basis.

### **Insurance compensation**

Insurance compensation represents claims paid during the year and the change in the claims provision.

### **Debris and waiver compensation**

The expected return from the wreck and waiver damages are taken into account when measuring the liability to meet the claims.

### **General and Administrative Expense**

All distributable administrative expenses are charged to each insurance branch separately, and 80% of the non-distributable administrative expenses are distributed to the various insurance departments on the basis of the premiums received for each department in proportion to the total premiums.

### **Employee Expense**

The distributable staff expenses are charged to each insurance branch separately, and 80% of the non-distributable staff expenses are distributed to the various insurance departments on the basis of the premiums received for each department in proportion to the total premiums.

### **Commission costs**

It represents commission costs incurred by the company against selling, underwriting or starting new insurance contracts. Acquisition costs are recorded in the income statement.

### **Foreign Currencies**

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transactions.

Financial assets and financial liabilities are translated to Jordanian Dinar based on the average exchange rates declared by the Central Bank of Jordan on the date of the financial statements.

Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.

Gains or losses resulting from foreign currency translation are recorded in the statement of income.

Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as equity securities) are recorded as part of the change in fair value.

**(2-2) USE OF ESTIMATES**

The preparation of the interim condensed financial statements requires Company's management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and the changes in fair value that shows in the equity section. Considerable judgment by groups' management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The details of significant estimates made by management are as follows:

- The provision for expected credit losses for receivables is formed based on the principles and assumptions approved by the company's management to estimate the provision to be formed in accordance with the requirements of the Insurance Authority.
- The financial year is charged with its related income tax in accordance with income tax laws and regulations.
- Management periodically reviews tangible assets' useful lives in order to calculate the depreciation amount depending on the status of these assets and expected future useful lives. The impairment loss (if any) appears on the interim condensed income statement.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to Insurance Administration regulation, also mathematical reserve and IBNR are calculated based on actuarial studies.
- A provision on lawsuit against the Company is made based on the Company's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.
- Management periodically reviews financial assets, which appear at cost, to estimate any impairment in their value, and this impairment is taken into account in the income statement.

**(3) BANK DEPOSITS**

This item consists of the following:

|   | 30 June 2023                              |   |  |                   | 31 December 2022  |
|---|---|---|--|-------------------|-------------------|
|   | Deposits<br>mature<br>during one<br>month | Deposits<br>mature during a<br>period between<br>1 - 3 months | Deposits<br>mature<br>during more<br>than one year | Total             | Total             |
|   | JD  | JD  | JD   | JD<br>(Unaudited) | JD<br>(Audited)   |
| <b>Inside Jordan -</b>                        |   |   |  |                   |                   |
| Arab Jordan Invest Bank                       | 696,711                                   | -   | -  | 696,711           | 269,951           |
| Jordan commercial bank                        | -   | 207,529   | -  | 207,529           | 204,649           |
| Arab Bank*                                    | -   | -   | 800,000  | 800,000           | 800,000           |
| Arab Banking<br>Corporation                   | 100,000                                   | -   | -  | 100,000           | -                 |
| Cairo Amman Bank                              | -   | -   | -  | -                 | 1,200,000         |
| Blom Bank                                     | 451,383                                   | -   | -  | 451,383           | 52,963            |
| Jordan Kuwait Bank                            | 5,587                                     | -   | -  | 5,587             | 5,458             |
| <b>Total banks deposits<br/>inside Jordan</b> | <b>1,253,681</b>                          | <b>207,529</b>  | <b>800,000</b>                                     | <b>2,261,210</b>  | <b>2,533,021</b>  |
| <b>Outside Jordan -</b>                       |   |   |  |                   |                   |
| Arab Bank - UAE                               | -   | 12,408,384  | 1,296,000  | 13,704,384        | 8,005,718         |
| Sharjah Islamic Bank                          | -   | -   | -  | -                 | -                 |
| Mashreq Bank                                  | -   | 2,409,600   | -  | 2,409,600         | 4,679,040         |
| First Abu Dhabi Bank                          | -   | 7,027,200   | -  | 7,027,200         | 6,989,568         |
| National Bank of Kuwait                       | -   | -   | -  | -                 | -                 |
| <b>Total bank deposits<br/>outside Jordan</b> | <b>-</b>                                  | <b>21,845,184</b>   | <b>1,296,000</b>                                   | <b>23,141,184</b> | <b>19,674,326</b> |
| <b>Total Bank deposits</b>                    | <b>1,253,681</b>                          | <b>22,052,713</b>   | <b>2,096,000</b>                                   | <b>25,402,394</b> | <b>22,207,347</b> |

- \* Deposits pledged to the order of General Director of the Insurance Administration in addition to his position amounted to JD 800,000 as of 30 June 2023 and 31 December 2022 and mature after one year.
- Interest rates on bank deposit balances in Jordanian Dinars ranges from 4% - 6% and US Dollar from 0,05% - 0,25% as of 30 June 2023 (31 December 2022: Interest rates on bank deposit balances in Jordanian Dinars ranges from 2% - 4% and US Dollar from 0,05% to 0,25%).

**(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

This item consists of the following:

|               | 30 June<br>2023  | 31 December<br>2022 |
|---------------|------------------|---------------------|
|               | JD               | JD                  |
|               | (Unaudited)      | (Audited)           |
| Quoted shares | <u>2,937,067</u> | <u>2,848,284</u>    |

**(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

This item consists of the following:

|   | 30 June<br>2023   | 31 December<br>2022 |
|---|-------------------|---------------------|
|   | JD                | JD                  |
|   | (Unaudited)       | (Audited)           |
| <b>Inside Jordan -</b>  |                   |                     |
| Quoted shares   | 6,247,224         | 6,569,729           |
| Unquoted shares   | <u>47,480</u>     | <u>30,209</u>       |
|   | <u>6,294,704</u>  | <u>6,599,938</u>    |
| <b>Outside Jordan -</b>   |                   |                     |
| Quoted shares   | 11,790,260        | 9,202,258           |
| Unquoted shares *   | <u>4,115,198</u>  | <u>4,115,198</u>    |
|   | <u>15,905,458</u> | <u>13,317,456</u>   |
| Total Financial assets at fair value through other comprehensive income | <u>22,200,162</u> | <u>19,917,394</u>   |

- \* This item represents an amount of JD 4,070,314 (net after decreasing the impact of revaluation of JD 610,770 as of 30 June 2023) (31 December 2022: JD 4,070,314) for investment in Asia Insurance Company's shares (Iraq). The shares registered in the Company's name amounted to 5,925,000,000 Share / Iraqi Dinar equivalent to 19,75% of the Company's paid in capital as of 30 June 2023 and 31 December 2022.

**(6) INVESTMENT PROPERTIES**

This item consists of the following:

|                                    | 30 June<br>2023   | 31 December<br>2022 |
|------------------------------------|-------------------|---------------------|
|                                    | JD                | JD                  |
|                                    | (Unaudited)       | (Audited)           |
| Plots of land                      | 11,947,104        | 11,947,104          |
| Buildings – net after depreciation | 3,687,127         | 3,640,190           |
|                                    | <u>15,634,231</u> | <u>15,587,294</u>   |

The additions to the investment properties during the six-months period ended 30 June 2023 were JD 105,241 (30 June 2022: JD 35,851).

The fair value of investment property has been determined by real estate experts as of 31 December 2022 to be JD 25,910,404. In Management's opinion, the fair value of the investment properties exceeds its carrying value as of 30 June 2023.

**(7) LIFE POLICYHOLDERS' LOANS**

This item consists of the following:

|   | 30 June<br>2023 | 31 December<br>2022 |
|---|-----------------|---------------------|
|   | JD              | JD                  |
|   | (Unaudited)     | (Audited)           |
| Life policyholders' Loans which do not exceed the surrender value | <u>26,239</u>   | <u>26,739</u>       |

**(8) CASH ON HAND AND AT BANKS**

This item consists of the following:

|               | 30 June<br>2023  | 31 December<br>2022 |
|---------------|------------------|---------------------|
|               | JD               | JD                  |
|               | (Unaudited)      | (Audited)           |
| Cash on hand  | 38,734           | 36,927              |
| Cash at banks | 3,966,510        | 4,679,399           |
|               | <u>4,005,244</u> | <u>4,716,326</u>    |

**(9) NOTES RECEIVABLE AND CHECKS UNDER COLLECTION**

This item consists of the following:

|                              | 30 June<br>2023   | 31 December<br>2022 |
|------------------------------|-------------------|---------------------|
|                              | JD<br>(Unaudited) | JD<br>(Audited)     |
| Checks under collection*     | 2,766,963         | 1,962,510           |
| Notes receivable             | 36,550            | 36,550              |
|                              | 2,803,513         | 1,999,060           |
| Less: Expected credit losses | 35,350            | 35,350              |
|                              | 2,768,163         | 1,963,710           |

\* The maturity date of the checks under collection extends until 31 December 2025.

\* The movement on the expected credit losses related to checks under collection is as follows:

|  | 30 June<br>2023   | 31 December<br>2022 |
|--|-------------------|---------------------|
|  | JD<br>(Unaudited) | JD<br>(Audited)     |
| Balance at the beginning of the period / year  | 35,350            | 185,350             |
| Transferred to accounts' receivables provision for<br>expected credit losses (Note 10) | -                 | (150,000)           |
| Balance at the end of the period / year  | 35,350            | 35,350              |

**(10) ACCOUNTS RECEIVABLE, NET**

This item consists of the following:

|  | 30 June<br>2023   | 31 December<br>2022 |
|--|-------------------|---------------------|
|  | JD<br>(Unaudited) | JD<br>(Audited)     |
| Policyholders' receivables                   | 18,378,717        | 14,828,031          |
| Agents' receivables                          | 4,220,910         | 4,179,972           |
| Employees' receivables                       | 94,379            | 100,492             |
| Other receivables                            | 1,178,875         | 1,111,358           |
|  | 23,872,881        | 20,219,853          |
| Less: provision for expected credit losses * | 4,795,597         | 4,696,194           |
|  | 19,077,284        | 15,523,659          |



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- The ageing of receivables is as follows:

|                  | Neither<br>past due<br>nor<br>impaired<br>JD | Amount due and impaired    |                             |                              |                               |                             | Total<br>JD |
|------------------|--|----------------------------|-----------------------------|------------------------------|-------------------------------|-----------------------------|-------------|
|                  |  | Less than 60<br>days<br>JD | From 61 to<br>90 days<br>JD | From 91 to<br>180 days<br>JD | From 181 to<br>360 days<br>JD | 360 days<br>and above<br>JD |             |
|                  |  |                            |                             |                              |                               |                             |             |
| 30 June 2023     | 3,464,898                                    | 8,098,263                  | 938,865                     | 3,709,846                    | 2,741,637                     | 4,919,372                   | 23,872,881  |
| 31 December 2022 | 2,853,797                                    | 5,964,222                  | 1,196,966                   | 2,895,083                    | 3,337,159                     | 3,972,626                   | 20,219,853  |

\* The movement on the provision of expected credit losses is as follows:

|  | 30 June<br>2023<br>JD<br>(Unaudited) | 31 December<br>2022<br>JD<br>(Audited) |
|--|--------------------------------------|--|
| Balance at the beginning of the period / year                                    | 4,696,194                            | 3,471,308                              |
| Additions during the period / year   | 100,000                              | 1,076,600                              |
| Transfers from the provision for expected losses for<br>checks under collections | -                                    | 150,000                                |
| Less: Written-off debts  | 597                                  | 1,714                                  |
| Balance at the end of the period / year  | 4,795,597                            | 4,696,194                              |

The Company's management believes that the expected credit losses provision for accounts receivable is sufficient after taking into account amounts due from related parties.

**(11) REINSURANCE RECEIVABLES, NET**

This item consists of the following:

|                                  | 30 June<br>2023 | 31 December<br>2022 |
|----------------------------------|-----------------|---------------------|
|                                  | JD              | JD                  |
|                                  | (Unaudited)     | (Audited)           |
| Local reinsurance companies*     | 3,788,449       | 3,632,406           |
| Foreign reinsurance companies ** | 1,467,522       | 1,760,458           |
|                                  | 5,255,971       | 5,392,864           |
| Less: Expected credit losses***  | 1,461,642       | 1,361,642           |
|                                  | 3,794,329       | 4,031,222           |

\* The Company follows the settlement policy on local insurance companies' receivables within three months of the claim.

\*\* The aging details for the foreign reinsurance receivables as of interim condensed financial statements is as follows:

|                  | Amount due and impaired             |                      |                       |                        |                         |           |
|------------------|-------------------------------------|----------------------|-----------------------|------------------------|-------------------------|-----------|
|                  | Neither past<br>due nor<br>impaired | Less than<br>60 days | From 61 to 90<br>days | From 91 to<br>180 days | From 181 to<br>360 days | Total     |
|                  | JD                                  | JD                   | JD                    | JD                     | JD                      | JD        |
| 30 June 2023     | 90,415                              | 1,057,697            | 215,100               | 693,432                | 3,199,327               | 5,255,971 |
| 31 December 2022 | 46,612                              | 1,093,645            | 169,031               | 1,085,823              | 2,997,753               | 5,392,864 |

\*\*\* The movement on the expected credit losses related to reinsurance receivables is as follows:

|   | 30 June<br>2023 | 31 December<br>2022 |
|---|-----------------|---------------------|
|   | JD              | JD                  |
|   | (Unaudited)     | (Audited)           |
| Balance – beginning of the period/ year | 1,361,642       | 1,161,642           |
| Additions of the period/ year           | 100,000         | 200,000             |
| Balance – end of the period/ year       | 1,461,642       | 1,361,642           |

**(12) INCOME TAX**

**A- Income tax provision**

Income tax provision for the company has been calculated for the period ended 30 June 2023 in accordance with the Income Tax Law No. (34) for the year 2014 and its amendments.

The movement on the income tax provision is as follows:

|   | 30 June<br>2023   | 31 December<br>2022 |
|---|-------------------|---------------------|
|   | JD<br>(Unaudited) | JD<br>(Audited)     |
| Balance at the beginning of the period / year   | 627,524           | 85,021              |
| Income tax for the period / year  | 652,714           | 487,000             |
| The tax impact of sale of financial assets at fair value through other comprehensive income | -                 | 107,396             |
| Income tax paid   | (490,371)         | (51,893)            |
|   | <u>789,867</u>    | <u>627,524</u>      |

**B- Income Tax Expense**

The income tax expense stated in the interim condensed income statement represents the following:

|  | For the six-months period<br>ended 30 June |                   |
|--|--|-------------------|
|  | 2023                                       | 2022              |
|  | JD<br>(Unaudited)                          | JD<br>(Unaudited) |
| Income tax for the period / year         | 652,714                                    | 253,394           |
| Deferred tax impact                      | (40,714)                                   | 61,629            |
| Income tax expense for the period / year | <u>612,000</u>                             | <u>315,023</u>    |

C- Reconciliation of accounting and tax profit

|                                     | For the six-months period<br>ended 30 June |             |
|-------------------------------------|--|-------------|
|                                     | 2023                                       | 2022        |
|                                     | JD   | JD          |
|                                     | (Unaudited)                                | (Unaudited) |
| Accounting profit - Jordan branches | 2,330,723                                  | 998,291     |
| Add: nondeductible expenses         | 331,776                                    | 691,369     |
| Less: non- taxable profits          | 116,288                                    | 254,282     |
| Taxable profit                      | 2,546,211                                  | 1,435,378   |
| Income tax rate                     | 26%  | 26%         |

- The income tax was calculated for the period ended 30 June 2023 has been calculated in accordance with the effective Income Tax Law.

D- Deferred Tax Assets and Liabilities

The movement on the deferred tax assets is as follows:

|  | 30 June 2023 (Unaudited)                     |                |                     |  |                  | 31<br>December<br>2022<br>(Audited) |
|--|--|----------------|---------------------|--|------------------|-------------------------------------|
| Accounts Included  | Balance at<br>the beginning<br>of the period | Additions      | Released<br>amounts | Balance at the<br>end of the<br>period | Deferred<br>tax  | Deferred tax                        |
|  | JD   | JD             | JD                  | JD                                     | JD               | JD                                  |
| Expected credit losses provision   | 3,771,624                                    | 170,000        | -                   | 3,941,624                              | 1,024,822        | 980,622                             |
| End of service indemnity provision   | 258,425                                      | 12,340         | 86,415              | 184,350                                | 47,931           | 67,190                              |
| IBNR provision   | 3,037,713                                    | 149,436        | -                   | 3,187,149                              | 828,659          | 789,805                             |
| Valuation losses for financial<br>assets at fair value through<br>statement of profit or loss                  | 1,081,134                                    | -              | 88,772              | 992,362                                | 258,014          | 281,095                             |
| Valuation losses for financial<br>assets through statement of other<br>comprehensive income (Inside<br>Jordan) | 570,751                                      | 255,257        | -                   | 826,008                                | 214,762          | 148,396                             |
| Valuation losses for financial<br>assets through statement of<br>comprehensive income (Outside<br>Jordan)      | 4,460,757                                    | -              | 2,539,823           | 1,920,934                              | 230,512          | 535,291                             |
|  | <u>13,180,404</u>                            | <u>587,033</u> | <u>2,715,010</u>    | <u>11,052,427</u>                      | <u>2,604,700</u> | <u>2,802,399</u>                    |

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The movement on the deferred tax liabilities is as follows:

| Accounts Included  | 30 June 2023 (Unaudited)        |           |                  |                              |                | 31 December 2022 (Audited) |
|--|---------------------------------|-----------|------------------|------------------------------|----------------|----------------------------|
|  | Beginning balance of the period | Additions | Released amounts | Balance at the end of period | Deferred tax   | Deferred tax               |
|  | JD                              | JD        | JD               | JD                           | JD             | JD                         |
| Gain of valuation of financial assets at fair value through income statement     | 2,291,518                       | -         | -                | 2,291,518                    | 274,982        | 274,982                    |
| Gain of valuation of financial assets at fair value through comprehensive income | -                               | -         | -                | -                            | -              | -                          |
|  | <u>2,291,518</u>                | <u>-</u>  | <u>-</u>         | <u>2,291,518</u>             | <u>274,982</u> | <u>274,982</u>             |

- The movement on the deferred tax assets during the period / year is as follows:

|   | 30 June 2023     | 31 December 2022 |
|---|------------------|------------------|
|   | JD               | JD               |
|   | (Unaudited)      | (Audited)        |
| Balance at the beginning of the period / year | 2,802,399        | 2,844,555        |
| Additions                                     | 152,629          | 777,153          |
| Amount released                               | <u>(350,326)</u> | <u>(819,309)</u> |
| Balance at the end of the period / year       | <u>2,604,702</u> | <u>2,802,399</u> |

**E- Tax Status**

- A final settlement of income tax has been reached in Jordan until the end of 2018. The Company submitted its tax return and paid the declared tax for the years 2019, 2020, 2021 and 2022. The Company's returns are still under the review of the Income and Sales Tax Department.
- The profits of the Company's branches in the United Arab Emirates are non-taxable, the Company's profit in Kuwait is subject to income tax rate at 10%, which has been settled up to the end of 2018 and the declared taxes were paid up to the end of the year of 2018. The Company submitted its tax return and paid the declared tax for the year 2019. The Company's returns are still under the review of the Ministry of Finance- Income and Sales Tax Department in Kuwait.
- The income tax provision for the six months ended 30 June 2023 has been calculated. In the opinion of the Company's management and tax consultant, the provisions as of the interim condensed financial statements are sufficient to mitigate any tax litigations.

**(13) PROPERTY AND EQUIPMENT, NET**

Additions to the property and equipment during the six-months period ended 30 June 2023 were JD 124,026 (30 June 2022: JD 10,388).

**(14) OTHER ASSETS**

This item consists of the following:

|                               | 30 June<br>2023   | 31 December<br>2022 |
|-------------------------------|-------------------|---------------------|
|                               | JD<br>(Unaudited) | JD<br>(Audited)     |
| Refundable deposits           | 1,285,357         | 1,333,226           |
| Prepaid expenses              | 1,022,124         | 669,497             |
| Accrued revenues not received | 168,275           | 117,382             |
| Other                         | 379,602           | 356,420             |
|                               | <u>2,855,358</u>  | <u>2,476,525</u>    |

**(15) MATHEMATICAL RESERVE, NET**

This item consists of the following:

|                           | 30 June<br>2023   | 31 December<br>2022 |
|---------------------------|-------------------|---------------------|
|                           | JD<br>(Unaudited) | JD<br>(Audited)     |
| Mathematical reserve, net | <u>2,109,589</u>  | <u>1,599,633</u>    |

**(16) BANK OVERDRAFT**

This item consists of the following:

|                     | 30 June<br>2023   | 31 December<br>2022 |
|---------------------|-------------------|---------------------|
|                     | JD<br>(Unaudited) | JD<br>(Audited)     |
| Bank of Jordan *    | 5,000,000         | 5,000,000           |
| Cairo Amman Bank ** | 1,917,892         | 2,787,093           |
| Arab Bank ***       | 942,696           | 1,263,456           |
|                     | <u>7,860,588</u>  | <u>9,050,549</u>    |

- \* This item represents the utilized balance as of 30 June 2023 of the overdraft facilities granted by the Bank of Jordan at a ceiling of JD 5 million at an interest rate of 10%, calculated on a daily basis, credited monthly and is guaranteed by the Company's solvency. The main objective of these facilities is to finance the Company's activities.
- \*\* This item represents the utilized balance as of 30 June 2023 of the overdraft facilities granted by the Cairo Amman Bank at a ceiling of JD 6,9 million at an interest rate of 11.25%, calculated on a daily basis, credited monthly and is guaranteed by the Company's solvency. The main objective of these facilities is to finance the Company's activities.
- \*\*\* This item represents the utilized balance as of 30 June 2023 of the overdraft facilities granted by the Arab bank at a ceiling of JD 5,5 million at an interest rate of 11.5%, calculated on a daily basis, credited monthly and is guaranteed by the Company's solvency. The main objective of these facilities is to finance the Company's activities.

### **(17) RE-INSURANCE PAYABLE**

This item consists of the following:

|                               | 30 June<br>2023   | 31 December<br>2022 |
|-------------------------------|-------------------|---------------------|
|                               | JD                | JD                  |
|                               | (Unaudited)       | (Audited)           |
| Local reinsurance companies   | 1,510,370         | 1,832,785           |
| Foreign reinsurance companies | 10,761,839        | 5,701,701           |
|                               | <u>12,272,209</u> | <u>7,534,486</u>    |

### **(18) OTHER LIABILITIES**

This item consists of the following:

|   | 30 June<br>2023  | 31 December<br>2022 |
|---|------------------|---------------------|
|   | JD               | JD                  |
|   | (Unaudited)      | (Audited)           |
| Unearned revenue                        | 219,639          | 360,201             |
| Accrued and not paid expenses           | 539,925          | 121,328             |
| Ministry of finance refundable deposits | 161,685          | 130,380             |
| Life deposits                           | 14,590           | 14,555              |
| Parking deposits                        | 4,920            | 4,790               |
| Unpaid visa deposits                    | 18,579           | 6,010               |
| Individual policies deposits            | 5,685            | 5,685               |
| Board of directors' bonuses             | 82,500           | 55,000              |
|   | <u>1,047,523</u> | <u>697,949</u>      |

**(19) PAID-IN CAPITAL**

The authorized and paid in capital amounted to JD 30,000,000 divided into 30,000,000 shares with a par value of JD 1 per each as of 30 June 2023 and 31 December 2022.

**(20) FAIR VALUE RESERVE**

The movement on this item during the period / year is as follows:

|   | 30 June<br>2023    | 31 December<br>2022 |
|---|--------------------|---------------------|
|   | JD                 | JD                  |
|   | (Unaudited)        | (Audited)           |
| Balance at beginning of the period / year             | (4,374,701)        | 6,823,258           |
| Changes in fair value - Net                           | 2,004,023          | (10,591,456)        |
| Transfer from fair value reserve to retained earnings | -                  | (606,503)           |
| Balance at the end of the period / year               | <u>(2,370,678)</u> | <u>(4,374,701)</u>  |

**(21) RETAINED EARNINGS**

The movement on this item during the period / year is as follows:

|   | 30 June<br>2023  | 31 December<br>2022 |
|---|------------------|---------------------|
|   | JD               | JD                  |
|   | (Unaudited)      | (Audited)           |
| Balance at beginning of the period / year             | 6,553,437        | 5,936,265           |
| Profit (loss) for the period / year                   | 1,270,474        | 10,705              |
| Transfer from fair value reserve to retained earnings | -                | 606,503             |
| Balance at the end of the period / year               | <u>7,823,947</u> | <u>6,553,473</u>    |

A- Retained earnings balance includes a restricted amount of JD 2,159,426 as of 30 June 2023 (31 December 2022: JD 2,118,712) related to deferred tax assets.

B- The retained earnings balance includes an amount of JD 1,127,847 as of 30 June 2023, representing the difference between the deficit of fair value reserve of JD 2,370,678 and the effect of early adoption of International Financial Reporting Standard (9) of JD 1,242,831 which represents the revaluation differences and may not be used until realized according to the regulations of the Jordan Securities Commission (31 December 2022: JD 3,131,870).



**(22) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS**

This item consists of the following:

|  | For the six-months period<br>ended 30 June |                |
|--|--|----------------|
|  | 2023                                       | 2022           |
|  | JD   | JD             |
|  | (Unaudited)                                | (Unaudited)    |
| Dividends income from financial assets at fair value through profit or loss    | 251,506                                    | 310,975        |
| Gain from sale of financial assets at fair value through profit or loss        | -  | 185,880        |
| Gain from revaluation of financial assets at fair value through profit or loss | 88,783                                     | 139,686        |
| Net rental income  | 170,000                                    | 160,000        |
| <b>Total</b>   | <b>510,289</b>                             | <b>796,541</b> |

**(23) BASIC AND DILUTED EARNINGS PER SHARE FOR THE PERIOD**

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

|  | For the six-months period<br>ended 30 June |                     |
|--|--|---------------------|
|  | 2023                                       | 2022                |
|  | JD   | JD                  |
|  | (Unaudited)                                | (Unaudited)         |
| Profit for the period                  | 1,270,474                                  | 718,625             |
| Weighted average number of shares      | Share<br>30,000,000                        | Share<br>30,000,000 |
|  | JD / Share                                 | JD/Share            |
| Earnings per share (Basic and diluted) | 0.042                                      | 0.024               |

**(24) CASH AND CASH EQUIVALENTS**

This item consists of the following:

|  | For the six-months period<br>ended 30 June |                     |
|--|--|---------------------|
|  | 2023                                       | 2022                |
|  | JD   | JD                  |
|  | (Unaudited)                                | (Unaudited)         |
| Cash on hand (Note 8)                          | 38,734                                     | 152,616             |
| Current accounts at banks (Note 8)             | 3,966,510                                  | 3,544,926           |
| Deposits maturing within three months (Note 3) | 23,306,394                                 | 18,960,185          |
|  | <u>27,311,638</u>                          | <u>22,657,727</u>   |
| Less: Bank overdraft (Note 16)                 | <u>(7,860,588)</u>                         | <u>(11,326,573)</u> |
| Cash and cash equivalents                      | <u>19,451,050</u>                          | <u>11,331,154</u>   |

**(25) BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

Related parties represent major partners, directors and key management personnel of the Company. Pricing policies and terms of the transactions with related parties are approved by the Company's management.

- The following represent summary of related parties' transactions for the period / year:

|  | 30 June<br>2023                            | 31 December<br>2022 |
|--|--|---------------------|
|  | JD   | JD                  |
|  | (Unaudited)                                | (Audited)           |
| <u>Interim condensed statement of financial position items</u> |  |                     |
| Accounts receivable  | 885,750                                    | 644,321             |
| Accounts payable   | 1,135,972                                  | 1,157,422           |
|  |  |                     |
|  | For the six-months period<br>ended 30 June |                     |
|  | 2023                                       | 2022                |
|  | JD   | JD                  |
|  | (Unaudited)                                | (Unaudited)         |
| <u>Interim condensed income statement items</u>                |  |                     |
| Insurance premiums   | 530,351                                    | 3,142,149           |
| Reinsurance shares - net paid                                  | 787,938                                    | 961,601             |

All transactions with related parties are related to the Board of Directors and parties related to them.

The following is a summary of the benefits (salaries and remunerations) of the top management:

|                             | For the six-months period<br>ended 30 June |                |
|-----------------------------|--|----------------|
|                             | 2023                                       | 2022           |
|                             | JD   | JD             |
|                             | (Unaudited)                                | (Unaudited)    |
| Salaries and other benefits | <u>231,323</u>                             | <u>291,507</u> |

#### **(26) LAWSUITS BY AND AGAINST THE COMPANY**

There are lawsuits against the Company claiming compensation on various accidents. The lawsuits at courts with determined amounts totaled around JD 923,786 as of 30 June 2023 (JD 977,074 as of 31 December 2022). In the opinion of the Company's management and its lawyer, the lawsuit provision is sufficient to meet obligations that may arise from the lawsuits and there will be no need for additional provision more than what has been recorded in the outstanding claims reserve.

#### **(27) CONTINGENT LIABILITIES**

As of the date of the interim condensed financial statements, the Company had contingent liabilities represented in bank guarantees in an amount of JD 2,993,831 and it is guaranteed by the Company's financial solvency as of 30 June 2023 (JD 3,015,896 as of 31 December 2022).

#### **(28) CAPITAL MANAGEMENT**

The capital requirements are regulated by the insurance authority. These requirements have been established to ensure an appropriate margin. Additional objectives were set by the company to maintain strong credit ratings and high capital ratios in order to support its business and maximize shareholders' equity.

The Company manages the capital structure and makes the necessary adjustments in light of changes in working conditions. The company has made no changes to the objectives, policies and procedures relating to capital structure during the current year and the previous year.

In the opinion of the management, regulatory capital is sufficient to meet future risks or liabilities.

The details of the capital and solvency ratio are as follows:

|  | 30 June<br>2023   | 31 December<br>2022 |
|--|-------------------|---------------------|
|  | JD<br>(Unaudited) | JD<br>(Audited)     |
| Total available capital                              | 53,229,436        | 50,051,882          |
| <b>Capital requirements</b>                          |                   |                     |
| Capital requirement against asset risks              | 19,507,257        | 17,581,871          |
| Capital requirement against underwriting liabilities | 4,203,309         | 4,101,856           |
| Capital requirement against the reinsurance risk     | 309,215           | 270,760             |
| Capital requirement against life insurance risk      | 5,467,883         | 5,537,777           |
| Total required capital                               | 29,487,664        | 27,492,264          |
| Solvency margin ratio                                | 181%              | 182%                |

The Company's solvency ratio before deducting over limits in "Instructions to invest insurance Company's funds and to determine the nature of the insurance company's assets and their positions corresponding to their obligations" No. (2) for 2006. The Company achieved the required solvency margin according to the instructions of the Insurance Management, which should not be less than 200% as of 30 June 2023, noting that the solvency margin of the Company is 181% as of 30 June 2023.

## **(29) FAIR VALUE MEASUREMENT**

### **A- FAIR VALUE OF FINANCIAL ASSETS FOR THE COMPANY AND DETERMINED BY THE FAIR VALUE CONTINUOUSLY**

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether this price can be observed directly or estimated using another evaluation technique.

When estimating the fair value of the asset or the obligation, the Company takes into account the characteristics of the asset or the obligation if market participants take those characteristics into account when pricing the asset or obligation on the measurement date.

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Some of the Company's financial assets are valued at fair value at the end of each financial period, and the following table shows information on how to determine the fair value of these financial assets (valuation methods and inputs used).

|   | Fair Value         |                        | Fair value levels | Evaluation methods and inputs used                       | Important intangible inputs | Relationship between the important input method and fair value |
|---|--------------------|------------------------|-------------------|--|-----------------------------|--|
|   | 30 June 2023<br>JD | 31 December 2022<br>JD |                   |  |                             |  |
| Financial assets  |                    |                        |                   |  |                             |  |
| <b>Financial assets at fair value through profit or loss</b>              |                    |                        |                   |  |                             |  |
| Shares  | <u>2,937,067</u>   | <u>2,848,284</u>       | Level 1           | Quoted prices  | N/A                         | N/A  |
| <b>Financial assets at fair value through other comprehensive income:</b> |                    |                        |                   |  |                             |  |
| Quoted shares   | 18,037,484         | 15,771,987             | Level 1           | Quoted prices  | N/A                         | N/A  |
|   |                    |                        |                   | Equity method based on last audited financial statements |                             |  |
| Unquoted Shares   | <u>4,162,678</u>   | <u>4,145,407</u>       | Level 2           |  | N/A                         | N/A  |
|   | <u>22,200,162</u>  | <u>19,917,394</u>      |                   |  |                             |  |
| <b>Total Financial assets at fair value</b>                               | <u>25,137,229</u>  | <u>22,765,678</u>      |                   |  |                             |  |

There were no transfers between level 1 and level 2 during each of the six months ended 30 June 2023 and the year ended 31 December 2022.

**B- FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES FOR THE COMPANY AND NOT DETERMINED BY THE FAIR VALUE CONTINUOUSLY**

Except what described in the table below, we believe that the book value of the financial assets and financial liabilities shown in the Company's financial statements is approximately its fair value:

|  | 30 June 2023      |                   | 31 December 2022  |                   | Fair value level |
|--|-------------------|-------------------|-------------------|-------------------|------------------|
|  | Book value<br>JD  | Fair value<br>JD  | Book value<br>JD  | Fair value<br>JD  |                  |
| <b>Financial assets with undetermined fair value</b>       |                   |                   |                   |                   |                  |
| Bank Deposits  | 25,402,394        | 25,910,442        | 22,207,347        | 22,651,494        | Level 2          |
| Policyholder's loans                                       | 26,239            | 26,764            | 26,739            | 27,274            | Level 2          |
| Investment's property                                      | 15,584,231        | 25,910,404        | 15,587,294        | 25,910,404        | Level 2          |
| <b>Total financial assets with undetermined fair value</b> | <u>41,012,864</u> | <u>51,847,610</u> | <u>37,821,380</u> | <u>48,589,172</u> |                  |

The fair value of the financial assets included in the second level category above is determined in accordance with the pricing models adopted and accepted based on the discounting of cash flows, taking into account the interest rate as the most important entry into the calculation.

### **(30) ANALYSIS OF MAIN SECTORS**

#### **A. Information about the Company's operational sectors:**

For management purposes, the Company was organized to include the general insurance sectors, which include fire, accidents, motor, marine, liability and medical insurance, The transactions between sectors are based on estimated market price basis under the same conditions for others.

#### **B. Information about the geographical distribution:**

This note represents the geographical distribution of the Company's operations, the Company mainly conducts its activities in the Kingdom, which represents the local operations, The Company also has international operations through its branches in UAE and Kuwait.

The geographic distribution of the Company's capital expenditures and revenues are as follows:

|                       | Inside Jordan     |                   | Outside Jordan   |                   | Total              |                   |
|-----------------------|-------------------|-------------------|------------------|-------------------|--------------------|-------------------|
|                       | 30 June           |                   | 30 June          |                   | 30 June            |                   |
|                       | 2023              | 2022              | 2023             | 2022              | 2023               | 2022              |
|                       | JD                | JD                | JD               | JD                | JD                 | JD                |
|                       | (Unaudited)       | (Unaudited)       | (Unaudited)      | (Unaudited)       | (Unaudited)        | (Unaudited)       |
| <b>Total revenues</b> | <u>19,634,172</u> | <u>18,155,836</u> | <u>3,000,794</u> | <u>2,418,597</u>  | <u>22,634,966</u>  | <u>20,574,433</u> |
|                       | Inside Jordan     |                   | Outside Jordan   |                   | Total              |                   |
|                       | 30 June           | 31                | 30 June          | 31                | 30 June            | 31                |
|                       | 2023              | December          | 2023             | December          | 2023               | December          |
|                       | JD                | JD                | JD               | JD                | JD                 | JD                |
|                       | (Unaudited)       | (Audited)         | (Unaudited)      | (Audited)         | (Unaudited)        | (Audited)         |
| <b>Total assets</b>   | <u>95,037,552</u> | <u>66,715,988</u> | <u>7,718,151</u> | <u>26,793,377</u> | <u>102,755,703</u> | <u>93,509,365</u> |

### **(31) COMPARATIVE FIGURES**

Some of 2022 comparative figures were reclassified to correspond with 30 June 2023 presentation. The reclassification has no effect on the profit and equity of the year 2022.