GULF INSURANCE GROUP - JORDAN

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2023

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF GULF INSURANCE GROUP - JORDAN
AMMAN – JORDAN

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Arab Orient Insurance Company - public shareholding company as at 30 June 2023, comprising of interim consolidated statement of financial position as at 30 June 2023 and the related interim consolidated statement of income, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity, and interim consolidated statement of cash flows for six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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 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 consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
30 July 2023

ERNST & YOUNG
Amman - Jordan

GULF INSURANCE GROUP - JORDAN PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	30 June 2023	31 December 2022	1 January 2022
		JD (Unaudited)	JD (Audited) (Restated)	JD (Audited) (Restated)
Assets				
Investments-				
Bank deposits	3	21,265,147	66,922,562	58,928,609
Financial assets at fair value through other comprehensive income	4	6,334,318	5,560,183	5,331,673
Financial assets at fair value through profit or loss	5	5,982,461	-	-
Financial assets at amortized cost	6	51,579,335	11,580,213	11,896,795
Investment property		170,464	170,464	170,464
Total Investments		85,331,725	84,233,422	76,327,541
Cash and cash equivalents	19	2,221,243	802,963	1,973,783
Re-insurance contracts assets	7	5,428,426	7,991,916	6,553,650
Deferred tax assets	8/B	3,872,496	4,136,940	4,377,563
Property and equipment		7,428,448	7,258,450	6,567,059
Intangible assets		5,577,652	5,732,264	5,721,735
Right of use assets		283,302	401,387	262,602
Other assets		5,139,457	3,790,696	5,542,871
Discontinued operations' assets		778,157	773,434	750,766
Total Assets		116,060,906	115,121,472	108,077,570
Liabilities and Equity				
Liabilities –				
Insurance contracts liabilities:				
Insurance contracts liabilities	7	65,504,291	63,564,886	58,105,501
Total Insurance contract liabilities		65,504,291	63,564,886	58,105,501
Accrued expenses		965,245	1,789,318	1,309,256
Re-insurance contracts liabilities	7	1,087,527	758,756	524,681
Lease contracts liabilities		235,213	394,287	235,371
Other provisions		2,575,280	2,225,993	2,634,977
Bank overdraft		-	-	1,199,828
Income tax provision	8	52,965	216,755	2,483,394
Other liabilities		965,146	969,845	2,081,279
Liabilities related to discontinued operations' assets		244,074	266,558	550,324
Total Liabilities		71,629,741	70,186,398	69,124,611
Equity -				
Authorized and paid-in capital	14	26,000,000	26,000,000	25,438,252
Statutory reserve		6,500,000	6,500,000	6,359,563
Special reserve		-	-	40,221
Fair value reserve	16	(857,515)	(1,684,308)	(967,052)
Retained earnings		12,788,680	12,619,382	5,081,975
Total Equity		44,431,165	43,435,074	35,952,959
Subordinated loan	17	-	1,500,000	3,000,000
		44,431,165	44,935,074	38,952,959
Total Liabilities and Equity		116,060,906	115,121,472	108,077,570

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements

GULF INSURANCE GROUP - JORDAN PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)

	Notes	30 June 2023	30 June 2022
		JD	JD
Continuing operations -			(Restated)
Revenues –			
Insurance contracts revenues	9	53,773,380	49,317,549
Less: Insurance contracts expenses	10	41,652,269	42,231,712
Insurance contracts services results		12,121,111	7,085,837
Re-insurance contracts results		(22,615,549)	(19,626,474)
Re-insurance contracts recoveries		14,747,683	13,757,094
Re-insurance contracts services results		(7,867,866)	(5,869,380)
Net insurance and re-insurance contracts results		4,253,245	1,216,457
Finance (expense) income – insurance contracts	11	(1,848,177)	592,826
Finance income (expense) – re-insurance contracts	12	404,047	(97,626)
Net insurance and re-insurance contracts results		2,809,115	1,711,657
Interest income		1,245,801	1,114,408
Gain from financial assets and investments	13	1,084,756	604,466
Other revenues		-	5,843
Total revenues		5,139,672	3,436,374
Unallocated general and administrative expenses		904,324	860,399
Unallocated depreciation and amortization		25,960	32,084
Gains from sale of property and equipment		(20,917)	(1,359)
Total expenses		909,367	891,124
Profit for the period from continuing operations before income tax		4,230,305	2,545,250
Less: income tax expense	8/A	391,199	89,631
Profit for the period from continuing operations		3,839,106	2,455,619
Discontinued operations -			
Loss for the period after tax from discontinued operations		(34,272)	(35,732)
Profit for the period		3,804,834	2,419,887
		JD/Fils	JD/Fils
Basic and diluted earnings per share from the profit attributable to the Company's shareholders	18	0/146	0/093

	30 June 2023	30 June 2022
	JD	JD (Restated)
Profit for the period	3,804,834	2,419,887
Add: Other comprehensive income not to be reclassified to profit and loss in subsequent periods		
Change in fair value of financial assets through other comprehensive income	1,091,257	899,924
Total comprehensive income for the period	4,896,091	3,319,811

GULF INSURANCE GROUP - JORDAN PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)

	Authorized and paid-in capital	Statutory reserve	Special reserve	Fair value reserve	Retained earnings * Realised	Retained earnings * Unrealised	Retained earnings * Total retained earnings	Net Equity
	JD	JD	JD	JD	JD	JD	JD	JD
For the period ended 30 June 2023								
Balance as at 1 January 2023	26,000,000	6,500,000	-	(1,684,308)	-	-	12,619,382	43,435,074
Total comprehensive income for the period	-	-	-	1,091,257	3,748,683	56,151	3,804,834	4,896,091
Realized gain from sale of financial assets through other comprehensive income	-	-	-	(264,464)	-	-	264,464	-
Dividends distribution (note 15)	-	-	-	-	-	-	(3,900,000)	(3,900,000)
Balance as at 30 June 2023	26,000,000	6,500,000	-	(857,515)	3,748,683	56,151	12,788,680	44,431,165
For the period ended 30 June 2022								
Balance as at 1 January 2022	25,438,252	6,359,563	40,221	(967,052)	-	-	10,597,102	41,468,086
The effect of IFRS 17 adoption	-	-	-	-	-	-	(5,515,127)	(5,515,127)
Balance as at 1 January 2022 (Restated)	25,438,252	6,359,563	40,221	(967,052)	-	-	5,081,975	35,952,959
Total comprehensive income for the period	-	-	-	899,924	2,419,887	-	2,419,887	3,319,811
Realized gain from sale of financial assets through other comprehensive income	-	-	-	(1,232,603)	-	-	1,232,603	-
Dividends distribution	-	-	-	-	-	-	(1,271,913)	(1,271,913)
Balance as at 30 June 2022	25,438,252	6,359,563	40,221	(1,299,731)	2,419,887	-	7,462,552	38,000,857

* Retained earnings include an amount of JD 3,872,496 as at 30 June 2023 (31 December 2022: JD 4,136,940) which represents deferred tax assets that is restricted from use in accordance with the Jordan Securities Commission instructions. Furthermore, an amount of JD 857,515 as at 30 June 2023 (31 December 2022: JD 1,684,308) of the retained earnings is restricted from use which represents the negative balance of the fair value reserve, and an amount of JD 56,151 as at 30 June 2023 is restricted which represents the unrealized gain from financial assets at fair value through profit or loss.

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements

GULF INSURANCE GROUP - JORDAN PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)

	Notes	30 June 2023 JD	30 June 2022 JD (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit from continuing operations before tax		4,230,305	2,545,250
Loss from discontinued operations after tax		(34,272)	(35,732)
Adjustments for -			
Interest income		(1,245,801)	(1,114,408)
Depreciation and amortization		514,915	318,225
Depreciation on right use assets		118,085	127,923
Interest on lease contracts liabilities		12,926	12,490
Gain from sale of financial assets at fair value through profit or loss	13	56,151	-
Interest on financial assets at amortized cost	13	(726,249)	(370,078)
Gain from sale of property and equipment		(20,917)	(1,359)
End of service indemnity provision		543,529	221,911
Cash flows from operating activities before changes in working capital		3,448,672	1,704,222
Re-insurance contracts assets		2,563,490	(3,547,132)
Insurance contracts liabilities		1,939,405	3,879,584
Re-insurance contracts liabilities		328,771	(93,017)
Other assets		(1,366,460)	5,005,472
Accrued expenses		(824,073)	(641,391)
Other provisions		(14,342)	(155)
Other liabilities		(27,183)	(1,500,448)
Paid from end of service provision		(179,900)	(75,384)
Income tax paid	8/A	(290,545)	(2,713,999)
Net cash flows from operating activities		5,577,835	2,017,752
CASH FLOW FROM INVESTING ACTIVITIES			
Deposits at banks maturing after three months		57,461,084	(476,916)
Interest received		1,245,801	1,114,408
Purchase of property and equipment		(392,875)	(174,874)
Proceeds from sale of property and equipment		22,367	3,628
Purchase of financial assets at fair value through profit or loss		(6,038,612)	-
Purchase of financial assets at fair value at amortized cost		(39,272,873)	-
Purchase of intangible assets		(138,876)	(57,432)
Purchase of financial assets at fair value through other comprehensive income		(802,273)	(631,818)
Proceeds from sale of financial assets through other comprehensive income		1,119,395	1,967,594
Bank overdraft		-	(1,199,828)
Net cash flows from investing activities		13,203,138	544,762
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated loan	17	(1,500,000)	(1,500,000)
Paid distributed dividends	15	(3,900,000)	(1,271,913)
Lease payments		(172,000)	(176,847)
Net cash flows used in financing activities		(5,572,000)	(2,948,760)
Net increase (decrease) in cash and cash equivalent		13,208,973	(386,246)
Cash and cash equivalents at the beginning of the period		1,576,397	1,918,790
Cash and cash equivalents at the end of the period	19	14,785,370	1,532,544

The attached notes 1 to 26 form part of these interim condensed consolidated financial statements

(1) GENERAL

Gulf Insurance Group - Jordan was established in 1996 and registered as a Jordanian public limited shareholding company under No. (309), with a paid-in capital of JD 2,000,000 divided into 2,000,000 shares with a par value of JD 1 each. The paid-in capital increased several times; most recently during 2022 to reach JD 26,000,000 divided into 26,000,000 shares with a par value of JD 1 each.

The group is engaged in life insurance business along with general insurance business against fire, accidents, marine and transportation, and motor insurance, public liability, aviation and medical insurance through its main branch located at Jabal Amman 3rd circle in Amman, and other branches at Marca "licensing services center", Mecca Street, 8th Circle, Business park, Abdali in Amman city, Aqaba branch in Aqaba City and in Irbid branch in Irbid city.

The General Assembly decided in its meeting held on 31 May 2022, to change the legal name of the company from (Arab Orient Insurance Company) to (Gulf Insurance Group / Jordan) and completed the legal procedures during the third quarter of 2022.

Gulf Insurance Group / Jordan is 89.91% owned by Gulf Insurance Company as at 30 June 2023 (parent Company). The Company's financial statements are consolidated with the parent Company.

The interim condensed consolidated financial statements were approved by the Board of Directors in its meeting held on 30 July 2023.

(2) Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting".

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

The financial statements are presented in Jordanian Dinar (JD), which is the functional currency of the Group.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual report as at 31 December 2022. In addition, the results for the six months ended 30 June 2023 are not necessarily indicative of the results that may be expected for the year ended 31 December 2023.

(2-1) Basis of consolidation of the financial statements

Subsidiaries are consolidated when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Income and expenses of a subsidiary are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiaries.

The interim condensed consolidated financial statements comprise the financial statements of Gulf Insurance Group / Jordan Public Shareholding Company ("the Company") and its subsidiaries (referred to as "the Group") as at 30 June 2023.

Name of Company	Legal Status	Country	Ownership percentage
Badeyet al Khaleej First Company for Management Consulting*	Limited liability	Jordan	100%
The Arabian Gulf Horizons Company for Management Consulting**	Limited liability	Jordan	100%

* Badeyet Al Khaleej First Company for Management Consulting, a limited liability Company was established and registered at the Ministry of Industry and Trade on 29 December 2020 with a paid in capital of JD 1,000 and is fully owned by the Gulf Insurance Group / Jordan (Public Shareholding Company). The Company's main objectives are to acquire, sell and mortgage movable and immovable assets to achieve the Company's objectives.

** The Arabian Gulf Horizons Company for Management Consulting, a limited liability Company, was established and registered at the Ministry of Industry and Trade on 29 December 2020, with a paid in capital of JD 1,000 and is fully owned by the Gulf Insurance Group / Jordan (Public Shareholding Company). The Company's main objectives are to acquire, sell and mortgage movable and immovable assets to achieve the Company's objectives.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income and expenses relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non- controlling interests.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes the gain or loss resulted from loss of control.
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, in the event that the group has directly excluded its assets or liabilities.

The financial statements of the Company and the subsidiary are prepared for the same financial year, using the same accounting policies.

All intra-group transactions, balances, income, expenses between members of the Group are eliminated in full on consolidation.

(2-2) Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023.

The Group has restated comparative information for 2022 applying the transitional provisions of IFRS 17 by adopting the full retrospective approach. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement:

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and re-insurance contracts held by the Group.

The key principles of IFRS 17 are that the Group perform the following:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards.

- Divides the insurance and re-insurance contracts into groups it will recognise and measure.

- Recognises and measures groups of insurance contracts at:
A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information

Add:
- An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM).

- Recognises profit from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately.

- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Under IFRS 17, the Group’s insurance contracts issued, and re-insurance contracts held are eligible to be measured by applying the Premium Allocation Approach (PAA) or Variable fee approach (VFA). The PAA simplifies the measurement of insurance contracts in comparison with the General Model (GM) in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage (LRC) reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.

- For GM and VFA measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these have formed part of the unexpired risk reserve provision).

- Measurement of the liability for incurred claims (LIC) (previously outstanding claims and incurred-but-not-reported (IBNR) reserves) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses.

- Measurement of the asset for remaining coverage (reflecting re-insurance premiums paid for re-insurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

- The Group has determined that the majority of its insurance contracts qualify for the simplified approach. As a result, the Group has established its policy choice to account for its insurance contracts under the Premium Allocation Approach, where eligible.

- The application of the PAA model is optional. This means that if the eligibility criteria are fulfilled for a certain group of insurance contracts, an entity can choose between measuring this group of contracts under the General Model (GM) or under the PAA.

- The Group has determined that contracts are eligible for the PAA if they have a coverage period of one year or less (Criteria 1) or the liability for remaining coverage would not differ materially from the liability for remaining coverage under the GM in any of the given reporting periods (Criteria 2) or if the volatility in historical expectations was low, i.e. when expectations were stable over time (Criteria 3).

- Variable Fee Approach (VFA) will be applied to all those life contracts where an underlying item can be identified.

<u>Changes to presentation and disclosure</u>

For presentation in the interim condensed consolidated statement of financial position, the Group aggregates insurance and re-insurance contracts issued and re-insurance contracts held, respectively and presents separately:
* Portfolios of insurance and re-insurance contracts issued that are assets.
* Portfolios of insurance and re-insurance contracts issued that are liabilities.
* Portfolios of re-insurance contracts held that are assets.
* Portfolios of re-insurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line-item descriptions in the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income have been changed significantly compared with last year.

Transition to IFRS 17

On transition date, 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied.
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. At transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in retained earnings.

Full retrospective approach

On transition to IFRS 17, the Group has applied the full retrospective approach unless impractical. The Group has applied the full retrospective approach on transition to all contracts issued on or after 1 January 2021.

The impact of the adoption of IFRS 17 was as follows:

Items presented for Primary insurance contracts and Re-insurance contracts	**Impact on retained earnings as of 1 January 2022**
	JD
Change in best estimate	**(3,612,501)**
Loss component impact	**(575,494)**
Risk adjustment	**(2,299,002)**
Deferred acquisition cost	**(1,188,095)**
Discounting impact	**2,945,575**
Issuance costs	**(1,461,822)**
Deferred tax assets	**638,069**
Others	**38,143**
	(5,515,127)

Accounting policies for IFRS 17

Separating components from insurance and re-insurance contracts

The Group assesses its non-life insurance and re-insurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

Level of Aggregation
IFRS 17 requires the Group to determine the level of aggregation for applying its requirements.

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

The Group applied a full retrospective approach for transition to IFRS 17 under PAA. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- Any contracts that are onerous on initial recognition.
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the portfolio.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Historical information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

<u>Recognition</u>
The Group recognises groups of insurance contracts it issues from the earliest of the following:
- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Group recognises a group of re-insurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of re-insurance contracts held. (However, the Group delays the recognition of a group of re-insurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of re-insurance contracts held.

- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related re-insurance contract held in the group of re-insurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

<u>Contract boundaries</u>
The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

Or both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Initial measurement

The following table sets out the accounting policy choices adopted by the Group:

	IFRS 17 Options	Adopted approach
Insurance acquisition cash flows	Where the coverage period of all contracts within a group is no longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group using a systematic and rational basis.
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LFRC.	For all contracts measured under the PAA, there is no allowance as the premiums are expected to be received within one year of the coverage period.
Liability for Incurred Claims, (LFIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Group discounts the LIC for the time value of money where claims are expected to be paid within more than a year.
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	The Change in LFIC as a result of changes in discount rates will be captured within profit or loss. The OCI option may be applied for certain long-term life products.

Insurance contracts measured under the premium allocation approach - Initial and Subsequent Measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues and re-insurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Or,

- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:
- The premiums, if any, received at initial recognition
- Less any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Add or less any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:
- Add premiums received in the period
- Less insurance acquisition cash flows
- Add any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Add any adjustment to the financing component, where applicable
- Less the amount recognised as insurance revenue for the services provided in the period
- Less any investment component paid or transferred to the liability for incurred claims where applicable.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment).

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised. Insurance acquisition cash flows are allocated as a portion of premium to profit or loss (through insurance revenue).

Initial measurement

The general model measures a group of insurance contracts as the total of:

- Fulfilment cash flows
- A Contractual Service Margin (CSM) representing the unearned profit the Group will recognise as it provides insurance contract services under the insurance contracts in the Group.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:
- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time.

Subsequent measurement

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group

- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition.

The changes in fulfilment cash flows relating to future service, except to the extent that:

- Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or

- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM

- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measured under the GMM these changes exclude those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)

- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable.

- Changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Group comprising the fulfilment cash flows related to past service allocated to the group at that date.

Re-insurance contracts held measured under the premium allocation approach -Initial measurement

The Group measures its re-insurance assets for a group of re-insurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of re-insurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

The subsequent measurement of re-insurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of re-insurance held. Where the Group has established a loss-recovery component, the Group subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of re-insurance contracts held.

Re-insurance contracts held measured other than PAA - Initial and Subsequent Measurement

Initial measurement

The measurement of re-insurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes.
- The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer.
- The Group recognises both day 1 gains and day 1 losses at initial recognition in the interim condensed consolidated statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

Where the Group enters into re-insurance contracts held which provide coverage relating to events that occurred before the purchase of the re-insurance, such cost of re-insurance is recognised in profit or loss on initial recognition.

Subsequent measurement

The measurement of re-insurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a re-insurance contract held do not adjust the contractual service margin as they do not relate to future service.

Any change in the fulfilment cash flows of a retroactive re-insurance contract held due to the changes of the liability for incurred claims of the underlying contracts is taken to profit and loss and not the contractual service margin of the re-insurance contract held. Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related re-insurance contracts held is disclosed as a loss-recovery component.

Where the Group has established a loss-recovery component, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired), or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

All acquisition costs are to be deferred. The Group uses a systematic and rational method to allocate attributable expenses to a group of contacts:

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
- To that group; and
- To groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the interim condensed consolidated statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Group recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Discount rates

The Group adopts a bottom-up approach in deriving appropriate discount rates. The starting point for these discount rates will be appropriate reference liquid risk-free curves – taking consideration for the currency characteristics of the contracts and their respective cashflows. The risk-free reference curve will be a grant from the European Insurance and Occupational Pensions Authority, and the relevant country specific credit risk premium will be loaded as required.

Risk adjustment

IFRS 17 requires to measure insurance contracts at initial recognition as the sum of the following items:

- Future Cash Flow (FCF) and comprising the Present Value of Future Cash Flows (PVFCF) with an appropriate discounting structure
- Risk Adjustment (RA) for non-financial risk
- Contractual Service Margin (CSM)

The risk adjustment for non-financial risk is the compensation that the entity requires for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk.

Derivation of the risk adjustment

The Group has determined that the derivation of the risk adjustment shall be performed at the operating Group level using an appropriate methodology that is in line with IFRS 17 guidelines.

The Risk Adjustment for the Liability for Incurred Claims (LIC) has been estimated based the quantile approach performed on Group's triangles with consideration to market benchmarks.

The Group will a set confidence level on a diversified basis. The Group applies judgment to determine the appropriate Risk Adjustment based on the non-financial risks associated with their portfolios of insurance contracts to determine the desired risk adjustment.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

Net income or expense from re-insurance contracts held

The Group presents separately on the face of the interim condensed consolidated statement of profit or loss, the amounts expected to be recovered from reinsurers, and an allocation of the re-insurance premiums paid. The Group treats re-insurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the re-insurance contract held and excludes investment components and commissions from an allocation of re-insurance premiums presented on the face of the interim condensed consolidated statement of income.

Use of Estimates

The preparation of the financial statements requires 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 as well as change in fair value presented in equity. In particular, considerable judgment by 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 following are the details of the management's fundamental assumptions:

- The fiscal year is charged with its income tax expense in accordance with the laws and regulations.

- A provision for impairment is made based on the principles and assumptions approved by the company's management to estimate the provision to be established in accordance with the requirements of IFRS 9.

- The management periodically re-assesses the useful lives of the tangible assets for the purpose of calculating annual depreciation based on the general condition of these assets and estimates of expected useful lives in the future, and the impairment loss (if any) is taken into the interim condensed statement of income.

Insurance and re-insurance contracts

The Group applies the PAA (where applicable) to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage:

Insurance acquisition cash flows
For certain product lines, the Group is eligible and chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued within these product lines have a coverage period of one year or less. where the Group is not eligible to recognise an expense immediately, insurance acquisition cash flows are allocated to related groups of insurance contracts recognised in the interim condensed consolidated statement of financial position (including those groups that will include insurance contracts expected to arise from renewals). An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised.

Liability for incurred claims
The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

- Provision for legal cases against the company is made based on a legal study prepared by the company's attorney, according to which the potential risks in the future are identified, and those studies are reviewed periodically.

(3) BANK DEPOSITS

	30 June 2023				31 December 2022	31 December 2021
	Deposits maturing in 1 month	Deposits maturing in 1 month to 3 months	Deposits maturing in 1 month to 3 months	Total	Total	Total
	JD	JD	JD	JD (Unaudited)	JD (Audited)	JD (Audited)
Inside Jordan	2,588,472	9,215,197	9,461,478	21,265,147	66,922,562	58,928,609

Interest rates on bank deposits balances in Jordanian Dinar range between 3.75% to 6.5% during the period of the year 2023 (2022: 3.75% to 6.25%).

Deposits pledged to the benefit of the Governor of the Central Bank of Jordan amounted to JD 800,000 as at 30 June 2023 (2022: JD 800,000).

There are no restricted balances except for restricted balances which represent pledged deposits in favor of the Governor of the Central Bank of Jordan.

Below is the distribution of the Group's bank deposits:

	30 June 2023	31 December 2022	31 December 2021
	JD	JD	JD
	(Unaudited)	(Audited)	(Audited)
Jordan Kuwait Bank	3,118,563	21,655,916	18,890,121
Cairo Amman Bank	1,634,301	11,436,460	9,089,310
Capital Bank of Jordan	3,219,090	10,338,288	6,194,243
Housing Bank	3,000,000	-	
Societe Generale Bank	-	-	5,065,697
Jordan Commercial Bank	3,180,985	5,984,929	5,748,830
Egyptian Arab Land Bank	2,153,796	5,232,422	5,025,743
Etihad Bank	954,171	3,670,950	3,557,639
Arab Banking Corporation Bank	2,811,465	3,187,457	3,087,714
Jordan Ahli Bank	-	1,673,192	1,614,426
Bank of Jordan	-	674,739	654,886
Invest Bank	1,292,776	3,168,209	-
	21,365,147	67,022,562	58,928,609
Less: Expected credit losses provision *	(100,000)	(100,000)	-
	21,265,147	66,922,562	58,928,609

The movement on the expected credit losses provision during the period/year is as follows:

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)	31 December 2021 JD (Audited)
Beginning balance for the period/year	100,000	-	-
Transferred from the provision for expected credit losses for accounts receivable	-	100,000	-
	100,000	100,000	-

(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Inside Jordan: **Listed shares:**	30 June 2023 Number of shares (Unaudited)	31 December 2022 Number of shares (Audited)	31 December 2021 Number of shares (Audited)	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)	31 December 2021 JD (Audited)
Afaq for Energy	724,937	1,140,147	1,140,147	1,406,378	2,097,871	1,596,206
Afaq for Investment and Real Estate Development	1,541,500	1,541,500	1,541,500	1,526,085	1,464,425	1,618,575
Cairo Amman Bank	113,000	113,000	113,000	150,290	151,420	157,070
Jordan Kuwait Bank	1,009,530	588,234	-	2,473,348	970,586	-
Capital Bank of Jordan	-	-	700,000	-	-	1,421,000
Jordan Electric Power Company	-	-	163,013	-	-	189,095
Amlak Company	-	-	54	-	-	54
				5,556,101	4,684,302	4,982,000
Unlisted shares:						
Saraya Aqaba Real Estate Development Company	500,000	500,000	500,000	154,880	154,880	154,880
Imcan Brokerage and Trading	-	-	12,719	-	-	14,214
Al-Motarabetah Investment Company	29,851	29,851	29,851	9,579	9,579	9,579
				164,459	164,459	178,673

	30 June 2023	31 December 2022	31 December 2021	30 June 2023	31 December 2022	31 December 2021
	Number of shares (Unaudited)	Number of shares (Audited)	Number of shares (Audited)	JD (Unaudited)	JD (Audited)	JD (Audited)
Outside Jordan:						
Listed shares:						
Gulf warehousing Company	685,000	685,000	-	437,268	534,999	-
Safa Bank/ Palestine owned by Cairo Amman Bank	9,562	9,562	-	5,490	5,423	-
				442,758	540,422	-
Unlisted shares:						
Iraq International Insurance Company	482,195,655	482,195,655	482,195,655	171,000	171,000	171,000
				613,758	711,422	171,000
Total financial assets at fair value through other comprehensive income				6,334,318	5,560,183	5,331,673

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2023	31 December 2022	31 December 2021	30 June 2023	31 December 2022	31 December 2021
	Number of	Number of	Number of	JD	JD	JD
Inside Jordan:	shares	shares	shares			
Listed shares:	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
Jordan Phosphate Mining Company	162,000	-	-	1,901,880	-	-
Arab Potash Company	57,100	-	-	1,929,980	-	-
National Petroleum Refinery Company	167,000	-	-	910,150	-	-
				4,742,010	-	-
Outside Jordan:						
Unlisted shares:						
Riyad Bank	102,400	-	-	650,880	-	-
Saudi National Bank	84,815	-	-	589,571	-	-
				1,240,451	-	-
Total financial assets at fair value through profit or loss				5,982,461	-	-

(6) FINANCIAL ASSETS AT AMORTIZED COST

	30 June 2023	31 December 2022	31 December 2021	30 June 2023	31 December 2022	31 December 2021
	Number of bonds	Number of bonds	Number of bonds	JD	JD	JD
	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
Inside Jordan-						
Unlisted Bonds in financial markets						
Arab Real Estate Development Company	120	120	120	1,200,000	1,200,000	1,200,000
Listed bonds in financial markets						
Treasury bonds/ Hashemite Kingdom of Jordan	5,000	-	-	3,519,207	-	-
Treasury bonds/ Hashemite Kingdom of Jordan	3,000	-	-	2,183,366	-	-
Treasury bonds/ Hashemite Kingdom of Jordan	3,000	-	-	2,163,824	-	-
Treasury bonds/ Hashemite Kingdom of Jordan	2,500	2,500	2,500	1,800,239	1,803,710	1,810,386
Treasury bonds/ Hashemite Kingdom of Jordan	2,000	-	-	1,462,040	-	-
Treasury bonds/ Hashemite Kingdom of Jordan	2,000	2,000	2,000	1,429,173	1,431,151	1,434,941
Treasury bonds/ Hashemite Kingdom of Jordan	2,000	-	-	1,426,863	-	-
Treasury bonds/ Hashemite Kingdom of Jordan	2,000	2,000	2,000	1,425,448	1,426,374	1,428,150
Treasury bonds/ Hashemite Kingdom of Jordan	2,000	-	-	1,411,122	-	-
Treasury bonds/ Hashemite Kingdom of Jordan	1,330	1,330	947,149	947,669	948,664	
Treasury bonds/ Hashemite Kingdom of Jordan	1,000	1,000	1,000	711,348	711,762	712,555
Treasury bonds/ Hashemite Kingdom of Jordan	1,000	1,000	1,000	710,042	710,225	710,576
Treasury bonds/ Hashemite Kingdom of Jordan	1,000	-	-	705,903	-	-
Treasury bonds/ Hashemite Kingdom of Jordan	1,000	1,000	1,000	704,305	702,124	700,682
Treasury bonds/ Hashemite Kingdom of Jordan	1,000	1,000	1,000	702,878	703,725	702,617
Treasury bonds/ Hashemite Kingdom of Jordan	1,000	1,000	1,000	698,247	696,928	694,409
Total financial assets at amortized cost inside Jordan				23,201,154	10,333,668	10,342,980

	30 June 2023	31 December 2022	31 December 2021	30 June 2022	31 December 2022	31 December 2021
	Number of bonds (Unaudited)	Number of bonds (Audited)	Number of bonds (Audited)	JD (Unaudited)	JD (Audited)	JD (Audited)
Outside Jordan-						
Treasury bonds/ United Arab Emirates	5,000	-	-	3,570,601	-	-
Treasury bonds/ Kingdom of Saudi Arabia	5,000	-	-	3,408,518	-	-
Treasury bonds/ Kingdom of Saudi Arabia	4,000	-	-	2,751,217	-	-
Treasury bonds/ Egypt	4,000	4,000	-	2,641,899	2,545,545	-
Treasury bonds/ Kingdom of Saudi Arabia	3,000	-	-	2,142,953	-	-
Treasury bonds/ United Arab Emirates	3,000	-	-	2,129,127	-	-
Treasury bonds/ Kingdom of Saudi Arabia	3,000	-	-	2,067,128	-	-
Treasury bonds/ Kingdom of Saudi Arabia	3,000	-	-	1,953,650	-	-
First Abu Dhabi Bank	2,500	-	-	1,761,308	-	-
Treasury bonds/ Kingdom of Saudi Arabia	2,000	-	-	1,456,359	-	-
Treasury bonds/ Kingdom of Saudi Arabia	2,000	-	-	1,448,034	-	-
Treasury bonds/ Kingdom of Saudi Arabia	2,000	-	-	1,446,360	-	-
Treasury bonds/ Kingdom of Saudi Arabia	1,000	-	-	728,397	-	-
Treasury bonds/ Kingdom of Saudi Arabia	1,000	-	-	725,515	-	-
Treasury bonds/ Kingdom of Saudi Arabia	1,000	-	-	725,184	-	-
Treasury bonds/ Kingdom of Saudi Arabia	1,000	-	-	720,931	-	-
Treasury bonds/ Kingdom of Bahrain Government	-	-	715	-	-	524,585
Treasury bonds/ Kingdom of Bahrain Government	-	-	1,315	-	-	967,690
Treasury bonds/ Oman Government	-	-	1,000	-	-	578,994
Treasury bonds/ Oman Government	-	-	1,000	-	-	570,191
Treasury bonds/ Oman Government	-	-	200	-	-	111,355
Total financial assets at amortized cost outside Jordan				29,677,181	2,545,545	2,752,815
				52,878,335	12,879,213	13,095,795
Provision for impairment of financial assets at amortized cost				(1,299,000)	(1,299,000)	(1,199,000)
				51,579,335	11,580,213	11,896,795

(7) INSURANCE CONTRACTS ASSETS/LIABILITIES

Insurance contracts liabilities

	30 June 2023			31 December 2022			31 December 2021		
	Premium allocation approach (7-A)	General approach (7-B)	Total	Premium allocation approach (7-A)	General approach (7-B)	Total	Premium allocation approach (7-A)	General approach (7-B)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	14,990,214	-	14,990,214	14,623,163	-	14,623,163	6,515,168	-	6,515,168
Liability of incurred claims	49,972,157	-	49,972,157	48,430,314	-	48,430,314	51,119,982	-	51,119,982
Present value of future cash flows	-	473,845	473,845	-	501,463	501,463	-	435,374	435,374
Risk adjustment - non-financial	-	15,002	15,002	-	9,946	9,946	-	34,977	34,977
CSM	-	53,073	53,073	-	-	-	-	-	-
Total	64,962,371	541,920	65,504,291	63,053,477	511,409	63,564,886	57,635,150	470,351	58,105,501

Re-insurance contracts liabilities

	30 June 2023			31 December 2022			31 December 2021		
	Premium allocation approach (7-C)	General approach (7-C)	Total	Premium allocation approach (7-C)	General approach (7-C)	Total	Premium allocation approach (7-C)	General approach (7-C)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	(1,923,920)	-	(1,923,920)	(1,404,596)	-	(1,404,596)	(821,312)	-	(821,312)
Liability of incurred claims	959,967	-	959,967	761,293	-	761,293	1,345,993	-	1,345,993
Present value of future cash flows	-	275,727	275,727	-	295,812	295,812	-	-	-
Risk adjustment - non-financial	-	-	-	-	-	-	-	-	-
CSM	-	(399,301)	(399,301)	-	(411,265)	(411,265)	-	-	-
Total	(963,953)	(123,574)	(1,087,527)	(643,303)	(115,453)	(758,756)	524,681	-	524,681

Re-insurance contracts assets

	30 June 2023			31 December 2022			31 December 2021		
	Premium allocation approach (7-C)	General approach (7-C)	Total	Premium allocation approach (7-C)	General approach (7-C)	Total	Premium allocation approach (7-C)	General approach (7-C)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	(13,100,155)	-	(13,100,155)	(10,773,795)	-	(10,773,795)	(821,312)	-	(821,312)
Liability of incurred claims	18,528,581	-	18,528,581	18,765,711	-	18,765,711	1,345,993	-	1,345,993
Present value of future cash flows	-	-	-	-	-	-	-	-	-
Risk adjustment - non-financial	-	-	-	-	-	-	-	-	-
CSM	-	-	-	-	-	-	-	-	-
Total	5,428,426	-	5,428,426	7,991,916	-	7,991,916	524,681	-	524,681

(7-A) INSURANCE CONTRACTS ASSETS/LIABILITIES – PREMIUM ALLOCATION APPROACH

30 June 2023	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
	JD	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2023	12,094,163	2,529,000	44,979,874	3,450,440	63,053,477
Insurance contracts assets at 1 January 2023	-	-	-	-	-
Insurance contracts liabilities as at 1 January 2023	12,094,163	2,529,000	44,979,874	3,450,440	63,053,477
Insurance revenue	(53,750,272)	-	-	-	(53,750,272)
Incurred claims and other directly attributable expenses	-	1,841,438	45,166,408	1,260,284	48,268,130
Changes that relate to past service-changes in FCF relating to LIC	-	-	(6,329,386)	(1,501,238)	(7,830,624)
Losses on onerous contracts	-	(2,534,438)	-	-	(2,534,438)
Insurance acquisition cash flows assets impairment	3,712,000	-	-	-	3,712,000
Insurance services expenses	3,712,000	(693,000)	38,837,022	(240,954)	41,615,068
Insurance services results	(50,038,272)	(693,000)	38,837,022	(240,954)	(12,135,204)
Finance expenses from insurance contracts issued	-	-	1,638,293	188,964	1,827,257
Total amounts recognised in the statement of comprehensive income	(50,038,272)	(693,000)	40,475,315	(51,990)	(10,307,947)
Cash Flows:					
Premiums received	54,386,741	-	-	-	54,386,741
Claims and other directly attributable expenses paid	-	-	(38,881,482)	-	(38,881,482)
Insurance contracts acquisition cash flows	(3,288,418)	-	-	-	(3,288,418)
Total cash flows	51,098,323	-	(38,881,482)	-	12,216,841
Insurance contracts liabilities as at 30 June 2023	13,154,214	1,836,000	46,573,707	3,398,450	64,962,371
Insurance contracts assets at 30 June 2023	-	-	-	-	-
Insurance contracts liabilities at 30 June 2023	**13,154,214**	**1,836,000**	**46,573,707**	**3,398,450**	**64,962,371**

INSURANCE CONTRACTS ASSETS/LIABILITIES – PREMIUM ALLOCATION APPROACH

31 December 2022	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
	JD	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2022	5,255,674	1,259,494	47,799,297	3,320,685	57,635,150
Insurance contracts assets at 1 January 2022	-	-	-	-	-
Insurance contracts liabilities as at 1 January 2022	5,255,674	1,259,494	47,799,297	3,320,685	57,635,150
Insurance revenue	(101,082,839)	-	-	-	(101,082,839)
Incurred claims and other directly attributable expenses	-	1,244,495	86,125,577	1,490,041	88,860,113
Changes that relate to past service-changes in FCF relating to LIC	-	-	(11,010,126)	(1,410,838)	(12,420,964)
Losses on onerous contracts	-	25,011	-	-	25,011
Insurance acquisition cash flows assets impairment	6,730,448	-	-	-	6,730,448
Insurance services expenses	6,730,448	1,269,506	75,115,451	79,203	83,194,608
Insurance services results	(94,352,391)	1,269,506	75,115,451	79,203	(17,888,231)
Finance expenses from insurance contracts issued	-	-	(342,034)	50,552	(291,482)
Total amounts recognised in the statement of comprehensive income	(94,352,391)	1,269,506	74,773,417	129,755	(18,179,713)
Cash Flows:					
Premiums received	107,750,312	-	-	-	107,750,312
Claims and other directly attributable expenses paid	-	-	(77,592,840)	-	(77,592,840)
Insurance contracts acquisition cash flows	(6,559,432)	-	-	-	(6,559,432)
Total cash flows	101,190,880	-	(77,592,840)	-	23,598,040
Insurance contracts liabilities as at 31 December 2022	12,094,163	2,529,000	44,979,874	3,450,440	63,053,477
Insurance contracts assets as at 31 December 2022	-	-	-	-	-
Insurance contracts liabilities as at 31 December 2022	**12,094,163**	**2,529,000**	**44,979,874**	**3,450,440**	**63,053,477**

(7-B) INSURANCE CONTRACTS ASSETS/LIABILITIES – GENERAL APPROACH

30 June 2023	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2023	501,463	9,946	-	511,409
Insurance contracts assets at 1 January 2023	-	-	-	-
Insurance contracts liabilities as at 1 January 2023	501,463	9,946	-	511,409
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	2,169	-	2,169
Experience adjustments-relating to insurance services expenses	9,728	-	-	9,728
Changes related to future service:				
Changes in estimates that adjust the CSM	(19,446)	1,855	23,460	5,869
Changes in estimate that results in onerous contract losses or reversal of such losses	(4,292)	619	-	(3,673)
Experience adjustments-arising from premiums received in the period that relate to future service	(29,613)	-	29,613	-
Insurance services results	(43,623)	4,643	53,073	14,093
Finance expenses from insurance contracts issued	20,507	413	-	20,920
Total amounts recognised in the statement of comprehensive income	(23,116)	5,056	53,073	35,013
Cash flows:				
Premiums received	52,373	-	-	52,373
Claims and other directly attributable expenses paid	(56,875)	-	-	(56,875)
Insurance contracts acquisition cash flows	-	-	-	-
Total cash flows	(4,502)	-	-	(4,502)
Insurance contracts liabilities as at 30 June 2023	473,845	15,002	53,073	541,920
Insurance contracts assets as at 30 June 2023	-	-	-	-
Insurance contracts liabilities as at 30 June 2023	**473,845**	**15,002**	**53,073**	**541,920**

INSURANCE CONTRACTS ASSETS/LIABILITIES – GENERAL APPROACH

31 December 2022	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2022	435,374	34,977	-	470,351
Insurance contracts assets at 1 January 2022	-	-	-	-
Insurance contracts liabilities as at 1 January 2022	435,374	34,977	-	470,351
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	(18,851)	-	(18,851)
Experience adjustments-relating to insurance services expenses	(222,926)	-	-	(222,926)
Changes related to future service:				
Changes in estimates that adjust the CSM	16,685	(5,583)	(11,102)	-
Changes in estimate that results in onerous contract losses or reversal of such losses	339,392	85	-	339,477
Contracts initially recognised in the period	64,316	-	-	64,316
Experience adjustments-arising from premiums received in the period that relate to future service	(11,102)	-	11,102	-
Insurance services results	186,365	(24,349)	-	162,016
Finance expenses from insurance contracts issued	(154,046)	(682)	-	(154,728)
Total amounts recognised in the statement of comprehensive income	32,319	(25,031)	-	7,288
Cash flows:				
Total premiums received	90,297	-	-	90,297
Claims and other directly attributable expenses paid	(56,527)	-	-	(56,527)
Total cash flows	33,770	-	-	33,770
Insurance contracts liabilities as at 31 December 2022	501,463	9,946	-	511,409
Insurance contracts assets as at 31 December 2022	-	-	-	-
Insurance contracts liabilities as at 31 December 2022	**501,463**	**9,946**	**-**	**511,409**

(7-C) RE-INSURANCE CONTRACTS (ASSETS) LIABILITIES – PREMIUM ALLOCATION APPROACH

30 June 2023	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
	JD	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2023	(1,404,596)	-	674,646	86,647	(643,303)
Insurance contracts assets at 1 January 2023	(10,773,795)	-	17,691,933	1,073,778	7,991,916
Re-insurance contracts (liabilities) asset as at 1 January 2023	(12,178,391)	-	18,366,579	1,160,425	7,348,613
Re-insurance expenses	(22,595,931)	-	-	-	(22,595,931)
Incurred claims recovery	-	-	24,715,497	548,987	25,264,484
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(9,747,019)	(670,232)	(10,417,251)
Effect of changes in risk of non-performance by issuer of re-insurance contracts held	-	-	(99,553)	-	(99,553)
Insurance services results	(22,595,931)	-	14,868,925	(121,245)	(7,848,251)
Finance income from re-insurance contracts held	-	-	334,623	57,930	392,553
Total amounts recognised in the statement of comprehensive income	(22,595,931)	-	15,203,548	(63,315)	(7,455,698)
Cash flows:					
Total premiums paid net of ceding commissions and other directly attributable expenses	19,750,247	-	-	-	19,750,247
Recoveries from re-insurance	-	-	-	(15,178,689)	(15,178,689)
Total cash flows	19,750,247	-	-	(15,178,689)	4,571,558
Insurance contracts liabilities as at 30 June 2023	(1,923,920)	-	16,056,820	(15,096,853)	(963,953)
Insurance contracts assets at 30 June 2023	(13,100,155)	-	17,513,307	1,015,274	5,428,426
Insurance contracts liabilities (assets) at 30 June 2023	**(15,024,075)**	**-**	**33,570,127**	**(14,081,579)**	**4,464,473**

RE-INSURANCE CONTRACTS (ASSETS) LIABILITIES – GENERAL APPROACH

30 June 2023	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2023	295,812	-	(411,265)	(115,453)
Insurance contracts assets at 1 January 2023	-	-	-	-
Insurance contracts (liabilities) asset as at 1 January 2023	295,812	-	(411,265)	(115,453)
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	(19,615)	-	-	(19,615)
Experience adjustments-relating to insurance services expenses	-	-	-	-
Changes related to future service:				
Changes in estimates that adjust the CSM	(21,658)	-	21,658	-
Contracts initially recognised in period	2,463	-	(2,463)	-
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	7,075	-	(7,075)	-
Insurance services results	(31,735)	-	12,120	(19,615)
Finance expenses from insurance contracts issued	11,650	-	(156)	11,494
Total amounts recognised in the statement of comprehensive income	(20,085)	-	11,964	(8,121)
Cash flows:				
Premiums received	-	-	-	-
Claims and other directly attributable expenses paid	-	-	-	-
Insurance contracts acquisition cash flows	-	-	-	-
Total cash flows	-	-	-	-
Insurance contracts liabilities as at 30 June 2023	275,727	-	(399,301)	(123,574)
Insurance contracts assets as at 30 June 2023	-	-	-	-
Insurance contracts (liabilities) assets as at 30 June 2023	**275,727**	**-**	**(399,301)**	**(123,574)**

RE-INSURANCE CONTRACTS (ASSETS) LIABILITIES – PREMIUM ALLOCATION APPROACH

31 December 2022	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
	JD	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2023	(821,312)	-	1,197,545	148,448	524,681
Insurance contracts assets at 1 January 2023	(11,668,081)	-	17,091,253	1,110,478	6,533,650
Re-insurance contracts liabilities (assets) as at 1 January 2023	**(12,489,393)**	**-**	**18,288,798**	**1,258,926**	**7,058,331**
Re-insurance expenses	(40,466,000)	-	-	-	(40,466,000)
Incurred claims recovery	-	-	39,136,293	604,144	39,740,437
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(9,953,667)	(732,899)	(10,686,566)
Effect of changes in risk of non-performance by issuer of re-insurance contracts held	-	-	(248,775)	-	(248,775)
Insurance services results	(40,466,000)	-	28,933,851	(128,755)	(11,660,904)
Finance income from re-insurance contracts held	-	-	76,821	30,255	107,076
Total amounts recognised in the statement of comprehensive income	(40,466,000)	-	29,010,672	(98,500)	(11,553,828)
Cash flows:					
Total premiums paid net of ceding commissions and other directly attributable expenses	40,777,000	-	-	-	40,777,000
Recoveries from re-insurance	-	-	(28,932,890)	-	(28,932,890)
Total cash flows	40,777,000	-	(28,932,890)	-	11,844,110
Insurance contracts liabilities as at 30 June 2023	(1,404,596)	-	674,646	86,647	(643,303)
Insurance contracts assets at 30 June 2023	(10,773,795)	-	17,691,933	1,073,778	7,991,916
Insurance contracts liabilities (assets) at 30 June 2023	(12,178,391)	-	18,366,579	1,160,425	7,348,613

RE-INSURANCE CONTRACTS (ASSETS) LIABILITIES – GENERAL APPROACH

31 December 2022	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2022	-	-	-	-
Insurance contracts assets at 1 January 2022	-	-	-	-
Insurance contracts liabilities as at 1 January 2022	-	-	-	-
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments-relating to insurance service expenses	6	-	-	6
Changes related to future service:				
Changes in estimates that adjust the CSM	411,265	-	(411,265)	-
Changes in estimate that results in onerous contract losses or reversal of such losses	-	-	-	-
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	-	-	-	-
Insurance services results	411,271	-	(411,265)	6
Finance expenses from insurance contracts issued	(115,453)	-	-	(115,453)
Total amounts recognised in the statement of comprehensive income	295,818	-	(411,265)	(115,447)
Cash flows:				
Premiums received	-	-	-	-
Claims and other directly attributable expenses paid	(6)	-	-	(6)
Insurance contracts acquisition cash flows	-	-	-	-
Total cash flows	(6)	-	-	(6)
Insurance contracts liabilities as at 30 June 2023	295,812	-	(411,265)	(115,453)
Insurance contracts assets as at 30 June 2023	-	-	-	-
Insurance contracts assets (liabilities) as at 30 June 2023	**295,812**	**-**	**(411,265)**	**(115,453)**

(8) INCOME TAX

A- Income tax provision

Movements on the income tax provision were as follows:

	30 June 2023	31 December 2022	1 January 2022
	JD (Unaudited)	JD (Audited)	JD (Audited)
Balance at the beginning of the period/ year	216,755	2,483,394	2,483,944
Provision for the period/ year	-	-	3,447,978
National contribution tax	71,047	169,769	291,244
Taxes on the investments outside Jordan	55,708	49,196	19,565
Income tax paid	(290,545)	(2,756,615)	(3,056,509)
Income tax on bank interests	-	271,011	(702,828)
Balance at the end of the period/ year	52,965	216,755	2,483,394

The income tax expense appears in the interim consolidated statement of income represents the following:

	30 June 2023	30 June 2022
	JD (Unaudited)	JD (Unaudited) (Restated)
Taxes on the investments outside Jordan	55,708	10,780
National contribution tax	71,047	66,818
Additions on deferred tax assets	264,444	12,033
	391,199	89,631

Gulf Insurance Group / Jordan became exempt from income tax starting from 17 November 2021 for a period of three years due to its merger with Arab Life and Accident Insurance Company, in accordance with the decision of the prime ministry No. (12583) dated 19 November 2015 in accordance with Article (8/B) of Investment Law No. 30 of 2014.

Final settlement for income tax was reached with the Income and Sales Tax Department until the end of the year 2019.

Income tax return was submitted for the years 2022, 2021, and 2020. The Income and Sales Tax Department have reviewed the tax returns but have not issued its final decision as at the date of the interim condensed consolidated financial statements. In the opinion of the management and the Company's tax advisor, the income tax provision is sufficient to meet any tax obligations.

B- Deferred tax assets

	30 June 2023					31 December 2022	1 January 2022
	Balance at the beginning of the period	Additions	Released Amounts	Balance at the end of the period	Deferred Tax	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD	JD
					(Unaudited)	(Unaudited)	(Audited)
Deferred tax assets:						(Restated)	(Restated)
Provision for expected credit losses on accounts receivable and provision for doubtful debt for re-insurance receivable	3,321,298	-	-	3,321,298	863,537	863,537	863,537
Provision for employees' incentives	-	-	-	-	-	-	156,000
Impairment loss on financial liabilities	1,199,000	-	-	1,199,000	311,740	311,740	311,740
Insurance contracts liabilities	8,973,486	-	1,478,572	7,494,914	1,948,678	2,333,106	2,521,115
Provision for end of service indemnity	2,417,525	543,529	82,050	2,879,004	748,541	628,557	525,171
	15,911,309	543,529	1,560,622	14,894,216	3,872,496	4,136,940	4,377,563

Movements on deferred tax assets were as follows:

	30 June 2023	31 December 2022	31 December 2021
	JD	JD	JD
	(Unaudited)	(Audited)	(Audited)
		(Restated)	(Restated)
Balance at the beginning of the period/ year	4,136,940	4,377,563	3,739,493
(Released) addition, net	(264,444)	(240,623)	638,070
Balance at the end of the period/ year	3,872,496	4,136,940	4,377,563

(9) INSURANCE CONTRACTS REVENUES

30 June 2023 -	Motor - comprehensive	Motor - compulsive	Buses	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	5,862,066	6,420,785	1,295,759	5,389,460	269,423	717,148	1,015,291	29,636,289	1,959,463	1,207,696	53,773,380
	5,862,066	6,420,785	1,295,759	5,389,460	269,423	717,148	1,015,291	29,636,289	1,959,463	1,207,696	53,773,380

31 December 2022 -	Motor - comprehensive	Motor - compulsive	Buses	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	5,605,004	5,377,797	1,014,016	5,153,003	291,733	681,469	1,235,600	27,499,712	2,150,568	308,647	49,317,549
	5,605,004	5,377,797	1,014,016	5,153,003	291,733	681,469	1,235,600	27,499,712	2,150,568	308,647	49,317,549

(10) INSURANCE CONTRACTS EXPENSES

30 June 2023	Motor - comprehensive	Motor - compulsive	Buses	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	3,564,621	7,302,742	111,997	397,534	34,477	49,656	139,989	21,719,941	424,504	229,522	33,974,983
Amortization of acquisition costs	370,007	480,433	95,191	355,675	27,217	63,490	76,750	1,923,575	249,363	107,501	3,749,202
Administrative expenses	507,703	586,280	103,500	464,486	22,646	59,877	101,444	2,580,990	116,280	304,653	4,847,859
Loss from onerous contracts	-	(693,000)	-	-	-	-	-	-	-	-	(693,000)
Risk adjustments - non-financial	(71,082)	11,978	(25,885)	(141,680)	311	(266)	(16,883)	85,242	(65,909)	(2,601)	(226,775)
Total	4,371,249	7,688,433	284,803	1,076,015	84,651	172,757	301,300	26,309,748	724,238	639,075	41,652,269

31 December 2022	Motor - comprehensive	Motor - compulsive	Buses	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	3,078,537	8,315,085	33,708	820,547	443,029	89,988	364,048	20,053,620	(16,767)	44,309	33,226,104
Amortization of acquisition costs	452,696	512,544	85,202	377,122	28,197	75,976	58,656	1,837,244	243,742	14,851	3,686,230
Administrative expenses	527,216	524,611	95,391	458,876	28,888	57,401	116,736	2,498,471	133,544	60,614	4,501,748
Loss from onerous contracts	-	759,506	-	-	-	-	-	-	-	-	759,506
Risk adjustments - non-financial	(31,458)	54,420	147,449	(29,514)	2,109	2,790	18,700	(50,745)	(52,348)	(3,279)	58,124
Total	4,026,991	10,166,166	361,750	1,627,031	502,223	226,155	558,140	24,338,590	308,171	116,495	42,231,712

(11) FINANCE (EXPENSE) INCOME – INSURANCE CONTRACTS

	30 June 2023	30 June 2022
	JD (Unaudited)	JD (Unaudited) (Restated)
Finance (expense) income	(1,848,177)	592,826
	(1,848,177)	592,826

The Group used discount rates that ranged between 11.09% and 13.41% as at 30 June 2023 (30 June 2022: 9.33% and 9.76%).

(12) FINANCE INCOME (EXPENSE) – RE-INSURANCE CONTRACTS

	30 June 2023	30 June 2022
	JD (Unaudited)	JD (Unaudited) (Restated)
Finance income (expense)	404,047	(97,626)
	404,047	(97,626)

The Group used discount rates that ranged between 11.09% and 13.41% as at 30 June 2023 (30 June 2022: 9.33% and 9.76%).

(13) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

	30 June 2023	30 June 2022
	JD (Unaudited)	JD (Unaudited)
Dividends income (financial assets at fair value through other comprehensive income)	302,356	234,388
Interest on financial assets at amortized cost	726,249	370,078
Unrealized gains on financial assets at fair value through profit or loss	56,151	-
	1,084,756	604,466

(14) AUTHORIZED AND PAID-IN CAPITAL

The authorized and paid-in capital is JD 26,000,000 divided into 26,000,000 shares at par value of JD 1 each as at 30 June 2023.

(15) DISTRIBUTED DIVIDENDS

The General assembly decided in its extraordinary meeting held on 17 March 2023, to distribute cash dividends to shareholders by 15% of the share capital equivalent to JD 3,900,000.

(16) FAIR VALUE RESERVE

Movements on the fair value reserve were as follows:

	30 June 2023	31 December 2022	31 December 2021
	JD (Unaudited)	JD (Audited)	JD (Audited)
Balance at the beginning of the period/ year	(1,684,308)	(967,052)	(2,292,597)
Change in fair value of financial assets through other comprehensive income	1,091,257	925,432	1,083,719
Realized gains from sale of financial assets at fair value through other comprehensive income	(264,464)	(1,642,688)	241,826
Balance at the end of the period/ year	(857,515)	(1,684,308)	(967,052)

(17) SUBORDINATED LOAN

On 15 November 2017, the Company borrowed from Gulf Insurance Group an amount of (USD 16,361,071) equivalent to JD 11,600,000 as a subordinated loan to increase the Company solvency margin in line with the Insurance Administration Instruction No.3 of 2002 and the decisions issued there under. This loan bears no interest and no repayment schedule. During 2019, the Company paid an amount of (USD 3,667,137) equivalent to JD 2,600,000 and during 2020, the Company paid an amount of (USD 4,231,312) equivalent to JD 3,000,000. During 2021, the Company paid an amount of (USD 4,231,312) equivalent to JD 3,000,000. During 2022, the Company paid an amount of (USD 2,118,644) equivalent to JD 1,500,000. During the first quarter of 2023, the Company paid the balance of the subordinated loan in the amount of (USD 2,118,644) equivalent to JD 1,500,000.

(18) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited) (Restated)
Profit for the period (JD)	3,804,834	2,419,887
Weighted average number of shares (Share)	26,000,000	26,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share from the profit for the period	0/146	0/093

(19) CASH AND CASH EQUIVALENTS

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)	31 December 2021 JD (Audited)
Cash on hand	21,579	24,004	24,412
Cash at banks	2,199,664	778,959	1,949,371
	2,221,243	802,963	1,973,783
Less: Bank overdraft*	-	-	(1,199,828)
	2,221,243	802,963	773,955

* This amount represents the Group's bank overdraft with the Jordan Kuwait Bank with a ceiling of JD 2,000,000 with an interest rate of 5% as at 31 December 2021, and the outstanding balance was paid in full during 2022.

Cash and cash equivalents that appears in the interim consolidated statement of cash flows include the following:

	30 June 2023 JD (Unaudited)	30 June 2022 JD (Unaudited)
Cash on hand and at banks	2,221,243	1,588,804
Add: Deposits at banks	21,265,147	59,405,525
Less: Deposits at banks with original maturity date more than three months	8,661,478	59,405,525
Less: Restricted deposits to the favor of General Manager of the Insurance Regulatory Commission	800,000	800,000
Add: Cash related to discontinued operations' assets	760,458	743,740
Net cash and cash equivalents at the end of the period	14,785,370	1,532,544

(20) RELATED PARTY BALANCES AND TRANSACTIONS

The Group entered into transactions with major shareholders, board members and directors within the normal activities of the Company using insurance premium and commercial commission. All related parties' balances are considered performing and no provision has been taken against them as at 30 June 2023.

Below is a summary of related parties balances and transactions during the period/ year:

	Related parties			Total	Total	Total
	Jordan Kuwait Bank (Shareholder-Subsidiary of the ultimate parent Company)	Gulf Insurance Group (Parent Company)	Top Executive Management	30 June 2023	31 December 2022	31 December 2021
	JD	JD	JD	JD (Unaudited)	JD (Audited) (Restated)	JD (Audited) (Restated)
Interim consolidated statement of financial position items:						
Time deposits	3,118,563	-	-	3,118,563	21,655,916	18,890,121
Debit current accounts	775,179	-	-	775,179	152,128	457,494
Current accounts	259,338	-	-	259,338	216,540	505,906
Letters of guarantee deposits	341,942	-	-	341,942	400,659	443,127
Insurance contracts liabilities	868,364	-	-	868,364	1,801,808	1,753,746
Overdraft account	-	-	-	-	-	1,199,828
Subordinated loan	-	-	-	-	1,500,000	3,000,000
Financial assets at fair value through other comprehensive income	2,473,349	-	-	2,473,349	970,586	-
Off-statement of interim consolidated statement of financial position Items:						
Letters of guarantee	3,419,420	-	-	3,419,420	4,006,590	4,431,270

	Related parties		Total	Total
	Jordan Kuwait Bank (Shareholder-Subsidiary of the ultimate parent Company)	Top Executive Management	30 June 2023	30 June 2022
	JD	JD	JD (Unaudited)	JD (Unaudited)
Interim consolidated statement of financial position items:				
Bank interest income	317,273	-	317,273	259,586
Insurance revenues	1,536,288	2,102	1,538,390	1,415,482
Bank expenses and interest	136,671	-	136,671	63,197
Salaries	-	597,435	597,435	503,604
Bonuses	-	352,023	352,023	343,725
Transportation for members of the Board of Directors	-	28,800	28,800	25,200
Bonuses for members of the Board of Directors	-	37,500	37,500	37,500
Board of Directors committees' bonuses	-	3,600	3,600	1,600

Top Executive management (salaries, bonuses, and other benefits) are as follows:

	30 June 2023	30 June 2022
	JD (Unaudited)	JD (Unaudited)
Salaries and bonuses	949,458	847,329
Travel expenses	3,850	2,550
	953,308	849,879

(21) ANALYSIS OF MAIN SECTORS

Information on the Company's business sectors

For management purposes and as describe in the insurance contracts revenues (note 9) and insurance contracts expenses (note 10), the Group was organized to include the general insurance sector including (insurance on motor, marine, fire, other property damages, social liability and medical). This sector constitutes the basis that the Group uses to show information related to key sectors. The above sector also includes investments and cash management for the Group account. The activities between the business sectors are performed based on commercial basis, under the same terms as with others.

(22) CAPITAL MANAGEMENT

The Group's objectives as to the management of capital are as follows:

a. To adhere to the Group's minimum capital issued by the Insurance Law. Moreover, the Group's minimum capital prior to the enforcement of the law according to which it was licensed to practice general insurance in all of its branches, jointly and severally, is JD 4 million.

b. To secure the continuity of the Group, and consequently, the Group's ability to provide the shareholders with good returns on capital.

c. To make available the proper return to shareholders through pricing insurance policies in a manner compatible with the risks associated with those polices.

d. To comply with the Central bank of Jordan instructions associated with the solvency margin.

e. The below table shows the summary of the Group's capital and the minimum required capital:

	30 June 2023	31 December 2022
	JD	JD
Paid-in capital	26,000,000	25,438,252
Minimum capital according to the Insurance Law	8,000,000	8,000,000

f. The following table shows the amount contributed to capital by the Group and the net solvency margin ratio:

	30 June 2023	31 December 2022	31 December 2021
	JD	JD	JD
Core capital:			
Paid-in capital	26,000,000	26,000,000	25,438,252
Statutory reserve	6,500,000	6,500,000	6,359,563
Special reserve	-	-	40,221
Retained earnings	18,886,052	17,609,546	10,597,102
Total core capital	51,386,052	50,109,546	42,435,138
Supplementary capital:			
Cumulative change in fair value	(857,515)	(1,684,308)	(967,052)
Subordinated loan – over 5 years	-	1,500,000	3,000,000
Total Supplementary Capital	(857,515)	(184,308)	2,032,948
Total regulatory capital (a)	50,528,537	49,925,238	44,468,086
Total required capital (b)	30,103,951	27,310,848	27,761,966
Solvency margin (a) / (b)	168%	182%	160%

In the opinion of the Group's management, the regulatory capital is compatible with and adequate to the size of capital and nature of risks to which the Group is exposed.

(23) LAWSUITS BY AND AGAINST THE GROUP

The Group appears as defendant in a number of lawsuits, the Group booked a sufficient provision to meet any obligations towards these lawsuits. In the opinion of the Group’s management and legal consultant, the provision for a total amount of JD 4,427,101 as at 30 June 2023 (31 December 2022: JD 5,726,043) is sufficient to meet any obligations towards these lawsuits. Total amount of the cases raised by the Group is JD 8,332,200 as at 30 June 2023 (31 December 2022: JD 8,245,310).

(24) CONTINGENT LIABILITIES

The Group had letters of guarantee amounting JD 3,419,420 as at 30 June 2023 (31 December 2022: 4,030,070) against cash margins in the amount of JD 341,942 (31 December 2022: JD 403,070).

(25) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES NOT SHOWN AT FAIR VALUE IN THE FINANCIAL STATEMENTS

There are no significant differences between the book value and the fair value of the financial assets and liabilities as at 30 June 2023 and 31 December 2022.

(26) FAIR VALUE HIERARCHY

The following table analyzes the financial instruments recorded at fair value based on the valuation method which is defined at different levels as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2: Information not included in level (1) quoted prices monitored for the asset or liability, either directly (e,g, prices) or indirectly (i,e, derived from prices);
- Level 3: information on the asset or liability not based on those observed from the market (unobservable inputs),

	Level 1	Level 2	Level 3	Total
30 June 2023- (Unaudited)	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income	5,998,859	-	335,459	6,334,318
Financial assets at fair value through profit or loss	5,982,461	-	-	5,982,461
	11,981,320	-	335,459	12,316,779
31 December 2022- (Audited)				
Financial assets at fair value through other comprehensive income	5,224,724	-	335,459	5,560,183
	5,224,724	-	335,459	5,560,183
31 December 2021- (Audited)				
Financial assets at fair value through other comprehensive income	4,982,000	-	349,673	5,331,673
	4,982,000	-	349,673	5,331,673