

# **Al-Manara Islamic Insurance Company**

**Public Shareholding Company**

**Condensed Interim Consolidated Financial Statements (Unaudited)**

**30 June 2023**

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**

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**Report on Review of the Condensed Interim Consolidated Financial Statements**

To The Board of Directors  
Al-Manara Islamic Insurance Company  
Public Shareholding Company  
Amman – Jordan

**Introduction**

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

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements number (2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim consolidated 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.

**Basis of Qualified Conclusion**

- The Company didn't apply IFRS (17) - Insurance Contracts, which became effective from beginning of the year 2023. Noting that, the Company is in the process for completing the requirements of IFRS (17) to be applied for the subsequent financial periods.
- Included in the accompanying condensed interim consolidated financial statements recoveries from refund cases stipulated in the Compulsory Vehicle Insurance regulation amounted to JOD (1.2) million which represents (67%) of all claimed refunds, and as the Company's management doesn't have sufficient historical data that enable us to determine the expected collection percentage from refunds we couldn't conclude whether these refunds are collectable in full.

**Qualified Conclusion**

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

**Emphasis of Matters**

- As disclosed in note (15) of the accompanying condensed interim consolidated financial statements, Company's solvency margin as at 30 June 2023 is below the minimum margin determined by the Central Bank of Jordan which the amounts to (150%).
- The Company commenced general takaful insurance activities from the beginning of the year 2023.

31 July 2023  
Amman – Jordan



**Arab Professionals**  
**Ibrahim Hammoudeh**  
License No. (606)



**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim consolidated statement of financial position as at 30 June 2023**  
**(In Jordanian Dinar)**

	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b>Assets</b>			
<b>Investments</b>			
Bank deposits	3	6,380,693	7,297,995
Financial assets at fair value through other comprehensive income	4	1,515,450	1,510,178
Financial assets at fair value through profit or loss		90,091	90,091
Financial assets at amortized cost	5	190,142	190,142
Investment property		1,694,641	1,463,753
<b>Total Investments</b>		<b>9,871,017</b>	<b>10,552,159</b>
Cash on hand and at banks		672,239	164,025
Checks under collection		2,449,047	2,024,774
Accounts receivable - net	6	3,853,815	3,245,586
Reinsurers receivables	7	292,245	509,230
Deferred tax assets	10	1,222,698	1,222,698
Property and equipment - net		4,095,886	4,142,361
Other assets		942,052	949,131
<b>Total Assets</b>		<b>23,398,999</b>	<b>22,809,964</b>
<b>Liabilities, Policyholders' Equity and Shareholders' Equity</b>			
<b>Liabilities</b>			
Unearned contributions reserve - net		5,553,426	-
Unearned premiums reserve - net		1,208,558	5,555,350
Outstanding claims reserve - net		5,542,364	5,864,977
<b>Total Technical Reserves</b>		<b>12,304,348</b>	<b>11,420,327</b>
Accounts payable	8	1,396,212	1,353,075
Reinsurers payables	9	2,543,335	2,630,775
Credit facilities		1,053,373	1,169,931
Other provisions		62,644	62,644
Income tax provision		27,802	27,802
Other liabilities		1,236,463	1,335,193
<b>Total Liabilities</b>		<b>18,624,177</b>	<b>17,999,747</b>
<b>Policyholders' Equity</b>			
Policyholders' deficit		-	-
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit		-	-
<b>Total Policyholders' Equity</b>		<b>-</b>	<b>-</b>
<b>Shareholders' Equity</b>			
Authorized capital (5,600,000 JOD/ share)			
Paid in capital		5,600,000	5,600,000
Share discount		(69,118)	(69,118)
Statutory reserve		234,243	234,243
Voluntary reserve		182,726	182,726
Cumulative change in fair value		(405,112)	(366,441)
Accumulated losses		(767,917)	(771,193)
<b>Total Shareholders' Equity - Company's Shareholders</b>		<b>4,774,822</b>	<b>4,810,217</b>
<b>Total Policyholders' and Shareholders' Equity</b>		<b>4,774,822</b>	<b>4,810,217</b>
<b>Total Liabilities and Policyholders' and Shareholders' Equity</b>		<b>23,398,999</b>	<b>22,809,964</b>

"The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**

**Condensed interim consolidated statement of policyholders' revenues and expenses for the six months ended**  
**at 30 June 2023 (Unaudited)**

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Takaful Insurance Revenues</b>				
Gross written contributions	4,619,362	-	9,705,754	-
Less: Reinsurers' share	(766,961)	-	(1,866,914)	-
Net written contributions from takaful insurance operations	<b>3,852,401</b>	-	<b>7,838,840</b>	-
Net change in unearned contributions reserve	(2,190,313)	-	(5,553,426)	-
Net earned contributions from takaful insurance operations	<b>1,662,088</b>	-	<b>2,285,414</b>	-
Takaful policies issuance fees	204,384	-	385,100	-
Policyholders' share of investment income	28,644	-	28,644	-
Shareholders' share for managing investment portfolios	(11,457)	-	(11,457)	-
Other revenues	40,434	-	68,517	-
<b>Total revenues from takaful insurance for policyholders</b>	<b>1,924,093</b>	-	<b>2,756,218</b>	-
<b>Claims, losses and expenses from takaful insurance operation</b>				
Paid claims	553,798	-	712,630	-
Less: Recoveries	(85,001)	-	(100,038)	-
Less: Reinsurers' share	(54,281)	-	(59,055)	-
Add: Reinsurers' share from recoveries	118	-	238	-
Net paid claims from takaful insurance operations	414,634	-	553,775	-
Net change in outstanding claims reserve	373,445	-	537,979	-
Shareholders' share for managing the operations of takaful insurance	525,195	-	1,283,949	-
Excess of loss contributions	74,078	-	146,156	-
Takaful policies acquisition cost	196,764	-	226,610	-
Other underwriting expenses	82,351	-	146,175	-
<b>Net claims costs</b>	<b>1,666,467</b>	-	<b>2,894,644</b>	-
Other expenses	5,111	-	7,580	-
<b>Total Expenses</b>	<b>5,111</b>	-	<b>7,580</b>	-
<b>Policyholders' (deficit) excess</b>	<b>252,515</b>	-	<b>(146,006)</b>	-

"The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim consolidated statement of profit or loss for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	Notes	For the three months ended 30 June 2023	30 June 2022	For the six months ended 30 June 2023	30 June 2022
Shareholders' share for managing takaful insurance operations		525,195	-	1,283,949	-
Shareholders' share for managing investment portfolios		11,457	-	11,457	-
Shareholders' share of income from financial assets		64,385	31,527	68,441	76,900
Shareholders' share of investment income		78,781	14,153	124,175	94,984
<b>Total revenues</b>		<b>679,818</b>	<b>45,680</b>	<b>1,488,022</b>	<b>171,884</b>
<b>Revenues, claims, losses and expenses from general insurance activities :</b>					
<b>Revenues</b>					
Gross written premiums		67,946	4,356,694	143,278	8,910,045
Less: Reinsurers' share		(66,382)	(877,052)	(183,165)	(2,059,910)
Net written premiums		1,564	3,479,642	(39,887)	6,850,135
Net change in unearned premiums reserve		1,777,964	(189,535)	4,346,793	(129,578)
<b>Net earned premiums</b>		<b>1,779,528</b>	<b>3,290,107</b>	<b>4,306,906</b>	<b>6,720,557</b>
Commissions revenues		61,489	66,933	135,862	155,507
Insurance policies issuance fees		578	174,965	3,380	352,489
Other underwriting revenues		49,062	221,911	149,706	364,931
Other revenues		(88,233 )	306,541	(591)	306,541
<b>Total Revenues</b>		<b>1,802,424</b>	<b>4,060,457</b>	<b>4,595,263</b>	<b>7,900,025</b>
<b>Claims, losses and expenses</b>					
Paid claims		2,599,937	3,945,656	6,551,213	7,584,239
Less: Recoveries		(290,525)	(350,939)	(619,920)	(629,728)
Less: Reinsurers' share		(336,707)	(417,661)	(825,931)	(761,875)
Add : Reinsurers' share from recoveries		-	130	1,238	630
Net paid claims		<b>1,972,705</b>	<b>3,177,186</b>	<b>5,106,600</b>	<b>6,193,266</b>
Net change in claims reserve		(361,876 )	(544,200)	(860,592)	(366,278)
Allocated employees expenses		-	326,282	-	594,700
Allocated administrative expenses		-	170,535	-	320,419
Excess of loss premiums		-	97,437	-	194,873
Policies acquisition costs		108,401	207,575	257,213	411,287
Other underwriting expenses		35,120	139,165	73,260	240,801
<b>Net Claims and expanses from general insurance activities</b>		<b>1,754,350</b>	<b>3,573,980</b>	<b>4,576,481</b>	<b>7,589,068</b>
Employees expenses		414,696	81,572	791,092	148,675
Depreciation		47,386	24,909	59,882	48,392
Administrative expenses		192,912	42,633	506,548	80,105
Al Qard Al Hasan granted to policyholders expense		(252,515)	-	146,006	-
Provision for expected credit loss - receivables and deposit		-	73,295	-	123,654
<b>Total Expenses</b>		<b>402,479</b>	<b>222,409</b>	<b>1,503,528</b>	<b>400,826</b>
Profit for the period before income tax		325,413	309,748	3,276	82,015
Income and National Contribution tax expense for the period		-	(58,767)	-	(58,867)
<b>Profit for the period</b>		<b>325,413</b>	<b>250,981</b>	<b>3,276</b>	<b>23,148</b>
<b>Basic and diluted earnings per share for the period</b>					
	11	<b>0.058</b>	<b>0.045</b>	<b>0.001</b>	<b>0.004</b>

"The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim consolidated statement of comprehensive income for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	For the three months ended		For the six months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Profit for the period	325,413	250,981	3,276	23,148
<b>Other comprehensive income items:</b>				
Changes in fair value of financial assets through other comprehensive income	(104,946)	84,879	(38,671)	138,993
<b>Total comprehensive income for the period</b>	<b>220,467</b>	<b>335,860</b>	<b>(35,395)</b>	<b>162,141</b>

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**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim consolidated statement of changes in equity for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	<u>Paid - In Capital</u>	<u>Statutory Reserve</u>	<u>Voluntary Reserve</u>	<u>Share Discount</u>	<u>Cumulative Changes in Fair Value</u>	<u>Accumulated Losses</u>	<u>Total Equity</u>
<b>Balance at 1 January 2023</b>	<b>5,600,000</b>	<b>234,243</b>	<b>182,726</b>	<b>(69,118)</b>	<b>(366,441)</b>	<b>(771,193)</b>	<b>4,810,217</b>
Total comprehensive income for the period	-	-	-	-	(38,671)	3,276	<b>(35,395)</b>
<b>Balance at 30 June 2023</b>	<b>5,600,000</b>	<b>234,243</b>	<b>182,726</b>	<b>(69,118)</b>	<b>(405,112)</b>	<b>(767,917)</b>	<b>4,774,822</b>
<b>Balance at 1 January 2022</b>	<b>5,600,000</b>	<b>234,243</b>	<b>182,726</b>	<b>(69,118)</b>	<b>(306,657)</b>	<b>(757,882)</b>	<b>4,883,312</b>
Loss from sale of financial assets at fair value through other comprehensive income	-	-	-	-	28,136	(28,136)	-
Total comprehensive income for the period	-	-	-	-	138,993	23,148	162,141
<b>Balance at 30 June 2022</b>	<b>5,600,000</b>	<b>234,243</b>	<b>182,726</b>	<b>(69,118)</b>	<b>(139,528)</b>	<b>(762,870)</b>	<b>5,045,453</b>

“The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report”



**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Condensed interim consolidated statement of changes in policyholders' equity for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	<u>Policyholders' deficit</u>	<u>Al Qard Al Hasan granted by shareholders to cover Policyholders' deficit</u>	<u>Net Policyholders' equity</u>
Policyholders' deficit for the period	(146,006)	-	<b>(146,006)</b>
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	-	146,006	<b>146,006</b>
Transfer to policyholders deficit	<u>146,006</u>	<u>(146,006)</u>	<u>-</u>
<b>Balance at 30 June 2023</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

“The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim consolidated statement of cash flows for the six months ended at 30 June 2023 (Unaudited)**

(In Jordanian Dinar)

	Note	30 June 2023	30 June 2022
<b>Operating Activities</b>			
Profit for the period before tax		3,276	82,015
Depreciation		59,882	48,392
Provision for expected credit loss - receivables and deposits		-	123,654
Net changes in unearned premiums reserve		1,206,634	129,578
Net changes in claims reserve		(322,613)	(366,278)
<b>Changes in working capital</b>			
Checks under collection		(424,273)	317,435
Accounts receivable		(608,229)	(711,316)
Reinsurers receivables		216,985	(208,254)
Other assets		7,079	(364,838)
Accounts payable		43,137	21,373
Reinsurers payables		(87,440)	503,423
Other liabilities		(98,730)	53,955
<b>Net cash flows used in operating activities</b>		<u>(4,292)</u>	<u>(370,861)</u>
<b>Investing Activities</b>			
Financial assets at fair value through other comprehensive income		(43,943)	(612,880)
Property and equipment		(13,407)	(82,910)
Financial assets at fair value through profit or loss		-	(90,091)
Investment property		(230,888)	-
Bank deposits mature after three months		917,302	103,507
<b>Net cash flows from (used in) investing activities</b>		<u>629,064</u>	<u>(682,374)</u>
<b>Financing Activities</b>			
Credit facilities		(116,558)	(131,529)
<b>Net cash flows used in financing activities</b>		<u>(116,558)</u>	<u>(131,529)</u>
<b>Net changes in cash and cash equivalents</b>		508,214	(1,184,764)
Cash and cash equivalents, beginning of year		164,025	2,859,309
<b>Cash and cash equivalents, end of period</b>	12	<u>672,239</u>	<u>1,674,545</u>

"The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim statement of underwriting revenues for general takaful activities for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	Motors		Transportation and Marine		Aviation		Fire and other properties damage		Liability		Medical		Others		Total	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Written contributions:</b>																
Direct insurance	6,636,608	-	79,014	-	-	-	449,491	-	263,512	-	1,504,824	-	64,617	-	8,998,066	-
Facultative inward reinsurance	246,448	-	16,937	-	-	-	241,672	-	197,367	-	-	-	5,264	-	707,688	-
<b>Total contributions</b>	<b>6,883,056</b>	<b>-</b>	<b>95,951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>691,163</b>	<b>-</b>	<b>460,879</b>	<b>-</b>	<b>1,504,824</b>	<b>-</b>	<b>69,881</b>	<b>-</b>	<b>9,705,754</b>	<b>-</b>
Less:																
Local reinsurance share	501,665	-	-	-	-	-	2,452	-	-	-	-	-	-	-	504,117	-
Foreign reinsurance share	-	-	69,079	-	-	-	580,325	-	399,934	-	279,030	-	34,429	-	1,362,797	-
<b>Net written contributions</b>	<b>6,381,391</b>	<b>-</b>	<b>26,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,386</b>	<b>-</b>	<b>60,945</b>	<b>-</b>	<b>1,225,794</b>	<b>-</b>	<b>35,452</b>	<b>-</b>	<b>7,838,840</b>	<b>-</b>
Add:																
Balance at beginning of the period																
Unearned contributions reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net beginning unearned contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less:																
Balance at end of the period																
Unearned contributions reserve	4,910,421	-	59,116	-	-	-	505,659	-	293,610	-	885,885	-	48,129	-	6,702,820	-
Less: Reinsurers' share	194,526	-	54,408	-	-	-	486,655	-	269,875	-	115,481	-	28,449	-	1,149,394	-
<b>Net ending unearned contributions</b>	<b>4,715,895</b>	<b>-</b>	<b>4,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,004</b>	<b>-</b>	<b>23,735</b>	<b>-</b>	<b>770,404</b>	<b>-</b>	<b>19,680</b>	<b>-</b>	<b>5,553,426</b>	<b>-</b>
<b>Net earned revenues from written contributions</b>	<b>1,665,496</b>	<b>-</b>	<b>22,164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,382</b>	<b>-</b>	<b>37,210</b>	<b>-</b>	<b>455,390</b>	<b>-</b>	<b>15,772</b>	<b>-</b>	<b>2,285,414</b>	<b>-</b>

“The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim statement of claims cost for general takaful activities for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	Motors		Transportation and Marine		Aviation		Fire and other properties damage		Liability		Medical		Others		Total	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Paid claims</b>	344,217	-	8,999	-	-	-	3	-	-	-	358,532	-	879	-	712,630	-
Less:																
Recoveries	33,306	-	-	-	-	-	-	-	-	-	66,732	-	-	-	100,038	-
Local reinsurers' share	14,023	-	-	-	-	-	-	-	-	-	-	-	-	-	14,023	-
Foreign reinsurers' share	-	-	8,099	-	-	-	3	-	-	-	36,228	-	702	-	45,032	-
Add : reinsurer's share from recoveries	-	-	-	-	-	-	-	-	-	-	238	-	-	-	238	-
<b>Net Paid Claims</b>	<b>296,888</b>	-	<b>900</b>	-	-	-	-	-	-	-	<b>255,810</b>	-	<b>177</b>	-	<b>553,775</b>	-
Add:																
Outstanding claims reserve at period end	724,602	-	1,214	-	-	-	1,348	-	4,980	-	40,703	-	3,000	-	775,847	-
Reported claims	-	-	100	-	-	-	150	-	100	-	38,544	-	100	-	38,994	-
Incurred but not reported claims	147,916	-	1,116	-	-	-	1,254	-	-	-	15,641	-	2,400	-	168,327	-
Less: Reinsurers' share	-	-	-	-	-	-	-	-	-	-	18,787	-	-	-	18,787	-
Less: Recoveries	89,748	-	-	-	-	-	-	-	-	-	-	-	-	-	89,748	-
<b>Net outstanding claims reserve at period end</b>	<b>486,938</b>	-	<b>198</b>	-	-	-	<b>244</b>	-	<b>5,080</b>	-	<b>44,819</b>	-	<b>700</b>	-	<b>537,979</b>	-
Reported claims	486,938	-	98	-	-	-	94	-	4,980	-	25,062	-	600	-	517,772	-
Incurred but not reported claims	-	-	100	-	-	-	150	-	100	-	19,757	-	100	-	20,207	-
Less:																
Outstanding claims reserve at beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reported claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incurred but not reported claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net outstanding claims reserve at beginning of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net claims cost</b>	<b>783,826</b>	-	<b>1,098</b>	-	-	-	<b>244</b>	-	<b>5,080</b>	-	<b>300,629</b>	-	<b>877</b>	-	<b>1,091,754</b>	-

“The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim statement of underwriting (loss) profit for general takaful activities for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	Motors		Transportation and Marine		Aviation		Fire and other properties damage		Liability		Medical		Others		Total	
	30 June		30 June		30 June		30 June		30 June		30 June		30 June		30 June	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Earned revenues from written contributions</b>	1,665,496	-	22,164	-	-	-	89,382	-	37,210	-	455,390	-	15,772	-	2,285,414	-
Less:																
<b>Net claims cost</b>	783,826	-	1,098	-	-	-	244	-	5,080	-	300,629	-	877	-	1,091,754	-
Net earned revenues from written contributions:	<b>881,670</b>	-	<b>21,066</b>	-	-	-	<b>89,138</b>	-	<b>32,130</b>	-	<b>154,761</b>	-	<b>14,895</b>	-	<b>1,193,660</b>	-
Add:																
Takaful policies issuance fees	271,324	-	4,382	-	-	-	30,295	-	14,066	-	57,093	-	7,940	-	385,100	-
Other underwriting revenues	12,188	-	170	-	-	-	1,224	-	816	-	2,665	-	124	-	17,187	-
Other revenues	68,517	-	-	-	-	-	-	-	-	-	-	-	-	-	68,517	-
<b>Total revenues</b>	<b>1,233,699</b>	-	<b>25,618</b>	-	-	-	<b>120,657</b>	-	<b>47,012</b>	-	<b>214,519</b>	-	<b>22,959</b>	-	<b>1,664,464</b>	-
Less:																
Takaful policies acquisition cost	178,432	-	4,977	-	-	-	16,181	-	389	-	25,374	-	1,257	-	226,610	-
Excess of loss contributions	124,956	-	-	-	-	-	21,200	-	-	-	-	-	-	-	146,156	-
Shareholders share for managing the operations of takaful insurance	852,649	-	19,196	-	-	-	99,576	-	77,328	-	221,032	-	14,168	-	1,283,949	-
Other underwriting expenses	92,359	-	353	-	-	-	3,909	-	2,143	-	47,026	-	385	-	146,175	-
<b>Total expenses</b>	<b>1,248,396</b>	-	<b>24,526</b>	-	-	-	<b>140,866</b>	-	<b>79,860</b>	-	<b>293,432</b>	-	<b>15,810</b>	-	<b>1,802,890</b>	-
<b>Underwriting (loss) profit</b>	<b>(14,697)</b>	-	<b>1,092</b>	-	-	-	<b>(20,209)</b>	-	<b>(32,848)</b>	-	<b>(78,913)</b>	-	<b>7,149</b>	-	<b>(138,426)</b>	-

“The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim statement of underwriting revenues for the general insurance for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	Motors		Transportation and Marine		Aviation		Fire and other properties damage		Liability		Medical		Others		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Written Premiums:</b>																
Direct insurance	(6,901)	5,926,455	(95)	74,021	-	-	149,660	516,060	229	45,005	(134,418)	1,079,236	10,699	190,985	19,174	7,831,762
Facultative inward reinsurance	113,630	265,512	46	26,568	-	-	2,242	477,659	8,011	299,233	-	-	175	9,311	124,104	1,078,283
<b>Total premiums</b>	<b>106,729</b>	<b>6,191,967</b>	<b>(49)</b>	<b>100,589</b>	<b>-</b>	<b>-</b>	<b>151,902</b>	<b>993,719</b>	<b>8,240</b>	<b>344,238</b>	<b>(134,418)</b>	<b>1,079,236</b>	<b>10,874</b>	<b>200,296</b>	<b>143,278</b>	<b>8,910,045</b>
<b>Less:</b>																
Local reinsurance share	90,625	506,159	-	-	-	-	-	8,204	-	-	-	-	-	26,240	90,625	540,603
Foreign reinsurance share	-	-	(26)	92,453	-	-	148,201	947,970	8,012	313,377	(63,889)	113,850	242	51,657	92,540	1,519,307
<b>Net written premiums</b>	<b>16,104</b>	<b>5,685,808</b>	<b>(23)</b>	<b>8,136</b>	<b>-</b>	<b>-</b>	<b>3,701</b>	<b>37,545</b>	<b>228</b>	<b>30,861</b>	<b>(70,529)</b>	<b>965,386</b>	<b>10,632</b>	<b>122,399</b>	<b>(39,887)</b>	<b>6,850,135</b>
<b>Add:</b>																
Balance at beginning of the period																
Unearned premiums reserve	4,788,780	6,478,643	53,241	46,641	2,476	2,469	917,545	417,601	269,752	239,540	990,667	808,939	194,097	151,698	7,216,558	8,145,531
Less: Reinsurers' share	177,090	449,105	49,189	41,060	-	-	881,722	386,995	242,392	216,023	197,905	515,892	112,909	79,268	1,661,207	1,688,343
<b>Net beginning unearned premiums</b>	<b>4,611,690</b>	<b>6,029,538</b>	<b>4,052</b>	<b>5,581</b>	<b>2,476</b>	<b>2,469</b>	<b>35,823</b>	<b>30,606</b>	<b>27,360</b>	<b>23,517</b>	<b>792,762</b>	<b>293,047</b>	<b>81,188</b>	<b>72,430</b>	<b>5,555,351</b>	<b>6,457,188</b>
<b>Less:</b>																
Balance at end of the period																
Unearned premiums reserve	1,057,632	6,030,090	(65)	55,119	1,135	1,135	395,952	753,545	121,887	288,650	227,476	934,406	54,902	190,942	1,858,919	8,253,887
Less: Reinsurers' share	65,271	361,679	(64)	50,802	-	-	382,723	711,711	117,623	260,080	52,377	202,391	32,431	80,458	650,361	1,667,121
<b>Net ending unearned premiums</b>	<b>992,361</b>	<b>5,668,411</b>	<b>(1)</b>	<b>4,317</b>	<b>1,135</b>	<b>1,135</b>	<b>13,229</b>	<b>41,834</b>	<b>4,264</b>	<b>28,570</b>	<b>175,099</b>	<b>732,015</b>	<b>22,471</b>	<b>110,484</b>	<b>1,208,558</b>	<b>6,586,766</b>
<b>Net earned revenues from written premiums</b>	<b>3,635,433</b>	<b>6,046,935</b>	<b>4,030</b>	<b>9,400</b>	<b>1,341</b>	<b>1,334</b>	<b>26,295</b>	<b>26,317</b>	<b>23,324</b>	<b>25,808</b>	<b>547,134</b>	<b>526,418</b>	<b>69,349</b>	<b>84,345</b>	<b>4,306,906</b>	<b>6,720,557</b>

“The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim statement of claims cost for the general insurance for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	Motors		Transportation and Marine		Aviation		Fire and other properties damage		Liability		Medical		Others		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Paid claims</b>	5,409,525	6,497,081	148,765	21,656	-	-	231,243	41,309	3,269	7,835	720,466	977,137	37,945	39,221	<b>6,551,213</b>	<b>7,584,239</b>
<b>Less:</b>																
Recoveries	561,995	542,706	1,598	145	-	-	-	-	600	500	55,477	86,377	250	-	<b>619,920</b>	<b>629,728</b>
Local reinsurers' share	293,990	289,642	-	-	-	-	-	-	-	-	-	-	-	-	<b>293,990</b>	<b>289,642</b>
Foreign reinsurers' share	-	-	133,888	15,215	-	-	216,496	37,212	-	6,297	159,937	394,513	21,620	18,996	<b>531,941</b>	<b>472,233</b>
<b>Add : Reinsurers' shares from recoveries</b>	102	-	1,136	130	-	-	-	-	-	500	-	-	-	-	<b>1,238</b>	<b>630</b>
<b>Net Paid Claims</b>	<b>4,553,642</b>	<b>5,664,733</b>	<b>14,415</b>	<b>6,426</b>	-	-	<b>14,747</b>	<b>4,097</b>	<b>2,669</b>	<b>1,538</b>	<b>505,052</b>	<b>496,247</b>	<b>16,075</b>	<b>20,225</b>	<b>5,106,600</b>	<b>6,193,266</b>
<b>Add:</b>																
Outstanding claims reserve at period end																
Reported claims	4,886,046	5,850,056	42,923	82,024	276,716	276,716	868,676	426,815	195,901	1,186,088	23,535	71,194	113,694	101,610	<b>6,407,491</b>	<b>7,994,503</b>
Incurred but not reported claims	2,166,261	1,532,636	2,497	617	-	-	1,984	3,000	636	4,500	28,776	30,152	42,190	3,925	<b>2,242,344</b>	<b>1,574,830</b>
Less: Reinsurers' share	747,527	816,081	33,662	72,880	276,716	276,716	807,404	404,184	154,921	1,149,571	6,445	33,416	42,171	40,135	<b>2,068,846</b>	<b>2,792,983</b>
Less: Reinsurers' share IBNR	-	-	-	-	-	-	-	-	-	-	8,282	-	-	-	<b>8,282</b>	<b>-</b>
Less: Recoveries	1,568,322	1,365,615	-	-	-	-	-	-	-	-	-	-	-	-	<b>1,568,322</b>	<b>1,365,615</b>
<b>Net outstanding claims reserve at period end</b>	<b>4,736,458</b>	<b>5,200,996</b>	<b>11,758</b>	<b>9,761</b>	-	-	<b>63,256</b>	<b>25,631</b>	<b>41,616</b>	<b>41,017</b>	<b>37,584</b>	<b>67,930</b>	<b>113,713</b>	<b>65,400</b>	<b>5,004,385</b>	<b>5,410,735</b>
Reported claims	2,570,197	3,668,360	9,261	9,144	-	-	61,272	22,631	40,980	36,517	17,090	45,469	71,523	61,475	<b>2,770,323</b>	<b>3,843,596</b>
Incurred but not reported claims	2,166,261	1,532,636	2,497	617	-	-	1,984	3,000	636	4,500	20,494	22,461	42,190	3,925	<b>2,234,062</b>	<b>1,567,139</b>
<b>Less:</b>																
Outstanding claims reserve at beginning of the period																
Reported claims	5,575,307	6,300,008	184,801	33,542	276,716	276,716	725,375	408,531	1,193,650	1,149,468	85,587	49,385	104,667	114,368	<b>8,146,103</b>	<b>8,332,018</b>
Incurred but not reported claims	2,166,261	1,532,636	2,497	618	-	-	1,984	3,000	636	4,500	-	10,000	42,190	3,925	<b>2,213,568</b>	<b>1,554,679</b>
Less: Reinsurers' share	634,261	776,961	160,702	24,033	276,716	276,716	683,588	390,655	1,146,571	1,139,468	27,946	33,421	44,028	60,428	<b>2,973,812</b>	<b>2,701,682</b>
Less: Recoveries	1,520,882	1,408,002	-	-	-	-	-	-	-	-	-	-	-	-	<b>1,520,882</b>	<b>1,408,002</b>
<b>Net outstanding claims reserve at beginning of the period</b>	<b>5,586,425</b>	<b>5,647,681</b>	<b>26,596</b>	<b>10,127</b>	-	-	<b>43,771</b>	<b>20,876</b>	<b>47,715</b>	<b>14,500</b>	<b>57,641</b>	<b>25,964</b>	<b>102,829</b>	<b>57,865</b>	<b>5,864,977</b>	<b>5,777,013</b>
<b>Net claims cost</b>	<b>3,703,675</b>	<b>5,218,048</b>	<b>(423)</b>	<b>6,060</b>	-	-	<b>34,232</b>	<b>8,852</b>	<b>(3,430)</b>	<b>28,055</b>	<b>484,995</b>	<b>538,213</b>	<b>26,959</b>	<b>27,760</b>	<b>4,246,008</b>	<b>5,826,988</b>

“The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Interim statement of underwriting profit (loss) for the general insurance for the six months ended at 30 June 2023 (Unaudited)**  
**(In Jordanian Dinar)**

	Motors		Transportation and Marine		Aviation		Fire and other properties damage		Liability		Medical		Others		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Net earned revenues from written premiums	3,635,433	6,046,935	4,030	9,400	1,341	1,334	26,295	26,317	23,324	25,808	547,134	526,418	69,349	84,345	4,306,906	6,720,557
Less:																
Net claims cost	3,703,675	5,218,048	(423)	6,060	-	-	34,232	8,852	(3,430)	28,055	484,995	538,213	26,959	27,760	4,246,008	5,826,988
<b>Net earned revenues from written premiums</b>	<b>(68,242)</b>	<b>828,887</b>	<b>4,453</b>	<b>3,340</b>	<b>1,341</b>	<b>1,334</b>	<b>(7,937)</b>	<b>17,465</b>	<b>26,754</b>	<b>(2,247)</b>	<b>62,139</b>	<b>(11,795)</b>	<b>42,390</b>	<b>56,585</b>	<b>60,898</b>	<b>893,569</b>
Add:																
Commissions revenues	2,500	-	12,360	21,876	-	-	93,123	103,576	22,259	25,771	-	-	5,620	4,284	135,862	155,507
Insurance policies issuance fees	646	184,648	(75)	4,557	-	-	3,315	53,351	610	17,189	(1,393)	42,178	277	50,566	3,380	352,489
Other revenues	149,706	272,542	-	92,389	-	-	-	-	-	-	-	-	-	-	149,706	364,931
<b>Total revenues</b>	<b>84,610</b>	<b>1,286,077</b>	<b>16,738</b>	<b>122,162</b>	<b>1,341</b>	<b>1,334</b>	<b>88,501</b>	<b>174,392</b>	<b>49,623</b>	<b>40,713</b>	<b>60,746</b>	<b>30,383</b>	<b>48,287</b>	<b>111,435</b>	<b>349,846</b>	<b>1,766,496</b>
Less:																
Policies acquisition costs	213,148	338,988	5,556	12,137	-	-	19,347	33,323	377	1,191	11,499	20,756	7,286	4,892	257,213	411,287
Excess of loss premiums	-	177,873	-	-	-	-	-	17,000	-	-	-	-	-	-	-	194,873
Allocated administrative expenses	-	635,955	-	10,331	-	-	-	102,061	-	35,355	-	110,845	-	20,572	-	915,119
Other expenses	19,801	116,950	877	902	-	-	3,538	5,793	-	894	46,626	98,080	2,418	18,182	73,260	240,801
<b>Total expenses</b>	<b>232,949</b>	<b>1,269,766</b>	<b>6,433</b>	<b>23,370</b>	<b>-</b>	<b>-</b>	<b>22,885</b>	<b>158,177</b>	<b>377</b>	<b>37,440</b>	<b>58,125</b>	<b>229,681</b>	<b>9,704</b>	<b>43,646</b>	<b>330,473</b>	<b>1,762,080</b>
<b>Underwriting profit (loss)</b>	<b>(148,339)</b>	<b>16,311</b>	<b>10,305</b>	<b>98,792</b>	<b>1,341</b>	<b>1,334</b>	<b>65,616</b>	<b>16,215</b>	<b>49,246</b>	<b>3,273</b>	<b>2,621</b>	<b>(199,298)</b>	<b>38,583</b>	<b>67,789</b>	<b>19,373</b>	<b>4,416</b>

“The accompanying notes from (1) to (16) are an integral part of these condensed interim consolidated financial statements and read with review report”



**Al-Manara Islamic Insurance Company**  
**Public Shareholding Company**  
**Notes to the condensed interim consolidated financial statements (Unaudited)**  
**30 June 2023**  
**(In Jordanian Dinar)**

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**1 . General**

**Al-Manara Islamic Insurance Company** (-Previously- Al-Manara Insurance and Al Bihar Al Arabia for Insurance Company before that) was incorporated as a public shareholding company during the year 1974 with paid-in capital of JOD (150,000) divided equally into (150,000) shares with par value JOD (1) per share. There were several adjustments on the Company's capital which became (5,600,000) JOD /share. The Company is engaged in the insurance activities including motors, fire and other property damages, personal accidents, marine, transportation, aviation, liability, and medical. The Company's head office is in the Hashemite Kingdom of Jordan.

Company's shares are listed in Amman Stock Exchange.

The condensed interim consolidated financial statements have been approved for issue by the Company's Board of Directors on 31 July 2023.

**2 . Summary of Significant Accounting Policies**

**Basis of Preparation**

The condensed interim consolidated financial statements of the company have been prepared in accordance with IAS number 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2022.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for the financial assets, which have been measured at fair value.

The condensed interim consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the company.

The accounting policies are consistent with those used in the previous period.

**Principles of Consolidation**

The condensed interim consolidated financial statements comprise of the financial statements of the Company and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the statement of comprehensive income from the acquisition date which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiaries.

The following subsidiaries have been consolidated:

Company	Capital	Ownership	Establishment Country
Al Bihar Investment and Trading Company	79,503	100%	Jordan
Overseas for Investment in Real Estates Company	50,000	100%	Jordan
Abar for Investment and Real Estate Development Company	1,500	100%	Jordan

### **Business Sector**

The business sector represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which in measured based on the reports used by the top management of the Company.

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

### **Use of Estimates**

The preparation of the condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. 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.

Management believes that the estimates are reasonable and are as follows:

- A provision of expected credit losses is estimated by the management based on their principles and assumptions according to International Financial Reporting Standards.
- The financial period is charged with its related income tax in accordance with regulations.
- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim consolidated statement of profit or loss.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to insurance administrations regulation and filed actuarial studies.
- A provision on lawsuits against the Company is made based on the Company's lawyers' studies in which contingent risk is determined; review of such study is performed periodically.
- The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the interim consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

### 3 . Bank Deposits

	30 June 2023 (Unaudited)			31 December 2022 (Audited)
	Deposits mature within (1) month	Deposits mature after (1) month till (3) months	Deposits mature after (3) months till (1) year	Total
<u>Inside Jordan</u>	-	-	6,387,998	7,305,300
Less: provision for expected credit losses /Deposits*	-	-	(7,305)	(7,305)
<b>Total</b>	-	-	<b>6,380,693</b>	<b>7,297,995</b>

\* The movements on the provision for expected credit losses / Deposits are as follow:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the year	7,305	8,587
Provision for the period	-	(1,282)
<b>Balance at end of the period</b>	<b>7,305</b>	<b>7,305</b>

- The annual interest rates on the deposits ranged between (4%) to (6%) during the six months ended at 30 June 2023, (3.5% to 6%: 2022).
- Deposits pledged to the Favor of the Governor of the Central Bank of Jordan amounted to JOD (650,000) as at 30 June 2023, against JOD (650,000) as at 31 December 2022.

### 4 . Financial assets at fair value through other comprehensive income

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b><u>Inside Jordan:</u></b>		
Investments in listed shares	1,130,854	1,125,582
Investments in unlisted shares	108,116	108,116
	<b>1,238,970</b>	<b>1,233,698</b>
<b><u>Outside Jordan:</u></b>		
Investments in unlisted shares	276,480	276,480
<b>Total</b>	<b>1,515,450</b>	<b>1,510,178</b>

5 . Financial Assets at Amortized Cost

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b><u>Inside Jordan:</u></b>		
Arab Real Estate Development Company bonds – net *	-	-
	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b><u>Outside Jordan:</u></b>		
NCH.NAC (-previously-Global Kuwait bonds) – net **	190,142	190,142
AL Dar Investment bonds / Kuwait - net ***	-	-
	<b>190,142</b>	<b>190,142</b>

\* Arab Real Estate Development Company bonds matured during the year 2011 but not yet collected, a provision for expected credit losses has been recorded for the full value of the bonds which amounted to JOD (500,000).

\*\* This item represents investment in bonds issued by Global Investment House - Kuwait (the main shareholder) with an amount of JOD (1) million with an annual interest rate of (7%), these bonds matured on 24 November 2013, the general assembly of bonds holders has resolved in its meeting held on 22 November 2012 to reschedule these bonds and they became to the favor of NAC company with an amount of JOD (750,000) and JOD (250,000) to the favor of NCH company, a provision for expected credit losses amounted to JOD (594,037) has been recorded against these bonds, NAC company has redeemed JOD (131,798) during the year 2015, JOD (6,330) during the year 2016, and JOD (9,230) during the year 2018, also NCH Company has redeemed JOD (68,463) during the year 2018.

	Bond's value	Redemption	Provision for expected credit losses	Total
<b><u>30 June 2023 (Unaudited)</u></b>				
NAC	750,000	(147,358)	(412,500)	190,142
NCH	250,000	(68,463)	(181,537)	-
	<b>1,000,000</b>	<b>(215,821)</b>	<b>(594,037)</b>	<b>190,142</b>
<b><u>31 December 2022 (Audited)</u></b>				
NAC	750,000	(147,358)	(412,500)	190,142
NCH	250,000	(68,463)	(181,537)	-
	<b>1,000,000</b>	<b>(215,821)</b>	<b>(594,037)</b>	<b>190,142</b>

\*\*\* This item represents investment in bonds issued by AL Dar Investment Company - Kuwait with an amount of KWD (500,000) which represents an amount of JOD (1,333,250) with murabaha rate of 7.5% annually, these bonds matured during the year 2009 and haven't been redeemed, as a result a full provision for expected credit losses has been recorded. During the year 2013 the bonds have been rescheduled and JOD (72,717) was received and the related provision has been reversed.

**6 . Accounts Receivable - Net**

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Policyholders	4,910,400	4,349,056
Agents receivable	368,564	348,813
Brokers receivable	52,595	51,222
Employees receivable	104,047	97,919
Others	99,828	80,195
<b>Total receivables</b>	<b>5,535,434</b>	<b>4,927,205</b>
Less: provision for expected credit losses/ accounts receivable*	(1,681,619)	(1,681,619)
<b>Net Accounts Receivable</b>	<b>3,853,815</b>	<b>3,245,586</b>

\* Movements on provision for expected credit losses / accounts receivable are as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the year	1,681,619	1,340,840
Provision for the period	-	342,055
Write off	-	(1,276)
<b>Balance at end of the period</b>	<b>1,681,619</b>	<b>1,681,619</b>

**7 . Reinsurers Receivables**

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Local insurance companies	615,879	599,085
Foreign reinsurance companies	406,443	640,222
Provision for expected credit losses / reinsurers receivables *	(730,077)	(730,077)
<b>Net Reinsurers Receivables</b>	<b>292,245</b>	<b>509,230</b>

\* Movements on provision for expected credit losses / reinsurers receivables are as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the year	730,077	743,974
Unneeded provision	-	(13,897)
<b>Balance at end of the period</b>	<b>730,077</b>	<b>730,077</b>

**8 . Accounts Payable**

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Policyholders	222,203	135,791
Agents payable	267,235	90,158
Employees payable	75,353	11,853
Brokers payable	4,408	102,916
Others	827,013	1,012,357
	<b>1,396,212</b>	<b>1,353,075</b>

**9 . Reinsurers Payables**

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Local insurance companies	243,961	443,044
Foreign reinsurance companies	2,299,374	2,187,731
	<b>2,543,335</b>	<b>2,630,775</b>

**10 . Income Tax**

**A – Income tax status**

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2019.
- The income tax returns for the years 2020, 2021 and 2022 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No Income and National Contribution Tax provision has been taken on the Company's results of operations for the six months ended at 30 June 2023 as the Company's expenses exceeded its taxable revenues.
- In the opinion of management and the tax consultant the Company will benefit from deferred tax assets in the future according to the future business plan.

**B - Deferred tax assets**

This item consists of the following:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Tax accepted accumulated losses	639,903	639,903
Provision for expected credit losses	241,531	241,531
Incurred but not reported claims	341,264	341,264
	<b>1,222,698</b>	<b>1,222,698</b>

\* Movements on deferred tax asset are as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the year	1,222,698	1,262,780
Additions during the period	-	171,311
Utilized deferred tax asset	-	(211,393)
<b>Balance at end of the period</b>	<b>1,222,698</b>	<b>1,222,698</b>

**11 . Basic and Diluted Earnings Per Share**

	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Profit for the period	3,276	23,148
Weighted average number of shares outstanding	5,600,000	5,600,000
<b>Basic and diluted earnings per share</b>	<b>0.001</b>	<b>0.004</b>

**12 . Cash and Cash Equivalents**

The cash and cash equivalents that appear in the interim consolidated statement of cash flows represent the following:

	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Cash on hand and at banks	672,239	414,086
Deposits at banks mature within three months	-	1,260,459
	<b>672,239</b>	<b>1,674,545</b>

**13 . Related Party Transactions**

- The Company has engaged into transactions with major shareholders, sister companies, board members and directors in the Company within the normal activities of the Company using Murabaha rates and commercial commissions.
- The remunerations of members of key management (salaries, bonuses, and other benefits) are as follows:

	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Salaries and bonuses of key management	116,500	118,315
Board of directors' remunerations and transportations	43,700	40,300
	<b>160,200</b>	<b>158,615</b>

**14 . Analysis of Main Sectors**

**Background information on the Company's business segments**

For management purposes, the Company measures its insurance segments in accordance with the reports used by executive manager and the company's primary decision maker to include General insurance sector which comprised fire, accidents, transportation and marine, medical, and motor insurance. This sector is the base used by the Company to disclose information related to key sectors, the mentioned sector also includes the Company's investments and cash management. The activities between the business sectors are performed based on commercial basis.

## **15 . Capital Management**

- a. The Company manages its capital in line with the regulations of Insurance Administration. These requirements were designed to ensure a suitable margin. Additional targets have been assigned by the Company to maintain strong credit rating and high capital margin in order to support its business and maximize shareholders value.
- b. The Company manages its capital structure and makes necessary adjustments in light of changes in business conditions. No changes were made in the objectives, policy or processes during the current and previous periods.
- c. The Company's solvency margin as at 30 June 2023 is below the minimum margin determined by Central Bank of Jordan which amounts to (150%).

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<b>Available capital (A)</b>	<b>7,504,340</b>	<b>7,539,735</b>
<b>Capital requirements to meet</b>		
Assets risks	3,829,299	3,572,134
Underwriting liabilities	1,651,304	1,670,695
Reinsurers' credit risk	40,721	99,293
<b>Total capital requirements (B)</b>	<b>5,521,324</b>	<b>5,342,122</b>
<b>Solvency margin (A) / (B)</b>	<b>136%</b>	<b>141%</b>

## **16 . Lawsuits against the Company**

There are lawsuits filed against the Company amounting to JOD (1,560,550) as at 30 June 2023, (2022: JOD 2,667,363).

In the opinion of the Company's management and its lawyer, no obligations shall arise that exceeds the allocated amounts within the net claims reserve.