NATIONAL INSURANCE COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of National Insurance Company
Public Shareholding Company

Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of National Insurance Company a public shareholding company (the Company),and its subsidiary (the Group) which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue recognition	**How the key audit matter was addressed in the audit**
Revenue is an important determinant of the Group's profitability. In addition, there is a risk of improper revenue recognition, particularly with regards to revenue recognition at the cut-off date. Gross written premiums amounted to JD 19,832,668 for the year ended 31 December 2021.	Our audit procedures included evaluating the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of International Financial Reporting Standards (IFRSs). We tested the Group's controls over revenue recognition and key controls in the revenue cycle. We also selected a representative sample and tested premiums written at either side of the revenue cutoff date to, assess whether the revenue was recognized in the correct period. Analytical procedures were performed on income accounts by lines of business. We independently re-performed the revenue calculation of each line of business using data extracted from the Group's system. In order to rely on the data extracted, we tested a sample of transactions to their related policies to assess the accuracy of the data extracted. Disclosures of accounting policies for revenue recognition are detailed in note (2-4) to the consolidated financial statements.

Estimates used in calculation and completeness of insurance liabilities	How the key audit matter was addressed in the audit
The Group has significant insurance liabilities of JD 12,690,227 representing 72% of the Group's total liabilities as of 31 December 2021. The measurement of insurance liabilities (the outstanding claims reserve, unearned premiums revenue and mathematical reserve) involves significant judgment over uncertain future outcomes including primarily the timing and ultimate full settlement of long term policyholders' liabilities.	Our audit procedures included, amongst others, assessing the Group's methodology for calculating the insurance liabilities and their analysis of the movements in insurance liabilities during the year, including consideration of whether the movements are in line with the accounting policy adopted by the Group. We tested management's liability adequacy testing which is a key test performed to check that the liabilities are adequate in the context of expected experience. We evaluated the competence, capabilities and objectivity of the management's specialist. Our audit procedures on the liability adequacy tests included assessing the reasonableness of the projected cash flows and reviewing the assumptions adopted in the context of both the Group and industry experience and specific product features. We also assessed the adequacy of the disclosures regarding these liabilities. Disclosures of assumptions and accounting policies related to insurance contracts liabilities are detailed in note (2-4) to the consolidated financial statements.

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Other information included in the Group's 2021 annual report

Other information consists of the information included in the Group's Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Bishr Ibrahim Baker; license number 592.

Amman – Jordan
27 February 2022

ERNST & YOUNG
Amman - Jordan

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021	2020
		JD	JD
Assets			
Investments-			
Deposits at banks	3	8,411,140	6,787,898
Financial assets at fair value through other comprehensive income	4	4,163,377	2,871,407
Financial assets at amortized cost	5	5,155,368	6,188,915
Investment properties	6	421,228	440,527
Total Investments		18,151,113	16,288,747
Other assets-			
Cash on hands and at banks	7	171,259	135,099
Notes receivable and checks under collection	9	1,860,578	1,874,459
Accounts receivable, net	10	5,467,718	5,138,655
Reinsurance receivables, net	11	1,194,766	1,411,721
Deferred tax assets	12	513,788	372,331
Property and equipment, net	13	562,419	584,938
Intangible assets	14	41,957	-
Other assets	15	962,259	1,042 ,228
Total other assets		10,774,744	10,559,431
Total Assets		28,925,857	26,848,178
Liabilities and Equity			
Technical Reserves-			
Unearned premiums reserve, net		5,352,573	4,997,403
Outstanding claims reserve, net		7,302,719	7,180,122
Mathematical reserve, net	16	34,935	50,318
Total Technical Reserves		12,690,227	12,227,843
Other liabilities-			
Accounts payable	17	1,857,066	2,690,270
Accrued expenses		102,660	79,159
Reinsurance payables	18	994,223	763,331
Other provisions	19	14,406	27,644
Income tax and National contribution provision	12	313,057	238,601
Other liabilities	20	1,541,109	1,436,800
Total other liabilities		4,822,521	5,235,805
Total Liabilities		17,512,748	17,463,648
Equity			
Paid in capital	21,1	8,000,000	8,000,000
Statutory reserve	22	1,572,025	1,459,643
Voluntary reserve	22	311,000	311,000
Fair value reserve	23	(321,619)	(1,596,234)
Retained earnings		1,851,703	1,210,121
Total Shareholder's Equity		11,413,109	9,384,530
Total Liabilities and Shareholders' Equity		28,925,857	26,848,178

The attached notes from 1 to 40 form part of these consolidated financial statements and to be read with them

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021	2020
		JD	JD
Revenues –			
Gross written premiums		19,832,668	17,789,711
Less: reinsurance share		(8,024,207)	(6,650,983)
Net written premiums		11,808,461	11,138,728
Net change in unearned premiums reserve		(355,170)	620,963
Net change in mathematical reserve		15,383	(12,230)
Net earned premiums		11,468,674	11,747,461
Commissions income		470,632	445,472
Insurance policies issuance fees		775,275	693,956
Interest income	24	636,911	712,036
Gain from financial assets at fair value through OCI		199,898	105,755
Other income related to written premiums		578,158	695,166
Other income		10,291	1,117
Total revenues		14,139,839	14,400,963
Claims, losses and related expenses -			
Paid claims		15,929,524	15,196,796
Less: recoveries		(2,001,865)	(1,321,610)
Less: reinsurance share		(4,610,381)	(4,116,4 78)
Paid claims, net		9,317,278	9,758,708
Net change in claims reserve		122,597	27,006
Policies acquisition costs		877,526	806,171
Excess of loss premiums		384,233	297,595
Allocated employees' expenses	25	949,881	917,795
Allocated administrative and general expenses	26	458,881	466,029
Other expenses related to written premiums		455,409	434,075
Net Claims Cost		12,565,805	12,707,379
Unallocated employees' expenses	25	111,108	103,566
Depreciation and amortization	6,13,14	62,346	52,970
Unallocated administrative and general expenses	26	135,939	139,968
Provision for expected credit losses	10	70,000	300,000
Board of directors renumeration		30,000	35,000
Other expenses		40,822	35,565
Total expenses		450,215	667,069
Profit for the year before tax		1,123,819	1,026,515
Income tax expenses and national contribution	12	(203,439)	(138,353)
Profit for the year		920,380	888,162
		JD/Fils	JD/Fils
Basic and diluted earnings per share	8	0/115	0/111

The attached notes from 1 to 40 form part of these consolidated financial statements and to be read with them

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		JD	JD
Profit for the year		920,380	888,162
Add: Other comprehensive income items after tax which will not to be reclassified to profit and loss in subsequent periods			
Change in fair value of financial assets at fair value through other comprehensive income, net	23	1,274,615	(633,604)
(Loss) gain from sale of financial assets at fair value through other comprehensive income		(166,416)	43,497
Total comprehensive income for the year		2,028,579	298,055

The attached notes from 1 to 40 form part of these consolidated financial statements and to be read with them

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
2021 -						
Balance at 1 January 2021	8,000,000	1,459,643	311,000	(1,596,234)	1,210,121	9,384,530
Profit for the year	-	-	-	-	920,380	920,380
Other comprehensive income items	-	-	-	1,274,615	(166,416)	1,108,199
Total comprehensive income	-		-	1,274,615	753,964	2,028,579
Statutory reserve	-	112,382	-	-	(112,382)	-
Balance at 31 December 2021	8,000,000	1,572,025	311,000	(321,619)	1,851,703	11,413,109
2020 -						
Balance at 1 January 2020	8,000,000	1,356,991	311,000	(962,630)	381,114	9,086,475
Profit for the year	-	-	-	-	888,162	888,162
Other comprehensive income items	-	-	-	(633,604)	43,497	(590,107)
Total comprehensive income	-	-	-	(633,604)	931,659	298,055
Statutory reserve	-	102,652	-	-	(102,652)	-
Balance at 31 December 2020	8,000,000	1,459,643	311,000	(1,596,234)	1,210,121	9,384,530

- Included in the retained earnings a restricted amount of JD 513,788 in accordance with the Jordan securities commission regulations representing deferred tax assets as of 31 December 2021 (31 December 2020: JD 372,331). In additions to an amount of JD 321,619 restricted from retained earnings representing the negative fair value reserve as of 31 December 2021 (2020: JD 1,596,234).

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 JD	2020 JD
OPERATING ACTIVITIES			
Profit for the year before tax		1,123,819	1,026,515
Adjustment for non-cash items			
Depreciation	6,13,14	62,346	52,970
Provision for expected credit losses	10	70,000	300,000
Profit on sale of property and equipment		-	(79)
Interest income		(636,911)	(712,036)
Dividends from financial assets through other comprehensive income		(199,898)	(105,755)
Net change in unearned premiums reserve		355,170	(620,963)
Net change in outstanding claims reserve		122,597	27,006
Net change in mathematical reserve		(15,383)	12,230
Amortization of discount on financial assets at amortized cost		9,085	9,606
Other provisions		93,176	104,520
Cash flows from operating activities before changes in working capital		984,001	94,014
Notes receivable and checks under collection		13,881	(879,106)
Accounts receivable		(399,063)	66,098
Reinsurance receivables		216,955	(217,048)
Other assets		79,969	255,933
Accounts payable		(833,204)	467,348
Accrued expenses		23,501	(1,499)
Reinsurance payables		230,892	(182,967)
Other provisions paid		(106,414)	(107,129)
Other payables		126,294	(101,872)
Net cash flows from (used in) operating activities before tax		336,812	(606,228)
Income tax paid		(207,629)	(64,183)
Income tax paid on interest		(84,796)	(27,903)
Net cash flows from (used in) operating activities		44,387	(698,314)
INVESTING ACTIVITIES			
Term deposits mature after three months		1,467,693	1,457,538
Interest income received		636,911	712,036
Dividends from other comprehensive income financial assets		199,898	105,755
Purchases of other comprehensive income financial assets		(1,720,748)	(134,921)
Proceeds from sale of other comprehensive income financial assets at fair value		1,536,977	309,920
Purchases of financial assets at amortized cost		-	(2,738,559)
Proceeds from maturities of financial assets at amortized cost		1,024,462	1,268,000
Purchases of intangible assets	14	(51,750)	-
Purchases of property and equipment	13	(10,735)	(3,904)
Proceeds from sale of property and equipment		-	82
Net cash flows from investing activities		3,082,708	975,947
Net increase in cash and cash equivalent		3,127,095	277,633
Cash and cash equivalents at beginning of the year		3,343,690	3,066,057
Cash and cash equivalents at the end of the year	27	6,470,785	3,343,690

The attached notes from 1 to 40 form part of these consolidated financial statements and to be read with them

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDER WRITING REVENUES FOR THE LIFE INSURANCE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Life insurance business	
	2021	2020
	JD	JD
Written Premiums –		
Direct insurance	308,211	336,086
Reinsurance inward business	103,447	136,365
Total written premiums	411,658	472,451
Less:		
Local reinsurance share	78,411	86,333
Foreign reinsurance share	176,587	195,794
Net premiums	156,660	190,324
Add:		
Balance at the beginning of the year	124,901	85,925
Less: reinsurance share	74,583	47,837
Net mathematical reserve at the beginning of the year	50,318	38,088
Less:		
Balance at the end of the year	85,218	124,901
Less: reinsurance share	50,283	74,583
Net mathematical reserve at the end of the year	34,935	50,318
Net earned revenue from written premiums-net	172,043	178,094

The attached notes from 1 to 40 form part of these consolidated financial statements and to be read with them

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Life insurance business	
	2021	2020
	JD	JD
Paid claims	378,052	218,468
Less:		
Foreign reinsurance share	288,510	169,899
Net paid claims	89,542	48,569
Add:		
Claims reserve at the end of the year	140,418	
Reported	24,699	185,748
Not reported		28,347
Less:		
Reinsurance share	75,784	122,929
Net claims reserve at the end of the year	89,333	91,166
Reported	79,934	79,747
Not reported	9,399	11,419
Less:		
Claims reserve at the beginning of the year		
Reported	185,748	74,040
Not reported	28,347	24,728
Less:		
Reinsurance share	122,929	61,961
Net claims reserve at the beginning of the year	91,166	36,807
Net claims cost	87,709	102,928

The attached notes from 1 to 40 form part of these consolidated financial statements and to be read with them

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDER WRITING RESULTS FOR THE LIFE INSURANCE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Life insurance business	
	2021	2020
	JD	JD
Net earned revenue from written premiums	172,043	178,094
Less:		
Net claims cost	87,709	102,928
Add:		
Commissions received	1,919	1,952
Insurance policies issuance fees	3,107	3,413
Other income related to written premiums	1,908	8,494
Total revenues	6,934	13,859
Less:		
Policy acquisition cost	8,027	13,681
Allocated general and administrative expenses	43,693	37,823
Other expenses	4,327	4,021
Total expenses	55,957	55,525
Underwriting profit	35,311	33,500

The attached notes from 1 to 40 form part of these consolidated financial statements and to be read with them

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDERWRITING REVENUES FOR THE GENERAL INSURANCE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written Premiums												
Direct insurance	8,731,182	8,415,222	846,576	690,655	2,189,202	1,953,745	84,497	71,463	5,383,745	4,627,061	17,235,202	15,758,146
Optional reinsurance inward business	1,173,399	600,423	55,645	2,744	956,664	952,946	100	3,001	-	-	2,185,808	1,559,114
Total Premiums	9,904,581	9,015,645	902,221	693,399	3,145,866	2,906,691	84,597	74,464	5,383,745	4,627,061	19,421,010	17,317,260
Less:												
Local reinsurance share	967,686	379,900	103,709	18,251	628,438	948,495	201	2,735	-	-	1,700,034	1,349,381
Foreign reinsurance share	143,120	123,022	614,499	511,468	2,056,134	1,643,261	62,938	48,854	3,192,484	2,692,870	6,069,175	5,019,475
Net written premiums	8,793,775	8,512,723	184,013	163,680	461,294	314,935	21,458	22,875	2,191,261	1,934,191	11,651,801	10,948,404
Add:												
Balance at the beginning of the year												
Unearned premiums reserve	4,839,287	5,497,062	92,671	76,369	1,162,380	937,608	31,290	23,979	630,979	661,276	6,756,607	7,196,294
Less: reinsurance share	258,249	281,222	73,860	55,007	1,063,000	846,592	21,911	14,087	342,184	381,020	1,759,204	1,577,928
Net unearned premiums reserve	4,581,038	5,215,840	18,811	21,362	99,380	91,016	9,379	9,892	288,795	280,256	4,997,403	5,618,366
Less:												
Balance at the end of the year												
Unearned premiums reserve	5,330,603	4,839,287	93,888	92,671	1,178,742	1,162,380	30,560	31,290	1,311,273	630,979	7,945,066	6,756,607
Less: reinsurance share	612,046	258,249	80,301	73,860	1,057,530	1,063,000	22,969	21,911	819,647	342,184	2,592,493	1,759,204
Unearned premiums reserve- net	4,718,557	4,581,038	13,587	18,811	121,212	99,380	7,591	9,379	491,626	288,795	5,352,573	4,997,403
Earned revenue from written Premiums- net	8,656,256	9,147,525	189,237	166,231	439,462	306,571	23,246	23,388	1,988,430	1,925,652	11,296,631	11,569,367

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CLAIMS COST FOR THE GENERAL INSURANCE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	9,313,737	8,986,543	146,977	110,901	1,245,230	617,040	65,893	8,525	4,779,635	5,255,319	15,551,472	14,978,328
Less:												
Recoveries	1,767,306	1,236,818	54,207	-	118,903	4,600	2,000	-	59,449	80,192	2,001,865	1,321,610
Local reinsurance share	8,774	-	689	-	100,454	23,438	9,535	-	-	-	119,452	23,438
Foreign reinsurance share	252,964	177,821	83,347	83,319	985,935	481,099	21,986	4,110	2,858,187	3,176,792	4,202,419	3,923,141
Net Paid Claims	7,284,693	7,571,904	8,734	27,582	39,938	107,903	32,372	4,415	1,861,999	1,998,335	9,227,736	9,710,139
Add:												
Outstanding claims reserve at the end of the year												
Reported	6,313,199	6,345,170	138,466	217,755	1,362,049	2,214,795	147,309	232,911	565,643	329,862	8,526,666	9,340,493
Not reported	1,986,107	1,458,035	9,022	6,934	31,459	29,067	846	745	79,238	75,536	2,106,672	1,570,317
Less:												
Reinsurance share	879,195	710,751	126,056	188,542	1,335,587	2,160,886	107,103	138,640	429,607	264,199	2,877,548	3,463,018
Recoveries	542,404	358,836	-	-	-	-	-	-	-	-	542,404	358,836
Net outstanding claims reserve at the end of the year	6,877,707	6,733,618	21,432	36,147	57,921	82,976	41,052	95,016	215,274	141,199	7,213,386	7,088,956
Reported	4,981,600	5,365,583	19,592	34,510	53,308	79,827	40,837	94,787	188,737	114,921	5,284,074	5,689,628
Not reported	1,896,107	1,368,035	1,840	1,637	4,613	3,149	215	229	26,537	26,278	1,929,312	1,399,328
Less:												
Net outstanding claims reserve at the beginning of the year												
Reported	6,345,170	6,173,647	217,755	473,598	2,214,795	3,088,755	232,911	225,948	329,862	571,166	9,340,493	10,533,114
Not reported	1,458,035	1,350,309	6,934	6,160	29,067	19,463	745	586	75,536	158,147	1,570,317	1,534,665
Less:												
Reinsurance share	710,751	636,111	188,542	434,071	2,160,886	2,934,406	138,640	129,318	264,199	503,729	3,463,018	4,637,635
Recoveries	358,836	313,835	-	-	-	-	-	-	-	-	358,836	313,835
Net outstanding claims reserve at the beginning of the year	6,733,618	6,574,010	36,147	45,687	82,976	173,812	95,016	97,216	141,199	225,584	7,088,956	7,116,309
Net claims cost	7,428,782	7,731,512	(5,981)	18,042	14,883	17,067	(21,592)	2,215	1,936,074	1,913,950	9,352,166	9,682,786

The attached notes from 1 to 40 form part of these consolidated financial statements and to be read with them

NATIONAL INSURANCE COMPANY
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF UNDERWRITING RESULTS FOR THE GENERAL INSURANCE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Motor		Marine and transportations		Fire and property		Liability		Medical		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net earned revenue from written premiums	8,656,256	9,147,525	189,237	166,231	439,462	306,571	23,246	23,388	1,988,430	1,925,652	11,296,631	11,569,367
Less:												
Net claims cost	7,428,782	7,731,512	(5,981)	18,042	14,883	17,067	(21,592)	2,215	1,936,074	1,913,950	9,352,166	9,682,786
Add:												
Commissions received	47,356	24,651	154,453	146,316	266,883	271,282	21	1,271	-	-	468,713	443,520
Insurance policies issuance fees	548,699	505,149	18,440	18,263	35,181	22,694	1,680	1,418	168,168	143,019	772,168	690,543
Other income related to written premiums	49,163	87,374	-	-	-	-	-	-	527,087	599,298	576,250	686,672
Total revenues	645,218	617,174	172,893	164,579	302,064	293,976	1,701	2,689	695,255	742,317	1,817,131	1,820,735
Less:												
Policies acquisition cost	648,990	615,042	20,173	10,490	78,849	53,049	382	1,525	121,105	112,384	869,499	792,490
Excess of loss premiums	262,423	209,969	24,405	8,813	97,405	78,813	-	-	-	-	384,233	297,595
Allocated general and administrative expenses	680,929	693,758	122,964	109,689	243,867	209,851	19,365	15,651	297,944	317,052	1,365,069	1,346,001
Allocated other expenses	150,746	108,236	14,075	607	2,619	1,518	-	-	283,732	319,693	451,172	430,054
Total expenses	1,743,088	1,627,005	181,617	129,599	422,740	343,231	19,747	17,176	702,781	749,129	3,069,973	2,866,140
Underwriting profit	129,604	406,182	186,494	183,169	303,903	240,249	26,792	6,686	44,830	4,890	691,623	841,176

(1) GENERAL

National Insurance Company ("Company") was established after the merger between Al-Watania Insurance company (established in 1965) and Al-Ahlia Insurance Company established in 1986 according to the companies' law number 1964 for insurance practice. The Company was registered the ministry of industry and trade as a public shareholding company, under the registration number (199) on 9 December 1986. The Company had the life insurance license on the 6 August 1995. The Company's authorized and paid in capital is JD 8,000,000 divided into 8,000,000 shares with as par value of JD 1 each.

The Company's name was modified to become National Insurance Company (public shareholding company), instead of National Ahlia Insurance Company (public shareholding company) based on the Company's General Assembly decision at its extraordinary meeting on 25 April 2007.

The Company is engaged in all kinds of insurance, such as motor, marine, transportation, fire and property risk, liability, medical, personal accident and life through its head quarter, located in Shmeisani – Sayed Qutb Street - next to the embassy of the Kingdom of Bahrain. PO Box 6156 - Amman 11118 - Tel: 5681979 - Fax: 5684900 and its agencies the Hashemite Kingdom of Jordan.

The consolidated financial statements were approved by the board of directors in its meeting No. (2) on 22 February 2022 and it is subject to approval by the general assembly of the shareholders.

(2) SIGNIFICANT ACCOUNTING POLICIES

(2-1) Basis of preparation the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the Standards issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared on historical cost basis, except for financial assets at fair value through other comprehensive income that have been measured at fair value at the financial statements date.

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

(2-2) Basis of consolidation

The consolidated financial statements comprise the financial statements of National Insurance Company (the "Company"), and its subsidiary (referred to together as the "Group") as of the 31 December 2021:

Company's Name	Legal form	Country of Origin	Ownership Percentage	
			2021	2020
Nai for Real Estate Investments Co.*	Limited Liability Company	Jordan	100%	100%

* Nai Real Estate Investment Company Ltd. was established with a full paid in capital of JD 60,000. The Company was registered with the Ministry of Industry and Trade on 16 December 2008 and it is wholly owned by the National Insurance Company.

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.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements 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 in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows 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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

(2-3) 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 2020 except for the adoption of new amendments on the standards effective as of 1 January 2021 shown below

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest,
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued,
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Group has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

(2-4) Summary of significant accounting policies

Following is a summary of the significant accounting policies:

Segments information

Business segments represent distinguishable components of the Group that are engaged in providing products or services which are subject to risks and rewards that are different from those of other segments and are reported based on the reports that are used by the chief executive decision maker.

Geographical segments are associated to products and services provided within a particular economic environment, which are subject to risks and rewards that are different from those of other economic environments.

Financial assets trade date

Purchases and sales of financial assets are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Fair value measurement

The Group measures financial instruments such as derivatives and financial assets at fair value at the financial statements date as well as the fair value of the financial assets at amortized cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In case of unavailable main market, the principal or the most advantageous market for assets or liabilities must be accessible to by the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of the fair value disclosure, the Group has determined classes of assets and liabilities based on nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy.

(A) Financial assets at amortized cost

- Financial assets that the Group's management aims, according to its business model to hold the assets to collect their contractual cash flows and that the contractual terms of the financial asset give rise, on specified dates, to cash flows constituting solely principal and profit on the outstanding principal amounts.
- Debt instruments meeting these criteria are initially measured at amortized cost plus transaction costs. Subsequently they are amortized using the effective profit rate method less allowance for impairment. The losses arising from impairment are recognized in the income statement.
- The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.

(B) Financial assets at fair value through profit or loss

- Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. Where these assets or portion of these assets are sold, the gain or loss arising are recorded in the consolidated income statement.
- Dividend and interest income are recorded in the consolidated income statement.

(C) Financial assets at fair value through other comprehensive income

- Equity investments that are not held for sale in the near future.
- These financial instruments are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the statement of changes in equity. The gain or loss on disposal of these asset are reclassified from fair value reserve to retained earnings and not through consolidated income statement.
- These financial assets are not subject to impairment testing.
- Dividend income is recognized in the consolidated income statement.

Impairments in Financial Assets

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments measured at amortized cost.

For all debt instruments, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

To determine the expected credit losses for the portfolio, the Group uses a provision matrix. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rate is updated and changes in the forward-looking estimates are analyzed.

Investment property

Investment property is stated at cost less accumulated depreciation (except land) and its depreciation over its useful life at a rate of 4%. Impairment loss is recorded in the consolidated income statement. Any profit or operating expense arising from these assets is recognized in the consolidated income statement.

Investment property is revalued in accordance with Insurance Department related regulations, and its fair value is disclosed in the investment property note (note 6).

Cash and Cash equivalents

For cash flow purposes cash and cash equivalents comprise cash on hand, banks balances and deposits maturing within three months, less bank overdrafts and restricted funds.

Reinsurance Accounts

Reinsurers shares of insurance premiums, paid claims, technical provisions, and all other resulting rights and obligations are calculated based on the agreements signed between the Group and reinsurance companies and are accounted for using the accrual basis.

Reinsurance

The Group engages within its normal activities in a variety of inward and outward reinsurance operations with other insurance and reinsurance Companies which involves different level of risks. The reinsurance operations include quota share, excess of loss, facultative reinsurance, and other types of reinsurance. These reinsurance treaties do not eliminate the Group's liability towards policy holders, where in the case the reinsurance fails to cover its share of total liability, the Group bears the total loss, therefore the Group provides for the un-recovered amounts. The estimation of amounts that are likely to be recovered from reinsurers is calculated according to the Group's share of total liability for each claim.

Impairment in Reinsurance Assets

In case there is any indication as to the impairment of the reinsurance assets of the Group, which possesses the reinsured contract, the Group has to reduce the present value of the contracts and record the impairment in the statement of income,
The impairment is recognized in the following cases only:

1. There is an objective evidence resulting from an event that took place after the recording of the reinsurance assets confirming the Group's inability to recover all the amounts under the contracts terms.

2. The event has a reliably and clearly measurable effect on the amounts that the Group will recover from reinsures.

Insurance policy acquisition cost

Acquisition cost represent the cost incurred by the company for selling or underwriting or issuing new insurance contract, the acquisition cost is recorded in the consolidated income statement.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property and equipment (except land) is depreciated when its ready for use. Depreciation is computed on a straight-line basis using the following depreciation rates recorded in the consolidated income statement.

	%
Buildings	2
Furniture	15
Tools and equipment	20-35
Vehicles	15
Decoration	15

Depreciation expense is calculated when property and equipment is put in use, property and equipment under construction is stated at cost less impairment loss.

Assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The impairment loss is recorded in the statement of income.

The useful life and depreciation method are reviewed periodically. If the expected useful life of the assets does not reflect the expected pattern of economic benefits from items of property and equipment, changes are recognized as changes in estimates for future period.

Any gain or loss arising on the disposal or retirement of an item of property and equipment which represents the difference between the sales proceeds and the carrying amount of the asset is recognized in the consolidated income statement.

Any item of property and equipment derecognized when no future economic benefits are expected to arise from the continued use of the asset or from disposal.

Pledged financial assets

These are the financial assets that are pledged for other parties, and the other parties have the right to control the asset (sell or re-pledge). These financial assets continue to be valued using the same accounting policies and classification.

Provisions

Provisions are recognized when the Group has an obligation at the date of the financial statements as a result of past events, and the cost to settle the obligation are both probable and measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the preset obligation at the financial statements date, taking into account the risks and uncertainties surrounding the obligation where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of these cash flow.

When it is expected to recover some or all amounts due from other parties, the due amount will be recognized within the assets if the value can be measured reliably.

(A) Technical Reserves

Technical reserves are provided for in accordance to the Insurance Department instructions, as follows:

1. Unearned premiums reserve is measured for general insurance business based on remaining days of the insurance policy of expiration, considering a period of 365 days except marine and transport insurance which is calculated based on written premiums for existing policies at the date of the financial statements in accordance with Laws, regulations and instructions issued pursuant there to.

2. Outstanding claims (Reported) provision is measured at the maximum value of the total expected loss for each claim separately.

3. Provision for the ultimate cost of claims incurred but not yet reported (IBNR) and unexpired risk is measured based on the estimates and the experience of the Group.

4. Provision for unearned premiums for life insurance is calculated based on the Group's experience and estimates.

5. The mathematical reserve of life insurance policies is calculated in accordance with the Insurance Department regulations.

6. Reports reviewed by the actuary.

(B) Provision for expected credit loss

The provision for expected credit loss on receivables is reviewed by the Group's management, in accordance with the international financial reporting standards.

(C) End of service indemnity provision

The end of service indemnity provision for employees is calculated based on the Group's policy in line with Jordanian labor law.

The end of service benefits for the resigned employees are recorded on settlement. Provision against obligation for the end of service is charged to the consolidated income statement.

Liability adequacy test

At each statement of financial position date the Company assesses whether its insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If assessment shows that the carrying amount of its insurance liabilities is inadequate when comparing it to the estimated future cash flows, the deficiency is immediately recognized in the consolidated income statement.

Income Tax

Income tax expense represents current and deferred income tax.

A) Accrued Income Tax

The accrued income tax expense is calculated based on taxable income. The taxable income differs from the accounting income in the statement of income because the accounting income contains nondeductible expenditures and nontaxable income in the current year but are in the preceding years or the tax accepted accumulated losses or any other not deductibles for tax purposes.

The taxes are calculated based on tax rates in the country in where it conducts its business.

B) Deferred Tax

Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the time value of the assets or liabilities in the financial statements and the value that is calculated on the basis of taxable profit.

Deferred tax is provided using the liability method on temporary differences at the liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that all or part of the deferred tax assets will be utilized or settle a tax liability or when no longer needed.

Offsetting

Financial assets and financial liabilities are only offsetted and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue recognition

A) Insurance policies
Insurance premiums are recorded as revenues (earned premiums) based on the accrual periods and policy covering period. Unearned premiums are recorded according to insurance policy periods at the date of financial statements in liabilities as unearned premiums.

Claims expenses are recognized in the consolidated income statement based on the expected claim value to compensate the policyholder or to other affected parties.

B) Dividend and interest revenue
The Dividends revenues are realized when the shareholder has the right to receive the payment once approved by the General Assembly of Shareholders.

Interest revenues are recorded using the accrual basis based for the related period, principle amount and interest rate.

Expenditures recognition

All commissions and other costs related to the new insurance contracts or renewed are recorded in the consolidated income statement during the period it was incurred in and all other expenditures are recorded using the accrual basis.

Insurance compensations

Insurance compensations represent paid claims during the year and change in outstanding claims reserve.

Insurance compensations payments during the year include payments for the current or prior years. Outstanding claims represent the highest estimated amount to settle the claims resulting from events occurred before the date of financial statements but not settled yet.

Outstanding claim reserve is recorded based on the best available information at the date of financial statements and includes the IBNR.

Recoverable scraped value

Estimated recoverable amounts from scraped value and waiver are considered when measuring the outstanding claim liability.

General and administrative expenses

The traceable general and administrative expenses are allocated to each insurance division separately. Moreover, 80% of the un-allocated general and administrative expenses are allocated to different insurance departments based on earned premiums per department to total premiums.

Employee's expenses

The traceable employees' expenses are allocated directly to insurance departments, and 80% of un-allocated employee's expenses are allocated based on earned premiums per department to total premiums.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the transactions dates. Monetary assets and liabilities in foreign currencies are translated into Jordanian Dinar at rates of exchange prevailing at the statement of financial position date as issued by Central Bank of Jordan.

Non-monetary assets and liabilities in foreign currencies are translated into respective functional currencies at fair value at the respective date.

Gains and losses resulting from foreign currencies translation shall be recorded in the consolidated statement of income.

Translation differences on non-monetary items carried at fair value (such as stocks) are included as part of the changes in fair value.

(2-5) Use of Estimates

The preparation of the consolidated 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. 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 details of significant estimates made by management are as follows:

- A provision of expected credit loss by the management based on their principles and assumptions according to International Financial Reporting Standards.
- The financial year is charged with its related income tax in accordance with regulations.
- The management periodically reviews tangible useful life in order to calculate the depreciation amount depending on the status of these assets and future benefit. The impairment loss (if any) appears on the consolidated statement of income.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to insurance regulations and record actuarial reports.
- A provision on lawsuit against the Group is made based on the Group's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.
- The management periodically reviews financial assets at amortized cost for impairment, if impairment existed, it is charged to the consolidated income statement.

(3) DEPOSITS AT BANKS

This item consists of the following:

	2021				2020
	Deposits due within a month	Deposits due from 1 to 3 months	Deposits due from 3 months to 1 year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan	3,727,917	2,571,609	2,111,614	8,411,140	6,787,898

Interest rates on bank deposit balances in Jordanian Dinar ranges from 2% to 4.6% during the year 2021. (During 2020: from 2% to 5.4%)

The restricted deposits amounted to JD 325,000 as of 31 December 2021 and 2020 in the Commercial Bank of Jordan is pledged on behalf of the general secretary of the Ministry of Trade and Finance.

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

This item consists of the following:

	2021	2020
	JD	JD
Inside Jordan -		
Quoted Shares	3,145,363	2,159,879
Outside of Jordan -		
Quoted Shares	985,250	678,764
Unquoted shares	32,764	32,764
Total	4,163,377	2,871,407

The details of the unquoted financial assets at fair value through other comprehensive income outside Jordan was as follows:

	2021	2020
	JD	JD
Outside of Jordan -		
Arab Reinsurance Company/Lebanon	32,331	32,331
Arab Insurance Institute/Syria	433	433
Total	32,764	32,764

(5) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	2021	2020
	JD	JD
Inside Jordan -		
Jordanian Treasury Bonds (1)	1,022,504	1,028,771
Jordanian Treasury Bonds (2)	720,604	721,033
Jordanian Treasury Bonds (3)	642,334	643,167
Jordanian Treasury Bonds (4)	1,065,926	1,066,158
Capital Bank Bonds (5)	1,704,000	1,704,000
Jordanian Treasury Bonds	-	369,091
Jordanian Treasury Bonds	-	366,141
Jordanian Treasury Bonds	-	290,554
Total	5,155,368	6,188,915

Below is a summary of bonds owned by the company as of the 31 of December 2021:

	Purchase Date	Face Value	Maturity Date	Interest Rate	Currency
(1)	21 March 2016	1,049,675	29 January 2026	6.125%	USD
(2)	30 November 2017	721,033	10 October 2047	7.375%	USD
(3)	19 March 2019	1,701,600	15 March 2026	7%	USD
(4)	16 April 2020	640,493	29 January 2026	6.125%	USD
(5)	7 May 2020	1,060,841	29 January 2026	6.125%	USD

(6) INVESTMENT PROPERTY

This item consists of the following:

2021 -	Land	Jabal Amman Medical Clinics Building	Total
	JD	JD	JD
Cost:			
Beginning balance	54,547	482,475	537,022
Ending balance	54,547	482,475	537,022
Accumulated Depreciation:			
Beginning balance	-	96,495	96,495
Additions	-	19,299	19,299
Ending balance	-	115,794	115,794
Net Book Value	54,547	366,681	421,228
2020 -			
Cost:			
Beginning balance	54,547	482,475	537,022
Ending balance	54,547	482,475	537,022
Accumulated Depreciation:			
Beginning balance	-	77,196	77,196
Additions	-	19,299	19,299
Ending balance	-	96,495	96,495
Net Book Value	54,547	385,980	440,527

- The Medical clinic building consists of 8 clinics with different areas.
- Investments properties fair value is estimated by an average of JD 1,134,317 by three valuators according to insurance regulations.

(7) CASH ON HAND AND AT BANKS

This item consists of the following:

	2021	2020
	JD	JD
Cash on hand	9,491	26,033
Current accounts at banks	161,768	109,066
	171,259	135,099

(8) EARNINGS PER SHARE

	2021	2020
	JD	JD
Profit for the year (JD)	920,380	888,162
Weighted average number of shares (Share)	8,000,000	8,000,000
	Fils/ JD	Fils/ JD
Earnings per share for the year	0.115	0.111

(9) NOTES RECEIVABLE AND CHEQUES UNDER COLLECTION

This item consists of the following:

	2021	2020
	JD	JD
Notes receivable	-	19,754
Cheques under collection*	1,864,548	1,878,429
	1,864,548	1,898,183
Less: Provision for expected credit losses**	(3,970)	(23,724)
	1,860,578	1,874,459

* The maturity dates of the cheques under collection extends until December 2022.

** The following represents the movement on the provision for expected credit losses:

	2021	2020
	JD	JD
Balance at the beginning of the year	23,724	23,724
Write-offs	-	(19,754)
Balance at the end of the year	3,970	23,724

(10) ACCOUNT RECEIVABLES, NET

This item consists of the following:

	2021	2020
	JD	JD
Policy holders' receivables	4,711,141	4,012,922
Governmental receivables	769,800	1,077,586
Agents receivables	420,679	640,574
Brokers receivables	812,346	589,694
Employees receivables	90,692	84,941
Other receivables	40,375	40,253
Total	6,845,033	6,445,970
Less: Provision for expected credit losses*	(1,377,315)	(1,307,315)
	5,467,718	5,138,655

Below is the aging of unimpaired receivables:

		Due but not impaired				
	Not due	1-90 day	91-180 day	181-360 day	More than 360 day	Total
	JD	JD	JD	JD	JD	JD
2021	2,050,058	1,505,600	80,181	848,944	982,935	5,467,718
2020	2,371,278	778,826	286,192	1,014,677	687,682	5,138,655

* Movement on the Provision for expected credit losses consist of the following:

	2021	2020
	JD	JD
Balance at the beginning of the year	1,307,315	1,012,853
Additions	70,000	300,000
Write-offs	-	(5,538)
Balance at the end of the year	1,377,315	1,307,315

(11) REINSURANCE RECEIVABLES, NET

This item consists of the following:

	2021	2020
	JD	JD
Local insurance companies	534,712	606,114
Foreign reinsurance companies	784,396	929,949
Less: Provision for expected credit losses*	(124,342)	(124,342)
Net reinsurance receivables	1,194,766	1,411,721

Below is the aging of the unimpaired reinsurance receivables:

		Due but not impaired				
	Not due	1-90 day	91-180 day	181-360 day	More than 360 day	Total
	JD	JD	JD	JD	JD	JD
2021	451,322	388,986	76,626	115,509	162,323	1,194,766
2020	443,525	389,304	310,345	38,765	229,782	1,411,721

* Movement on the Provision for expected credit loss is as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	124,342	124,342
Balance at the end of the year	124,342	124,342

(12) INCOME TAX

A- Income tax provision

The movement on the income tax provision is as follows:

	2021 JD	2020 JD
Balance at the beginning of the year	238,601	32,147
Income tax paid	(207,629)	-
Income tax expense for the year	366,881	234,357
Income tax paid on interest income	(84,796)	(27,903)
Balance at end of the year	313,057	238,601

Income tax expense included in the consolidated income statement represents the following:

	2021 JD	2020 JD
Income tax provision for the year	366,881	234,357
Deferred tax assets additions	(513,505)	(368,078)
Deferred tax assets amortization	372,048	346,204
Income tax withholdings	(21,985)	(74,130)
Income tax expense	203,439	138,353

The reconciliation between accounting profit and taxable profit is as follows:

	2021 JD	2020 JD
Accounting profit	1,123,819	1,026,515
Net non-taxable income	(40,258)	(179,919)
Net non-deductible expenses	196,525	516,406
Carried forward tax losses	-	(569,785)
Taxable profit	1,280,086	793,217
Income tax rate and national contribution	26%	26%
Income tax for the year from local income	332,823	206,238
Foreign investments income	340,577	281,194
Income tax for the year	34,058	28,119
Income tax for the year	366,881	234,357

Final settlement was reached with Income and Sales Tax Department up to 31 December 2017. In the opinion of the Company's management and tax advisor the income tax provision as of 31 December 2021 is sufficient to meet any tax exposure.

The Group has submitted its tax returns for the years 2018 ,2019 and 2020, and they are still under review up to the date of the consolidated financial statements.

Income tax for the year 2021 was computed in accordance with income tax law (38) of the year 2018.

B- Deferred tax assets

This item consists of the following:

	2021					2020
	Beginning balance	Released	Additions	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets:						
Provisions for outstanding claims	1,410,747	1,410,747	1,938,711	1,938,711	504,065	366,794
Provision for end of service indemnity	16,102	15,587	-	515	134	4,187
Group insurance fees provision/ life	5,193	4,623	7,310	7,880	2,049	1,350
Future urgent provision	-	-	29,000	29,000	7,540	-
Total	1,432,042	1,430,957	1,975,021	1,976,106	513,788	372,331

Movement on deferred tax assets is as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	372,331	350,457
Additions	513,505	368,078
Disposals	(372,048)	(346,204)
Balance at the end of the year	513,788	372,331

The tax rate used to calculate the deferred tax is 26% and the management is certain that 100% will be recoverable in the future. The items that resulted in deferred tax assets are included in the income tax law and are included in the tax base when calculating Company`s income tax.

(13) PROPERTY AND EQUIPMENT - NET

This item consists of the following:

	Land	Buildings	Equipment, tools and furniture	Decoration	Vehicles	Total
2021 -	JD	JD	JD	JD	JD	JD
Cost:						
Balance at the beginning of the year	170,000	533,961	353,300	53,335	67,264	1,177,860
Additions	-	-	10,735	-	-	10,735
Balance at the end of the year	170,000	533,961	364,035	53,335	67,264	1,188,595
Accumulated depreciation:						
Balance at the beginning of the year	-	174,973	329,521	53,326	35,102	592,922
Disposals	-	10,679	13,325	-	9,250	33,254
Balance at the end of the year	-	185,652	342,846	53,326	44,352	626,176
Net book value at the end of the year	170,000	348,309	21,189	9	22,912	562,419
2020 -						
Cost:						
Balance at the beginning of the year	170,000	533,961	353,114	53,335	67,264	1,177,674
Additions	-	-	3,904	-	-	3,904
Disposals	-	-	(3,718)	-	-	(3,718)
Balance at the end of the year	170,000	533,961	353,300	53,335	67,264	1,177,860
Accumulated depreciation:						
Balance at the beginning of the year	-	164,264	319,548	53,326	25,828	562,966
Additions	-	10,709	13,688	-	9,274	33,671
Disposals	-	-	(3,715)	-	-	(3,715)
Balance at the end of the year	-	174,973	329,521	53,326	35,102	592,922
Net book value at the end of the year	170,000	358,988	23,779	9	32,162	584,938

Property and equipment include fully depreciated items of JD 355,380 as 31 December 2021 (2020: JD 346,201), that are still in use.

(14) INTANGIBLE ASSETS

This item consists of the following:

	Land
2021 -	JD
Cost:	
Balance at the beginning of the year	-
Additions	51,750
Balance at the end of the year	51,750
Accumulated depreciation:	
Balance at the beginning of the year	-
Disposals	9,793
Balance at the end of the year	9,793
Net book value at the end of the year	41,957
Net book value as of 31 December 2020	-

(15) OTHER ASSETS

This item consists of the following:

	2021	2020
	JD	JD
Paid claims recoveries, net	562,832	647,393
Accrued revenues	143,253	148,052
Prepaid expenses	101,909	57,082
Refundable deposits	2,931	2,931
Advance payments to suppliers	48,084	61,750
Withholding tax on interest	-	60,837
Withholding tax on shares and interest	1,242	-
Advance payments on Income tax	102,008	64,183
Total	962,259	1,042,228

(16) MATHEMATICAL RESERVE, NET

This item consists of the following:

	2021	2020
	JD	JD
Mathematical reserve, net	34,935	50,318

(17) ACCOUNTS PAYABLE

This item consists of the following:

	2021	2020
	JD	JD
Policy holder payables	354,263	353,329
Agents payables	137,134	323,309
Brokers payables	151,837	145,230
Employee payables	811	654
Garages and suppliers payables	136,082	187,332
Unpaid dividends to shareholders	156,848	160,804
Medical network payables	787,991	1,358,663
Other payables	132,100	160,949
Total	1,857,066	2,690,270

(18) REINSURANCE PAYABLE

This item consists of the following:

	2021	2020
	JD	JD
Local insurance companies	170,677	152,657
Foreign reinsurance companies	823,546	610,674
Total	994,223	763,331

(19) OTHER PROVISIONS

This item consists of the following:

	2021	2020
	JD	JD
End of service indemnity	515	16,102
Insurance department fees	6,011	6,349
Commission from group/ life policies	7,880	5,193
Total	14,406	27,644

The below schedule represents the movement on the above mentioned provisions:

	Beginning balance	Additions	Paid during the year	Ending balance
	JD	JD	JD	JD
End of service indemnity	16,102	-	(15,587)	515
Insurance department fees	6,349	85,866	(86,204)	6,011
Commission from group / life policies	5,193	7,310	(4,623)	7,880
Total	27,644	93,176	(106,414)	14,406

(20) OTHER LIABILITIES

This item consists of the following:

	2021	2020
	JD	JD
Reinsurance companies' withholdings	1,223,890	1,102,701
Sales tax withholdings	86,280	85,999
Stamps withholdings	8,843	7,004
Motor Accident Fund – refunds withholdings	11,900	11,182
Social security withholdings	12,689	15,237
Income tax withholdings	146,337	168,322
Contingent liabilities provision	29,000	-
Others	22,170	46,355
Total	1,541,109	1,436,800

(21) PAID IN CAPITAL

Authorized and paid in capital amounted to JD 8,000,000 divided into 8,000,000 shares at par value of JD 1 for each as of 31 December 2021 and 2020.

(22) RESERVES

Statutory reserve:
This amount represents appropriation of 10% of net income before income tax during this year and prior years. This reserve is not available for distribution to shareholders.

Voluntary reserve:
This amount represents appropriations at 20% of net income before income tax during this year and prior years. Voluntary reserve is used for the objectives determined by the board of the directors. The general assembly of the company has the right to distribute part or all of this amount as dividends to the shareholders.

(23) FAIR VALUE RESERVE

This item consists of the following:

	2021	2020
	JD	JD
Balance at the beginning of the year	(1,596,234)	(962,630)
Net change during the year	1,274,615	(633,604)
Balance at the end of the year	(321,619)	(1,596,234)

(24) INTEREST INCOME

	2021	2020
	JD	JD
Bank deposits interest	283,513	356,523
Interest on financial assets at amortized cost	353,398	355,513
Total	636,911	712,036

(25) EMPLOYEES EXPENSES

This item consists of the following:

	2021	2020
	JD	JD
Salaries and bonuses	894,113	872,546
Social security contribution	116,916	101,846
Employees' insurance expenses	49,160	46,969
Employees' training and development	800	-
Total	1,060,989	1,021,361
Allocated employees' expenses to the underwriting accounts	949,881	917,795
Unallocated employees' expenses to the underwriting accounts	111,108	103,566

(26) ADMINISTRATIVE AND GENERAL EXPENSES

This item consists of the following:

	2021	2020
	JD	JD
Rent expense	7,050	7,050
Stationery and printing	21,857	23,004
Advertisements	15,781	13,517
Bank commission	37,447	29,280
Water, electricity and heating	27,071	31,310
Maintenance expense	23,909	38,021
Postage and telecommunications	11,306	11,435
Hospitality	8,590	5,619
Legal fees and expenses	59,000	74,231
Subscriptions	33,172	27,232
Tenders expenses	20,641	15,596
Insurance department fees	85,866	99,584
Governmental fees and other fees	6,671	7,572
Donations	-	10,000
Transportation and travel	27,708	14,188
Professional fees	80,822	74,893
Board members transportation	42,000	42,000
Nonrefundable sales tax	26,572	18,888
Cleaning	18,562	17,356
Security	10,117	10,117
Collection commission	19,195	18,645
Company's assets insurance	2,547	5,518
Others	8,936	10,941
Total	594,820	605,997
Allocated administrative and general expenses to the underwriting accounts	458,881	466,029
Unallocated administrative and general expenses to the underwriting accounts	135,939	139,968

(27) CASH AND CASH EQUIVALENTS

The cash and cash equivalents presented in the consolidated statement of cash flows from the amounts stated in the consolidated statement of financial position represent the following:

	2021	2020
	JD	JD
Cash in hands and at banks (Note7)	171,259	135,099
Add: deposits at banks (Note 3)	8,411,140	6,787,898
Less: deposits at banks maturing in more than three months (Note 3)	(2,111,614)	(3,579,307)
Net cash and cash equivalent	6,470,785	3,343,690

(28) RELATED PARTY TRANSACTIONS

Related parties include subsidiaries, board of directors, executive management and the Companies which they own. pricing policies and terms of transactions with those related parties are approved by the Group's managements.

During the year, the Group has entered into transactions with major shareholders, board members and the higher management in the normal course of business. All insurance receivables granted to related parties are considered to be performing and no provision is required for them.

The pricing policies and terms with related parties are approved by the Group`s management.

Below is a summary of related parties' transactions during the year:

	2021	2020
Consolidated Statement of financial position items:	JD	JD
Account Receivables (Companies related to members of the board of directors)	1,215,977	961,947
Consolidated Income statement items:		
Written premium (Companies related to members of the board of directors)	2,644,607	2,826,838
Paid compensations (Companies related to members of the board of directors)	1,038,823	1,465,993

Compensations of key management personnel of the Company (salaries, bonuses, and other benefits) are as follows:

	2021	2020
	JD	JD
Salaries and bonuses	387,386	358,964

(29) FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses the following order of valuation methods and alternatives in determining and presenting the fair value of financial instruments:

Level 1: market prices published in active markets for the same assets and liabilities.

Level 2: other techniques where all the inputs that have a significant impact on the fair value can be observed directly or indirectly from the market information.

Level 3: other techniques which use inputs have a significant effect on the fair value but it is not based on information from the market can be observed.

The following table provides an analysis of financial instruments recorded at fair value, according to the hierarchy mentioned:

	Level 1	Level 2	Level 3	Total
2021-	JD	JD	JD	JD
Financial assets				
Financial assets at fair value through other comprehensive income	4,130,613	-	32,764	4,163,377
2020-				
Financial assets				
Financial assets at fair value through other comprehensive income	2,838,643	-	32,764	2,871,407

(30) FAIR VALUE OF FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE

Financial assets consist of cash on hand and at banks, deposits at banks, Cheques under collection and notes receivable, accounts receivables, reinsurance receivables, financial assets at amortized cost and other assets.

Financial liabilities consist of accounts payables, accrued expenses, reinsurance payables and other liabilities.

Fair value for those financial instruments is not materially different from their book value.

(31) RISK MANAGEMENT

The Group is exposed to different kinds of risks such as the insurance contract, insurance type, compensation for risk and disasters, political and economic factors, regulations, legislation and laws imposed on the insurance companies in Jordan.

The Group manages risk through its strategy as follows:

Focusing on the quality in selecting the risk and ensure that insurance risk is consistent with the risk type and value.

The Group monitors through its technical management the claims and their developments on quarterly basis in order to reduce the risks surrounding them to reflect the actual information for the Group in its quarterly financial statements and to mitigate risks that may result from unexpected developments.

The Investment Committee of the Board of Directors monitors the investments to keep diversification in the investment portfolio through the purchase of preferred shares and real estate investments. The Committee also review hedging, risk reduction and controls in accordance with the instructions of the Insurance Authorities.

The management of the Group holds reinsurance agreements with major reinsurers in the world to protect the Company in case of these risks.

Maintaining effective internal control system through the department heads and the internal audit and Group's management.

Regarding the motor insurance department, the Group has a special insurance policy so that it does not insure any car that has a date of manufacturing prior to 2000. Also, it avoids insurances that may result in a large number of claims such as insurance of rental cars. In addition, the Company has a policy is to pay the claims within a month after the claim and obtain a final reconciliation.

The Group mitigates risks by diversifying its insurance policies and selecting the type of risks consistence with the reinsurance agreements.

(A) Insurance Risk

1. Insurance risk

Risks of any insurance policy represent the probability of occurrence of the insured accident and the uncertainty of the related claim amount due to the nature of the insurance policy whereby the risks are volatile and unexpected in connection with insurance policies of a certain insurance class. Regarding the application of the probability theory on pricing and the reserve, the primary risks facing the Company are that incurred claims and the related payments may exceed the book value of the insurance obligations. This may happen if the probability and risk of claims are greater than expected. As insurance accidents are unstable and vary from one year to another, estimates may differ from the related statistics.

Studies have shown that the more similar the insurance policies are, the nearer the expectations are to the actual loss. Moreover, diversifying the types of insurance risks covered decreases the probability of the overall insurance loss.

The Group mitigates the above risks by diversifying its insurance policies, as well as the improvement of risk changes by carefully selecting and implementing insurance strategies and guidelines and using reinsurance agreements.

Duplicate Claims

Claims can be duplicated and their amounts can be affected due to different factors. The Company's main insurance business is fire, general accident, motor and marine risk insurance. These insurance policies are considered short term and are usually paid within one year from the date of the accident. This helps to reduce the risk of insurance.

2. Claims Development

The schedules below show the actual claims (based on management's estimates at year - end) compared to the expectations for the past four years based on the year in which the accident has occurred as follows:

Total - Motor Insurance:

The accident year	2017 and before	2018	2019	2020	2021	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	31,147,345	4,007,009	3,837,551	2,602,761	3,643,161	-
After one year	33,498,555	4,907,489	5,750,618	3,921,664	-	-
After two years	34,175,681	4,844,106	5,409,445	-	-	-
After three years	34,449,993	4,649,043	-	-	-	-
After four years	34,265,527	-	-	-	-	-
Present expectations for the accumulated claims	34,265,527	4,649,043	5,409,445	3,921,664	3,643,161	51,888,840
Accumulated payments	32,985,381	4,084,259	4,143,539	2,376,355	-	43,589,534
Liability as stated in the statement of financial position						
Reported claims	1,280,146	564,784	1,265,906	1,545,309	1,657,054	6,313,199
Unreported claims	-	-	-	-	1,986,107	1,986,107
Deficit in the preliminary estimate for the reserve	(3,118,182)	(642,034)	(1,571,894)	(1,318,903)	-	(6,651,013)

Total – marine and transportation:

The accident year	2017 and before	2018	2019	2020	2021	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	1,805,226	69,779	282,323	64,068	49,519	-
After one year	1,849,746	64,420	62,883	97,424	-	-
After two years	1,873,476	122,390	110,703	-	-	-
After three years	1,803,100	162,817	-	-	-	-
After four years	1,633,490	-	-	-	-	-
Present expectation for the accumulated claims	1,633,490	160,817	110,703	97,424	49,519	2,053,953
Accumulated payments	1,616,740	160,101	98,992	30,632	-	1,906,465
Liability as stated in the statement of financial position:						
Reported claims	16,750	2,716	11,711	66,792	40,497	138,466
Unreported claims	-	-	-	-	9,022	9,022
Surplus (deficit) in the preliminary estimate for reserve	171,736	(93,038)	171,620	(33,356)	-	216,962

Total - fire and properties:

The accident year	2017 and before JD	2018 JD	2019 JD	2020 JD	2021 JD	Total JD
At the end of the year	8,082,557	163,756	190,144	405,048	420,072	-
After one year	8,305,218	354,623	362,747	793,373	-	-
After two years	8,390,110	334,671	210,770	-	-	-
After three years	7,416,260	1,311,308	-	-	-	-
After four years	5,736,610	-	-	-	-	-
Present expectation for the accumulated claims	5,736,610	1,311,308	210,770	793,373	420,072	8,472,133
Accumulated payments	5,633,667	1,264,602	178,336	2,020	-	7,078,625
Liability as stated in the statement of financial position						
Reported claims	102,943	46,706	32,434	791,353	388,613	1,362,049
Unreported claims	-	-	-	-	31,459	31,459
Surplus (deficit) in the preliminary estimate for reserve	2,345,947	(1,147,552)	(20,626)	(388,325)	-	789,444

Total – liability:

The accident year	2017 and before JD	2018 JD	2019 JD	2020 JD	2021 JD	Total JD
At the end of the year	491,902	39,087	5,286	12,245	21,246	-
After one year	464,388	71,900	4,743	11,736	-	-
After two years	470,734	72,624	6,572	-	-	-
After three years	472,965	62,398	-	-	-	-
After four years	436,414	-	-	-	-	-
Present expectation for the accumulated claims	436,414	62,398	6,572	11,736	21,246	538,366
Accumulated payments	333,835	51,398	4,572	406	-	390,211
Liability as stated in the statement of financial position						
Reported claims	102,579	11,000	2,000	11,330	20,400	147,309
Unreported claims	-	-	-	-	846	846
Surplus (deficit) in the preliminary estimate for reserve	55,488	(23,311)	(1,286)	509	-	31,400

Total – medical:

The accident year	2017 and before	2018	2019	2020	2021	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	2,768,328	655,371	729,313	405,398	644,881	-
After one year	3,072,401	655,371	729,313	405,398	-	-
After two years	3,072,401	655,371	729,313	-	-	-
After three years	3,072,401	655,371	-	-	-	-
After four years	3,072,401	-	-	-	-	-
Present expectation for the accumulated claims	3,072,401	655,371	729,313	405,398	644,881	5,507,364
Accumulated payments	3,072,401	655,371	729,313	405,398	-	4,862,483
Liability as stated in the statement of financial position						
Reported claims	-	-	-	-	565,643	565,643
Unreported claims	-	-	-	-	79,238	79,238
(Deficit) in the preliminary estimate for reserve	(304,073)	-	-	-	-	(304,073)

Total – life:

The accident year	2017 and before	2018	2019	2020	2021	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	393,034	46,890	67,447	191,362	89,069	-
After one year	312,382	59,924	40,170	177,374	-	-
After two years	317,222	70,469	49,860	-	-	-
After three years	310,528	65,504	-	-	-	-
After four years	317,253	-	-	-	-	-
Present expectation for the accumulated claims	317,253	65,504	49,860	177,374	89,069	699,060
Accumulated payments	300,554	62,778	43,167	127,444	-	533,943
Liability as stated in the statement of financial position						
Reported claims	16,699	2,726	6,693	49,930	64,370	140,418
Unreported claims	-	-	-	-	24,699	24,699
Surplus (deficit) in the preliminary estimate for reserve	75,781	(18,614)	17,587	13,988	-	88,742

3. INSURANCE RISK CONCENTRATIONS

A- The Company distributes insurance based on the technical provisions for each insurance type as presented in the schedule below:

	2021		2020	
	Net	Gross	Net	Gross
	JD	JD	JD	JD
Insurance types				
Motor	11,596,264	13,629,909	11,314,656	12,642,492
Marine and transportation	35,019	241,376	54,958	317,360
Fire and properties	179,133	2,572,250	182,356	3,406,242
Liabilities	48,643	178,715	104,395	264,946
Medical	706,900	1,956,154	429,994	1,036,377
Life	124,268	250,335	141,484	338,996
Total	12,690,227	18,828,739	12,227,843	18,006,413

B- All assets, liabilities and off-statement of financial position of insurance policies are concentrated based on geographical and sector distribution as follows:

*Excluding Middle East countries:

	2021			2020		
	Assets	Liabilities	Off-Statement of Financial Position	Assets	Liabilities	Off-Statement of Financial Position
	JD	JD	JD	JD	JD	JD
According to sector:						
Public	1,607,922	4,921,145	-	1,513,638	4,706,219	-
Private						
Corporate	3,771,912	11,134,472	-	3,550,740	10,648,185	-
Individuals	758,678	2,773,122	-	714,192	2,652,009	-
Total	6,138,512	18,828,739	-	5,778,570	18,006,413	-

Assets are represented with the reinsurance portion of the provision, liabilities represent the total of provisions.

4. RISK OF REINSURANCE

As with other insurance companies, and in order to reduce exposure to financial losses that may result from large insurance claims, the Group enters into reinsurance agreements in the ordinary course of business with third parties.

In order to reduce the exposure to large losses as a result of the reinsurance companies' insolvency, the Group evaluates the financial condition of its reinsurers and monitors the credit risk arising from geographical regions and similar economic activities or components. Reinsurance policies do not exempt the Group from its obligations towards the policyholders, and as a result, the Group remains committed to the balance of reinsured claims if reinsurers are unable to meet their obligations under reinsurance policies.

5. INSURANCE RISK SENSITIVITY

The table below shows the effect of the possible reasonable change in underwriting premium rates on the statement of income and equity keeping all other affecting variables fixed.

Insurance activities	Change	Effects on the underwriting premiums	Effects on the current year pre-tax profit	Effects on the equity*
	%	JD	JD	JD
Motor	10	990,458	865,626	640,563
Marine and transportation	10	90,222	18,924	14,004
Fire and property	10	314,587	43,946	32,520
Liabilities	10	8,460	2,325	1,720
Medical	10	538,375	198,843	147,144
Life	10	41,166	17,204	12,731
Total		1,983,268	1,146,868	848,682

* Net after deducting income tax effect.

In case of negative change the effect equals the change above with opposite sign.

The table below shows the possible reasonable effects of change in the claims cost on the statement of income and equity keeping all other affecting valuables fixed.

Insurance activities	Change	Effects on the paid claims	Effects on the current year pre-tax profit	Effects on the equity*
	%	JD	JD	JD
Motor	10	931,374	742,878	549,730
Marine and transportation	10	14,698	(598)	(443)
Fire and property	10	124,523	1,488	1,101
Liabilities	10	6,589	(2,159)	(1,598)
Medical	10	477,964	193,607	143,269
Life	10	37,805	8,771	6,490
Total		1,592,953	943,987	698,549

* Net after deducting income tax effect.

In case of negative change the effect equals the change above with opposite the sign.

(B) FINANCIAL RISKS

The Group applies financial policies to manage several risks within a predetermined strategy. The Group's management observes and controls the risk and determines the most suitable strategic risk distribution procedures for each of the financial assets and liabilities. This risk includes interest rate risk, credit risk, foreign currency risk and market risk.

The Group follows a hedging policy for each of its assets and liabilities when required, the hedging policy is related to future expected risks.

1) Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices such as interest rates, currency prices and stock prices. These risks are monitored according to specific policies and procedures and through specialized committees and business units.

Market risk and its related controls are measured through sensitivity analysis.

- **Interest Rate Risk**

The Group is exposed to interest rate risk on its assets and liabilities which holds interest such as deposits with banks.

Interest rates on bank deposits balances in Jordanian Dinars range from 2% to 4.6% during the year-ended 2021.

The following table shows the sensitivity of the income statement to reasonably possible changes on interest rates as at 31 December 2021, with all other variables held constant.

The sensitivity of the statement of income is the effect of the assumed changes with interest rates on the group's profit for one year and is calculated on financial assets and liabilities which holds a variable interest rate price as at 31 December.

2021-	Increase in interest rate	Effect on the current year pre-tax profit
	(Percentage)	JD
Currency		
Jordanian Dinar	1%	84,111

In case of negative change, the effect is equal to the above change with an opposite sign.

2020-

	Increase in interest rate	Effect on the current year pre-tax profit
	(Percentage)	JD
Currency		
Jordanian Dinar	1%	67,879

In case of negative change, the effect is equal to the above change with an opposite sign.

Share price risk

The table below shows the sensitivity of the accumulated change in the fair value as a result of the reasonable changes of stock prices, with all other variables fixed:

2021-

	Increase in indicator	Effect on equity after tax
Indicator	(Percentage)	JD
Amman Stock Exchange	5%	157,268

2020-

	Increase in indicator	Effect on equity after tax
Indicator	(Percentage)	JD
Amman Stock Exchange	5%	107,994

In case of negative change, the effect is equal to the above change with an opposite sign.

Foreign Currencies Risks

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Jordanian Dinar is the base currency of the company. The Board of Directors sets limits on the financial position of each currency in the company. The Forex Center is monitored on a daily basis and strategies are adopted to ensure that the FX position is maintained within the approved limits.

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinars exchange rate is pegged against the US Dollar (US$ 1/141 for 1 JD). Accordingly, the Company is not exposed to significant currency risk, that would materially change the financial statements.

2) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to provide the necessary funding to meet its obligations at maturity. To prevent these risks, management diversifies its sources of finance, manages and adjusts assets and liabilities and maintains sufficient cash and cash equivalents and trading securities.

The Group monitors its liquidity requirements on a monthly basis and the management ensures that sufficient funds are available to meet any liabilities as they arise. Significant amounts of the company's funds are invested in local traded shares.

The table below summarizes the maturity profile of the Group's financial liabilities (based on the remaining year's maturity from the date of the financial statements):

	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
2021 -								
Unearned premium revenue, net	446,030	892,113	1,338,143	2,676,287	-	-	-	5,352,573
Outstanding claims, net	608,536	1,217,143	1,825,680	3,651,360	-	-	-	7,302,719
Mathematical reserve, net	2,911	5,822	8,734	17,468	-	-	-	34,935
Accounts payable	-	1,857,066	-	-	-	-	-	1,857,066
Accrued expenses	102,660	-	-	-	-	-	-	102,660
Reinsurance payables	-	248,556	745,667	-	-	-	-	994,223
Other provisions	1,729	6,915	5,762	-	-	-	-	14,406
Income tax provision	-	-	313,057	-	-	-	-	313,057
Other payables	123,288	446,922	369,866	601,033	-	-	-	1,541,109
Total liabilities	1,285,154	4,674,537	4,606,909	6,946,148	-	-	-	17,512,748
Total Assets based on expected maturating	4,917,396	4,628,137	11,570,343	5,206,654	1,735,551	867,776	-	28,925,857
2020 -								
Unearned premium revenue, net	416,434	832,916	1,249,351	2,498,702	-	-	-	4,997,403
Outstanding claims, net	598,320	1,196,711	1,795,031	3,590,060	-	-	-	7,180,122
Mathematical reserve, net	4,193	8,387	12,580	25,158	-	-	-	50,318
Accounts payable	-	2,690,270	-	-	-	-	-	2,690,270
Accrued expenses	79,159	-	-	-	-	-	-	79,159
Reinsurance payables	-	190,833	572,498	-	-	-	-	763,331
Other provisions	3,317	13,269	11,058	-	-	-	-	27,644
Income tax provision	-	-	238,601	-	-	-	-	238,601
Other payables	114,944	416,672	344,832	560,352	-	-	-	1,436,800
Total liabilities	1,216,367	5,349,058	4,223,951	6,674,272	-	-	-	17,463,648
Total Assets based on expected maturating	4,564,190	4,295,708	10,739,271	4,832,672	1,610,892	805,445	-	26,848,178

3) Credit Risk

Credit risk is the risk that may arise from the default or inability of debtors and other parties to meet their obligations to the Group.

The Group sees that it is not exposed to credit risk significantly as it establishes a credit ceiling for customers and monitors outstanding receivables on a continuous basis. The Group also maintains balances and deposits with reputable financial institutions.

36% of account receivables are composed from the 10 biggest clients as of 31 December 2021 (33% in 2020).

The customer base consists of a large number of clients and are categorized by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The group does not grant the accounts receivable long term or significant financing, accordingly, the expected credit loss allowance for such trade receivables is always measured using the simplified approach at an amount equal to lifetime time expected credit losses. To determine the expected credit losses for the portfolio, the Group uses a provision matrix. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.
The schedule below shows information related to credit risk on accounts receivable using provision matrix:

Receivables

2021	Account receivables balance	Provision for expected credit loss	Expected credit loss rate
	JD	JD	
Not due	1,049,244	20,985	2%
1-30 days	461,972	9,239	2%
31-60 days	721,665	14,433	2%
61-90 days	264,227	5,285	2%
91-365 days	2,144,861	107,243	5%
365 days and more	2,203,064	1,220,130	55%
Total	6,845,033	1,377,315	

2020	Account receivables balance	Provision for expected credit loss	Expected credit loss rate
	JD	JD	
Not due	1,051,027	21,021	2%
1-30 days	630,993	12,620	2%
31-60 days	556,364	11,127	2%
61-90 days	257,102	5,142	2%
91-365 days	2,123,197	106,160	5%
365 days and more	1,827,287	1,151,245	63%
Total	6,445,970	1,307,315	

(32) ANALYSIS OF MAJOR SEGMENTS INFORMATION

A- Business segments

For administrative purposes, the Group has been organized into two segments of business, the general insurance segment which include (fire and property, medical, marine, transportation, motor, liability), and life which includes (life insurance and investment). These two key segments that are used by the group to show information related to segment reporting. The above two segments also include investments and cash management for the Group's own account. Transactions between business segments are carried out on the basis of estimated market prices and on the same terms as those with which they are dealing with.

B- Geographical segment

This note represents the geographical distribution of the Group's business. The Group mainly conduct operations in Jordan.

The Group's revenues, assets and capital expenditures distributed by geographical segment as follows:

	Inside Jordan		Outside Jordan		Total	
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total revenues	14,139,839	14,400,963	-	-	14,139,839	14,400,963
Total assets	27,247,789	25,331,043	1,678,068	1,517,135	28,925,857	26,848,178
Capital expenditure	10,735	3,904	-	-	10,735	3,904

(33) MANAGEMENT OF CAPITAL

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

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

The capital structure includes paid in capital, statutory reserve, voluntary reserve, fair value reserve (accumulated losses) and retained earnings as of 31 December 2021 totaling to JD 11,413,109 (2020: JD 9,384,530).

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

- The schedule below shows the capital and the margin:

	2021	2020
	JD	JD
Total available capital	12,126,198	10,078,320
Capital requirements:		
Capital requirement against asset risks	4,049,223	3,425,896
Capital requirement against underwriting liabilities	1,913,605	1,874,545
Capital requirement against the reinsurance risk	22,077	19,850
Capital requirement for life insurance risk	166,775	188,347
Total required capital	6,151,680	5,508,638
Solvency margin ratio	197%	183%

(34) MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

2021 -	Within1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Deposits at banks	8,411,140	-	8,411,140
Financial assets at fair value through other comprehensive income	-	4,163,377	4,163,377
Financial assets at amortized cost	-	5,155,368	5,155,368
Investment property	-	421,228	421,228
Cash on hand and at banks	171,259	-	171,259
Cheques under collection and notes receivables	1,860,578	-	1,860,578
Accounts receivables, net	5,467,718	-	5,467,718
Reinsurance receivables, net	1,194,766	-	1,194,766
Deferred tax assets	513,788	-	513,788
Property and equipment	34,654	527,765	562,419
Intangible assets	-	41,957	41,957
Other assets, net	538,268	423,991	962,259
Total Assets	18,192,171	10,733,686	28,925,857
Liabilities:			
Unearned premiums reserve, net	5,352,573	-	5,352,573
Outstanding claims reserve, net	7,302,719	-	7,302,719
Mathematical reserve, net	34,935	-	34,935
Account payables	1,857,066	-	1,857,066
Accrued expenses	102,660	-	102,660
Reinsurance payables	994,223	-	994,223
Other provisions	14,406	-	14,406
Income tax provision	313,057	-	313,057
Other liabilities	1,541,109	-	1,541,109
Total Liabilities	17,512,748	-	17,512,748
Net Assets	679,423	10,733,686	11,413,109

2020 -	Within1 year	More than 1 year	Total
	JD	JD	JD
Assets:			
Deposits at banks	6,787,898	-	6,787,898
Financial assets at fair value through other comprehensive income	-	2,871,407	2,871,407
Financial assets at amortized cost	-	6,188,915	6,188,915
Investment property	-	440,527	440,527
Cash on hand and at banks	135,099	-	135,099
Cheques under collection and notes receivables	1,874,459	-	1,874,459
Accounts receivables, net	5,138,655	-	5,138,655
Reinsurance receivables, net	1,411,721	-	1,411,721
Deferred tax assets	372,331	-	372,331
Property and equipment	34,654	550,284	584,938
Other assets, net	618,237	423,991	1,042,228
Total Assets	16,373,054	10,475,124	26,848,178
Liabilities:			
Unearned premiums reserve, net	4,997,403	-	4,997,403
Outstanding claims reserve, net	7,180,122	-	7,180,122
Mathematical reserve, net	50,318	-	50,318
Account payables	2,690,270	-	2,690,270
Accrued expenses	79,159	-	79,159
Reinsurance payables	763,331	-	763,331
Other provisions	27,644	-	27,644
Income tax provision	238,601	-	238,601
Other liabilities	1,436,800	-	1,436,800
Total Liabilities	17,463,648	-	17,463,648
Net Assets	(1,090,594)	10,475,124	9,384,530

(35) LAWSUITS AGAINST THE GROUP

The Group is defendant in a number of lawsuits of JD 2,447,215 as of 31 December 2021 (2020: JD 2,739,327). And in the lawyer and management opinion the provision booked by the Company is sufficient to meet the obligations that may arise from these lawsuits.

(36) CONTINGENT LIABILITIES

As at 31 December 2021, the Company has contingent liabilities represented by bank guarantees amounting to JD 1,191,064 (2020: JD 697,114).

(37) SUBSEQUENT EVENTS

There are no subsequent events that have a material impact on the Group`s business results or continuity.

(38) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement,
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral right,
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Group.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments are not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not applicable to the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

(39) STATEMENT OF FINANCIAL POSITION FOR LIFE ASSURANCE BUSINESS

	2021	2020
	JD	JD
Assets		
Accounts receivable	233,923	131,433
Total Assets	233,923	131,433
Liabilities and Equity		
Outstanding claims reserve, net	89,333	91,166
Mathematical reserve, net	34,935	50,318
Total Technical Reserves	124,268	141,484
Accounts payable	9,835	14,647
Head Office current account	99,820	(24,698)
Total Liabilities and Equity	233,923	131,433

(40) COMPARATIVE FIGURES

Some of 2020 balances were reclassified to correspond with those of 2021 presentation. The reclassification has no effect on the loss and equity of the year 2020.