JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
TOGETHER WITH
THE INDEPENDENT AUDITOR'S REPORT

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
DECEMBER 31, 2021

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Audit Report on the Consolidated Financial Statements

AM/ 007608

To the Shareholders of
Jordan Insurance Company
(A Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Financial statements

Opinion

We have audited the financial statements of Jordan Insurance Company (A Public Shareholding Limited Company) (the "Company") which comprise the statement of financial position as at December 31, 2021, and the statements of profit or loss, statement of comprehensive income, statement of changes in owners' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and its consolidated 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 Financial Statements section" of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Company's 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.

Other Matter

The accompanying financial statements are a translation of the original financial statements, which are in the Arabic language, to which reference should be made.

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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 financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the 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.

A description was provided on how to examine each of the matters referred to below in the audit procedures:

Key Audit Matters	How our Audit Addressed the Key Audit Matter
Technical Provisions As of December 31, 2021, the company had technical reserves of about 28.5 million Jordanian dinars, including unreported claims and other technical provisions. The Company uses actuarial methodologies to estimate these claims and this requires the application of significant judgment and estimations such as inflation rates, patterns for the development of claims and interpretation of regulatory requirements. Measuring technical provisions is one of the important matters for management, which requires professional judgment due to the level of objectivity inherent in estimating the impact of the allegation event, whose final outcomes are still uncertain. We have determined that this matter is a significant audit matter due to the significance of the amounts involved and the level of significant estimates applied by management in determining the total outstanding claims. Refer to notes (4) and (18) in the financial statements related to this matter.	We have understood the design, implementation, and effectiveness of the management's most important supervisory procedures related to the handling and payment of allegations, which include procedures for controlling the completeness and accuracy of the allegations estimates used. We performed baseline tests on a sample of restricted, reported and paid claims amounts, and compared the amounts of suspended claims with appropriate corroborative evidence to assess the claims suspended and technical provisions. Through the use of our actuarial experts, we re-estimated the unreported claims calculation related to specific operating segments, as we compared our recalculation of unreported claims with the amounts recorded by management to determine if there were any material differences. We reviewed the competence, skill, independence and objectivity of the company actuary and reviewed the terms of the agreement between the actuary and the company to determine the efficiency of his scope of work for audit purposes in relation to the other operating segments, we reviewed the reasonableness of the methodologies and assumptions used by management against accepted actuarial practices and insurance industry standards to identify and assess any discrepancies. We have reviewed the completeness and accuracy of the data used by management in its calculation of technical provisions. We have reviewed the disclosures in the financial statements related to this matter to determine whether they are in compliance with the requirements of International Financial Reporting Standard

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Other Information
Management is responsible for other information. The other information comprises the other information in the annual report, excluding the financial statements and the independent auditors' report thereon. We expect that the annual report will be made available to us after the date of our audit report. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the Central Bank of Jordan. This responsibility includes maintaining internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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 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 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.

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- 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 expressing an opinion on the effectiveness of the Bank'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 Bank'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 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 Bank to cease to continue as a going concern.

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and implementation of the Company 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 have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 financial statements. We recommend that the General Assembly of Shareholders approve these financial statements.

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010103

Amman –Jordan
February 28, 2022

Deloitte & Touche (M.E.) Jordan

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF FINANCIAL POSITION

		December 31,	
ASSETS	Note	2021	2020
		JD	JD
Deposits at banks	5	26,654,164	18,151,137
Financial assets at fair value through profit or loss	6	2,748,881	2,251,681
Financial assets at fair value through comprehensive income	7	27,866,076	16,896,521
Investment properties	8	15,512,881	16,398,445
Life insurance policy holders' loans	9	35,539	44,539
Total Investments		72,817,541	53,742,323
Cash on hand and at banks	10	3,536,478	7,869,376
Notes receivable and checks under collection - net	11	3,075,583	3,000,514
Accounts receivable - net	12	16,415,063	14,588,428
Reinsurance receivable - net	13	5,831,044	3,837,982
Deferred tax assets	14/d	2,844,555	3,167,997
Property and equipment - Net	15	990,374	1,029,524
Intangible assets - Net	16	239,895	237,112
Other assets	17	2,558,359	2,233,204
TOTAL ASSETS		108,308,892	89,706,460
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Unearned premiums reserve - net		11,365,857	11,438,068
Outstanding claims reserve - net		15,622,636	14,817,111
Mathematical reserve - net	18	1,417,919	1,472,226
Premiums deficiency reserve		83,176	113,540
Total Insurance Contracts Liabilities		28,489,588	27,840,945
Due to Banks	19	17,763,534	11,029,220
Payables	20	3,129,023	2,540,997
Reinsurance payables	21	5,254,165	5,718,710
Various provisions	22	1,174,193	1,199,366
Income tax Provision	14/a	85,021	255,662
Deferred tax liabilities	14/d	1,446,798	275,659
Other liabilities	23	707,047	842,319
TOTAL LIABILITIES		58,049,369	49,702,878
SHAREHOLDERS' EQUITY			
Paid-up capital	24	30,000,000	30,000,000
Statutory reserve	25	7,500,000	7,500,000
Financial assets valuation reserve	26	6,823,258	(2,736,253)
Retained earnings	27	5,936,265	5,239,835
Total Shareholders' Equity		50,259,523	40,003,582
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		108,308,892	89,706,460

Chairman of the Board of Directors   General Manager

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31, 2021	2020
		JD	JD
Revenue:			
Gross written premiums - general insurance		45,412,805	44,009,486
Gross written premiums - life		23,096,301	21,025,986
Less: Re-insurers' share - general insurance		(21,411,467)	(20,235,930)
Re-insurer's share - life		(14,934,541)	(12,795,032)
Net Written Premiums		32,163,098	32,004,510
Net change in unearned premiums reserve		150,629	1,599,357
Net change in mathematical reserve		54,307	106,563
Net change in premiums deficiency reserve		30,363	73,661
Net Earned Premium Revenue		32,398,397	33,784,091
Commissions' revenue		2,237,656	2,183,908
Insurance policies issuance fees		1,527,788	1,386,138
Interest income	28	249,489	270,994
Net gains from financial assets and investments	29	1,494,216	603,112
Other revenue - Net	30	688,928	818,987
Total Revenue		38,596,474	39,047,230
Claims, Losses and Expenses			
Paid claims		51,865,133	42,774,542
Less: Recoveries		(3,962,118)	(3,146,002)
Reinsurance share		(26,195,543)	(19,184,591)
Add: Matured and dissolved policies		67,818	141,906
Net paid claims		21,775,290	20,585,855
Net change in outstanding claims reserve		718,754	1,117,192
Allocated employees' expenses	31	4,243,099	4,502,124
Allocated general and administrative expenses	32	2,355,811	2,067,116
Excess of loss premiums		603,214	563,333
Policies acquisition cost		3,116,109	3,192,203
Other expenses related to underwritings		1,524,315	1,616,406
Net Paid Claims Costs		34,336,592	33,644,229
Unallocated employees' expenses	31	749,493	795,605
Depreciation and amortization		288,166	248,236
Unallocated general and administrative expenses	32	438,676	379,341
Provision (release) allowance for expected credit losses- net	12 & 13	14,355	(93,000)
Bank interest and charges		1,479,621	875,414
Other expenses	33	150,056	158,449
Total Expenses		3,120,367	2,364,045
Income for the Year before Tax		1,139,515	3,038,956
Income tax (expense)	14/b	(263,076)	(27,260)
Profit for the Year		876,439	3,011,696
Earning per share for the year - (Basic and Diluted)	34	-/029	-/100

Chairman of the Board of Directors General Manager

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Profit for the year	876,439	3,011,696
Other Comprehensive Income Statement Items:		
Items that will not be reclassified subsequently to the statement of profit or loss:		
Change in fair value reserves - net after tax	9,559,511	1,461,388
Profi (loss) from sale of financial assets at fair value through comprehensive income	19,991	(510,244)
Total Other Comprehensive Income Statement Items	9,579,502	951,144
Total Comprehensive Income for the Year	10,455,941	3,962,840

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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid - up	Statutory	Financial Assets	Retained Earnings			
For the Year Ended December 31, 2021	Capital	Reserve	Valuation Reserve	Realized	Unrealized	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	30,000,000	7,500,000	(2,736,253)	3,719,193	1,520,642	5,239,835	40,003,582
Effect of adjustments from previous years (note 13, 27)	-	-	-	(200,000)	-	(200,000)	(200,000)
Adjusted Balance	30,000,000	7,500,000	(2,736,253)	3,519,193	1,520,642	5,039,835	39,803,582
Profit for the year	-	-	-	876,439	-	876,439	876,439
Other Comprehensive Income	-	-	9,559,511	19,991	-	19,991	9,579,502
Total Comprehensive income for the year	-	-	9,559,511	896,430	-	896,430	10,455,941
Balance - End of the Year	30,000,000	7,500,000	6,823,258	4,415,623	1,520,642	5,936,265	50,259,523
For the Year Ended December 31, 2020							
Balance - beginning of the year	30,000,000	7,500,000	(4,197,641)	1,217,741	1,520,642	2,738,383	36,040,742
Profit for the year	-	-	-	3,011,696	-	3,011,696	3,011,696
Other Comprehensive Income	-	-	1,461,388	(510,244)	-	(510,244)	951,144
Total Comprehensive income for the year	-	-	1,461,388	2,501,452	-	2,501,452	3,962,840
Balance - End of the Year	30,000,000	7,500,000	(2,736,253)	3,719,193	1,520,642	5,239,835	40,003,582

a. Retained earnings includes a restricted amount of JD 2,222,643 as of December 31, 2021, against deferred tax assets (JD 2,285,042 as of December 31, 2020).

b. Retained earnings include a restricted balance of JD 1,221,061 as of December 31, 2020, representing the effect of the early adoption of IFRS (9). This amount represents revaluation differences which are restricted until realized according to the directives of Securities Exchange Commission.

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JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2021	2020
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before tax		1,139,515	3,038,956
Adjustments:			
Depreciation and amortization		302,980	259,295
Provision (surplus) allowance for expected credit losses - Net	12 & 13	14,355	(93,000)
Impact of foreign ecxhange currency		43,069	-
(Gain) loss on revaluation of financial assets at fair value through statement of profit or loss	29	(497,200)	75,673
(Gains) on sale of financial assets at fair value through statement profit or loss	29	(21,000)	-
(Gains) on sale of Investment properties		(191,193)	-
Net change in unearned premiums reserve		(150,629)	(1,599,357)
Net change in outstanding claims reserve		718,754	1,117,192
Net change in mathematical reserve		(54,307)	(106,563)
Net change in premiums deficiency reserve		(30,363)	(73,661)
End-of-service indemnity expense	22	150,945	103,449
Cash Flows from Operating Activities before Changes in Working Capital Items		1,424,926	2,721,984
Change in financial assets at fair value through statement of profit or loss		(497,200)	-
(Increase) decrease in checks under collection and notes receivable		(94,369)	414,145
(Increase) decrease in receivables		(1,826,635)	1,910,819
(Increase) in reinsurance receivable		(1,310,184)	(743,825)
(Increase) in other assets		(325,155)	(152,582)
Increase (decrease) in payables		588,026	(1,028,696)
(Decrease) in reinsurance payable		(464,545)	(1,468,593)
(Decrease) in various provisions and other liabilities		(176,118)	(106,332)
Net Cash Flows (used in) Operating Activities before Provisions and Tax Paid		(2,681,254)	1,546,920
Income tax paid	14/a	(371,993)	(364,160)
Paid from end-of-service indemnity provision	22	(186,152)	(112,395)
Net Cash Flows (used in) Operating Activities		(3,239,399)	1,070,365
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in deposits at banks maturing after more than three months		(52,487)	94,290
Decrease in life insurance policy holders' loans		9,000	1,000
Change in property and equipment	15	(40,691)	(42,758)
(Increase) in intangible assets	16	(109,858)	(95,473)
Additions in investments properties		(426,037)	(161,204)
Proceed from sale of investment properties	8	1,200,000	-
Proceeds from selling in financial assets at fair value through comprehensive income		42,800	2,493,587
Net Cash Flows from investing Activities		622,727	2,289,442
CASH FLOWS FROM FINANCING ACTIVITIES:			
Paid from due to banks		(6,925,000)	(1,980,380)
Added to due to banks	19	13,659,314	1,102,648
Total Cash Flows from (Used in) Financing Activities		6,734,314	(877,732)
Net Increase in Cash and Cash Equivalents		4,117,642	2,482,075
Cash and cash equivalents - beginning of the year		23,586,890	21,104,815
Cash and Cash Equivalents - End of the Year	35	27,704,532	23,586,890

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:														
Direct operations	12,462,818	12,744,772	941,977	746,797	11,751,818	10,170,989	743,729	625,349	9,218,754	8,297,979	58,376	87,602	35,177,472	32,673,488
Inward voluntary re-insurers'	478,463	301,984	212,752	172,375	2,929,535	3,389,766	31,740	27,309	-	-	-	470	3,652,490	3,891,904
Gross Earned Premiums	12,941,281	13,046,756	1,154,729	919,172	14,681,353	13,560,755	775,469	652,658	9,218,754	8,297,979	58,376	88,072	38,829,962	36,565,392
Less: Local re-insurers' share	-	-	185,248	173,834	3,544,506	3,828,283	31,200	26,000	-	-	-	-	3,760,954	4,028,117
Foreign re-insurers' share	433,081	385,138	802,425	600,271	10,694,559	9,411,460	716,099	605,389	3,190,244	3,078,884	26,127	38,407	15,862,535	14,119,549
Net Earned Premiums	12,508,200	12,661,618	167,056	145,067	442,288	321,012	28,170	21,269	6,028,510	5,219,095	32,249	49,665	19,206,473	18,417,726
Add: Unearned premiums reserve - beginning of the year	6,511,859	6,904,531	195,325	229,337	5,529,699	6,367,567	352,176	292,891	3,557,676	4,250,587	40,016	48,237	16,186,751	18,093,150
Less: Re-insurers share - beginning of the year	154,928	166,284	158,471	186,022	5,430,957	6,210,153	346,339	286,961	1,220,931	1,531,542	18,229	22,746	7,329,855	8,403,708
Net Unearned Premiums Reserve - Beginning of the Year	6,356,931	6,738,247	36,854	43,315	98,742	157,414	5,837	5,930	2,336,745	2,719,045	21,787	25,491	8,856,896	9,689,442
Less: Unearned premiums reserve - end of the year	6,558,589	6,511,859	277,217	195,325	5,516,778	5,529,699	413,466	352,176	3,677,017	3,557,676	15,612	40,016	16,458,679	16,186,751
Re-insurers' share - end of the year	190,755	154,928	235,025	158,471	5,427,171	5,430,957	410,160	346,339	1,250,395	1,220,931	4,321	18,229	7,517,827	7,329,855
Net Unearned Premiums Reserve - End of the Year	6,367,834	6,356,931	42,192	36,854	89,607	98,742	3,306	5,837	2,426,622	2,336,745	11,291	21,787	8,940,852	8,856,896
Net Revenue Earned from the Underwritten Premiums	12,497,297	13,042,934	161,718	151,528	451,423	379,684	30,701	21,362	5,938,633	5,601,395	42,745	53,369	19,122,517	19,250,272

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	12,040,101	10,839,735	254,709	1,143,121	1,628,485	2,385,553	14,895	7,557	6,386,994	6,336,258	126,686	20,719	20,451,870	20,732,943
Recoveries	2,911,115	1,885,430	42,136	93	8,596	4,656	3,590	2,040	-	-	-	-	2,965,437	1,892,219
Local re-insurers' share	(324)	(362)	-	-	98,498	622,193	-	-	-	-	-	-	98,174	621,831
Foreign re-insurers' share	144,406	177,235	149,687	905,103	1,459,873	1,650,026	8,438	3,881	2,700,255	2,753,379	88,680	14,455	4,551,339	5,504,079
Net paid claims	8,984,904	8,777,432	62,886	237,925	61,518	108,678	2,867	1,636	3,686,739	3,582,879	38,006	6,264	12,836,920	12,714,814
Add: Incurred and reported claims reserve - end of the Year	11.513.119	9.894.976	584.403	936.012	3.676.743	9.804.972	413.300	1.419.037	794.562	301.205	230.599	221.310	17.212.726	22.577.512
Incurred but not reported claims reserve (IBNR)	2,670,000	2,670,000	18,000	18,000	5,000	5,000	6,000	6,000	606,508	534,532	-	-	3,305,508	3,233,532
Less: Re-insurers share - end of the year	364.348	302.345	492.653	755.610	3.468.415	9.592.044	399.689	1.403.739	595.655	354.219	175.544	166.042	5.496.304	12.573.999
Recoveries	2,686,436	2,367,608	-	-	-	-	-	-	-	-	-	-	2,686,436	2,367,608
Net Claims Reserve - End of the Year	11,132,335	9,895,023	109,750	198,402	213,328	217,928	19,611	21,298	805,415	481,518	55,055	55,268	12,335,494	10,869,437
Less: Incurred and reported claims reserve - beginning of the year	9.894.976	8.785.252	936.012	1.262.744	9.804.972	5.892.222	1.419.037	2.034.812	301.205	329.310	221.310	192.733	22.577.512	18.497.073
Incurred but not reported claims reserve (IBNR)	2,670,000	1,973,000	18,000	18,000	5,000	5,000	6,000	6,000	534,532	500,000	-	-	3,233,532	2,502,000
Less: Re-insurers' share - beginning of the year	302.345	276.600	755.610	951.989	9.592.044	5.693.981	1.403.739	2.018.361	354.219	373.190	166.042	145.968	12.573.999	9.460.089
Recoveries	2,367,608	2,465,486	-	-	-	-	-	-	-	-	-	-	2,367,608	2,465,486
Net claims reserve - beginning of the year	9,895,023	8,016,166	198,402	328,755	217,928	203,241	21,298	22,451	481,518	456,120	55,268	46,765	10,869,437	9,073,498
Net Paid Claims Cost	10,222,216	10,656,289	(25,766)	107,572	56,918	123,365	1,180	483	4,010,636	3,608,277	37,793	14,767	14,302,977	14,510,753

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the written premiums	12,497,297	13,042,934	161,718	151,528	451,423	379,684	30,701	21,362	5,938,633	5,601,395	42,745	53,369	19,122,517	19,250,272
(Less): Net paid claims cost	10,222,216	10,656,289	(25,766)	107,572	56,918	123,365	1,180	483	4,010,636	3,608,277	37,793	14,767	14,302,977	14,510,753
	2,275,081	2,386,645	187,484	43,956	394,505	256,319	29,521	20,879	1,927,997	1,993,118	4,952	38,602	4,819,540	4,739,519
Add: Received commissions	108.196	115.049	238.286	199.123	1.436.586	1.311.849	111.768	67.158	-	-	9.736	14.341	1.904.572	1.707.520
Insurance policies issuance fees	713,298	677,944	15,121	13,712	140,170	132,309	9,591	7,716	270,116	239,121	1,184	3,061	1,149,480	1,073,863
Revenues from investments related to underwriting accounts	91,895	63,778	38,141	74,760	-	987	-	-	3,693	998	-	-	133,729	140,523
Total Revenue	3,188,470	3,243,416	479,032	331,551	1,971,261	1,701,464	150,880	95,753	2,201,806	2,233,237	15,872	56,004	8,007,321	7,661,425
Less: Paid commissions	507.696	548.661	34.212	26.131	173.126	231.239	5.737	6.050	189.122	184.856	3.250	4.156	913.143	1.001.093
Excess of loss premiums	189,331	159,316	34,251	29,038	240,490	231,145	-	-	-	-	-	-	464,072	419,499
Administrative expenses related to underwriting accounts	990,091	1,063,937	146,007	89,588	1,072,130	997,153	59,208	53,878	719,227	714,058	4,452	7,323	2,991,115	2,925,937
Other expenses	381,131	445,444	6,758	4,631	68,019	74,702	-	-	682,165	690,007	-	-	1,138,073	1,214,784
Total Expenses	2,068,249	2,217,358	221,228	149,388	1,553,765	1,534,239	64,945	59,928	1,590,514	1,588,921	7,702	11,479	5,506,403	5,561,313
Net Written Profit	1,120,221	1,026,058	257,804	182,163	417,496	167,225	85,935	35,825	611,292	644,316	8,170	44,525	2,500,918	2,100,112

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Written Premiums:		
Direct operations	23,096,301	21,025,986
Inward voluntary re-insurers'	-	-
Gross Written Premiums	23,096,301	21,025,986
Less: Local re-insurers' share	190,325	252,918
Foreign re-insurers' share	14,744,216	12,542,114
Net Earned Written Premiums	8,161,760	8,230,954
Add: Mathematical reserve - beginning of the year	2,071,353	2,236,443
Less: Re-insurers' share	599,127	657,654
Net Mathematical Reserve - Beginning of the Year	1,472,226	1,578,789
Less: Mathematical reserve - End of the Year	2,098,997	2,071,353
Less: Re-insurers' share	681,078	599,127
Net Mathematical Reserve - End of the Year (Note 18)	1,417,919	1,472,226
Net Earned Revenue from Written Premiums	8,216,067	8,337,517

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Claims paid	26,310,176	16,140,291
Policies settlements and maturities	67,818	141,906
Less: Local re-insurers' share	256,665	191,701
Foreign re-insurers' share	20,198,642	11,686,951
Net Paid Claims	5,922,687	4,403,545
Add: Reported claims reserve - end of the year	7,376,480	7,408,318
Less: Re-insurers' share	6,118,308	6,029,807
Net Claims Reserve - End of the Year	1,258,172	1,378,511
Add: Reported claims reserve - beginning of the year	7,408,318	4,569,174
Less: Re-insurers' share	6,029,807	3,747,100
Net Claims Reserve - Beginning of the Year	1,378,511	822,074
Net Claims Paid Cost	5,802,348	4,959,982

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Net earned revenue from the written premiums	8,216,067	8,337,517
Less: Net claims paid cost	5,802,348	4,959,982
	2,413,719	3,377,535
Add: Received commissions	44,060	93,373
Insurance policies issuance fees	373,876	307,370
Revenue from investment related to underwriting accounts	100,000	75,000
Other revenues	91,989	748,630
Total Revenue	3,023,644	4,601,908
Less: Paid commissions	1,481,257	1,391,939
Administrative expenses related to underwriting accounts	1,762,551	1,774,650
Other expenses	182,706	193,184
Total Expenses	3,426,514	3,359,773
Net Underwriting (Loss) / Profit	(402,870)	1,242,135

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Written premiums:	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct operation	4,055,198	4,546,808	394,602	574,568	587,978	825,744	87,142	76,314	1,325,691	1,270,213	99,876	118,759	6,550,487	7,412,406
Inward voluntary re-insurers'	-	-	-	-	32,356	31,688	-	-	-	-	-	-	32,356	31,688
Gross written premium	4,055,198	4,546,808	394,602	574,568	620,334	857,432	87,142	76,314	1,325,691	1,270,213	99,876	118,759	6,582,843	7,444,094
Less: Local re-insurance premiums	-	-	-	-	-	-	-	-	494	419	-	-	494	419
Foreign re-insurance premiums	143,658	113,748	317,785	479,840	499,670	712,300	76,543	66,627	739,464	705,877	10,364	9,453	1,787,484	2,087,845
Net earned premiums	3,911,540	4,433,060	76,817	94,728	120,664	145,132	10,599	9,687	585,733	563,917	89,512	109,306	4,794,865	5,355,830
Add: Unearned premiums reserve - beginning of the year	2,284,964	2,949,600	89,988	215,640	401,253	580,312	44,620	51,384	619,499	755,083	53,602	86,558	3,493,926	4,638,577
Less: Reinsurers' share - beginning of the year	57,215	70,966	73,256	179,530	349,649	518,192	39,357	44,102	390,835	474,344	2,442	3,460	912,754	1,290,594
Impact of foreign currency exchange difference	68,250	-	691	-	3,427	-	94	-	5,189	-	767	-	78,418	-
Net unearned premiums reserve - beginning of the year	2,295,999	2,878,634	17,423	36,110	55,031	62,120	5,357	7,282	233,853	280,739	51,927	83,098	2,659,590	3,347,983
Premuims Deficiency Reserve	22,023	-	8,901	34,977	55,515	107,243	-	-	27,101	44,981	-	-	113,540	187,201
Less: Unearned premiums reserve - end of the Year	2,120,996	2,284,964	89,688	89,988	279,250	401,253	49,688	44,620	607,661	619,499	46,198	53,602	3,193,481	3,493,926
Re-insurers' share - end of the Year	70,607	57,215	68,641	73,256	245,158	349,649	43,972	39,357	337,120	390,835	2,978	2,442	768,476	912,754
Net unearned premiums reserve - end of the year	2,050,389	2,227,749	21,047	16,732	34,092	51,604	5,716	5,263	270,541	228,664	43,220	51,160	2,425,005	2,581,172
Premiums Deficiency Reserve	-	22,023	19,200	8,901	35,850	55,515	-	-	28,127	27,101	-	-	83,177	113,540
Net Revenues from the Written Premiums	4,179,173	5,061,922	62,894	140,182	161,268	207,376	10,240	11,706	548,019	633,872	98,219	141,244	5,059,813	6,196,302

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	3,873,895	4,464,802	297,627	163,856	66,877	460,275	-	-	861,508	799,082	3,180	13,293	5,103,087	5,901,308
Recoveries	927,384	1,170,163	69,122	-	175	83,620	-	-	-	-	-	-	996,681	1,253,783
Local re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign re-insurers' share	264,037	78,798	216,716	122,881	14,987	348,164	-	-	594,983	630,186	-	-	1,090,723	1,180,029
Net Paid claims	2,682,474	3,215,841	11,789	40,975	51,715	28,491	-	-	266,525	168,896	3,180	13,293	3,015,683	3,467,496
Add: Incurred and reported claims reserve - end of the year	5,459,863	2,723,977	610,435	758,155	83,161	147,592	-	-	64,128	70,474	123,564	113,931	6,341,151	3,814,129
Incurred but not reported claims eserve (IBNR)	461,850	683,411	45,090	53,980	81,955	105,860	-	-	88,267	116,967	19,990	21,478	697,152	981,696
Less: Re-insurers' share - end of the year	3,496,752	466,697	576,568	711,576	142,019	214,355	-	-	104,621	131,824	-	-	4,319,960	1,524,452
Recoveries	689,373	702,210	-	-	-	-	-	-	-	-	-	-	689,373	702,210
Net claims provision - end of the year	1,735,588	2,238,481	78,957	100,559	23,097	39,097	-	-	47,774	55,617	143,554	135,409	2,028,970	2,569,163
Less: Incurred and reported claims reserve - beginning of the year	2,723,977	3,404,047	758,155	720,812	147,592	396,511	-	-	70,474	99,269	113,931	112,313	3,814,129	4,732,952
Incurred but not reported claims eserve (IBNR)	683,411	1,481,495	53,980	46,369	105,860	42,307	-	-	116,967	129,338	21,478	16,007	981,696	1,715,516
Less: Reinsurers' share - beginning of the year	466,697	368,361	711,576	674,174	214,355	318,040	-	-	131,824	180,785	-	-	1,524,452	1,541,360
Difference effect	82,361	-	3,120	-	224	-	-	-	638	-	428	-	86,771	-
Recoveries	702,210	1,102,761	-	-	-	-	-	-	-	-	-	-	702,210	1,102,761
Net claims provision - beginning of the year	2,320,842	3,414,420	103,679	93,007	39,321	120,778	-	-	56,255	47,822	135,837	128,320	2,655,934	3,804,347
Net Cost of Claims	2,097,220	2,039,902	(12,933)	48,527	35,491	(53,190)	-	-	258,044	176,691	10,897	20,382	2,388,719	2,232,312

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Other Fire and Damages for Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the written premiums	4,179,173	5,061,922	62,894	140,182	161,268	207,376	10,240	11,706	548,019	633,872	98,219	141,244	5,059,813	6,196,302
(Less): Net paid claims cost	2.097.220	2.039.902	(12.933)	48.527	35.491	(53.190)	-	-	258.044	176.691	10.897	20.382	2.388.719	2.232.312
	2,081,953	3,022,020	75,827	91,655	125,777	260,566	10,240	11,706	289,975	457,181	87,322	120,862	2,671,094	3,963,990
Add: Received commissions	35.906	34.125	82.387	119.543	141.829	203.374	25.016	22.428		-	3.886	3.545	289.024	383.015
Insurance policies issuance fees	1,171	1,258	1,140	1,343	1,785	1,851	153	227	29	41	154	185	4,432	4,905
Revenues from investment related to underwritten accounts	16,403	13,839	-	-	-	-	-	-	30,323	-	-	-	46,726	13,839
Total Revenue	2,135,433	3,071,242	159,354	212,541	269,391	465,791	35,409	34,361	320,327	457,222	91,362	124,592	3,011,276	4,365,749
Less: Paid commissions	512.671	537.846	45.442	74.085	58.207	88.780	9.561	9.788	82.693	72.930	13.135	15.742	721.709	799.171
Excess of loss premiums	59,207	55,780	15,749	18,962	64,186	69,092	-	-		-	-	-	139,142	143,834
Administrative expenses related to underwriting accounts	1,237,605	1,274,383	87,176	96,987	163,957	198,069	20,266	14,405	320,076	267,793	16,164	17,016	1,845,244	1,868,653
Other expenses	95,700	95,218	-	-	1,570	941	-	71	106,266	112,092	-	116	203,536	208,438
Total Expenses	1,905,183	1,963,227	148,367	190,034	287,920	356,882	29,827	24,264	509,035	452,815	29,299	32,874	2,909,631	3,020,096
Net Underwriting Profit	230,250	1,108,015	10,987	22,507	(18,529)	108,909	5,582	10,097	(188,708)	4,407	62,063	91,718	101,645	1,345,653

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	December 31,	
ASSETS	2021	2020
	JD	JD
Deposits at banks	1,977,347	2,999,439
Financial assets at fair value through profit or loss	667,644	446,576
Life insurance policy holders' loans	35,539	44,539
Total Investments	2,680,530	3,490,554
Cash on hand and balances at banks	2,168,790	2,389,596
Checks under collection	900,602	870,106
Accounts receivable	9,158,636	9,642,306
Re-insurance companies' receivable	3,441,385	1,248,529
Property and equipment	22,544	24,937
Other assets	416,226	488,367
TOTAL ASSETS	18,788,713	18,154,395
LIABILITIES AND HEAD OFFICE'S EQUITY		
LIABILITIES		
Accounts payable	946,212	1,348,322
Re-insurance companies' payable	1,398,743	2,453,574
Other liabilities	20,339	29,263
TECHNICAL RESERVES		
Net outstanding claims reserve	2,063,587	1,898,868
Net mathematical reserve	1,417,919	1,472,226
Other technical reserves	144,270	135,539
TOTAL LIABILITIES	5,991,070	7,337,792
HEAD OFFICE'S EQUITY		
Head Office's current account	13,200,513	9,574,468
(Loss) / profit for the year	(402,870)	1,242,135
Total Head Office's Equity	12,797,643	10,816,603
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	18,788,713	18,154,395

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

1. General

a. Jordan Insurance Company was established in 1951 and registered as a Jordanian public shareholding limited company under Number (11) with an authorized capital of JD 100 thousand. On July 12, 1981, the Company's capital was increased to JD 1.1 million. On May 1, 1988, the General Insurance Society for Near East Company (Al – Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after evaluating both companies' assets. Consequently, the Company's capital was increased to JD 5 million, divided into 5 million shares of JD 1 each. Furthermore, the Company's capital was increased in stages, the last of which was during the year 2006, whereby the Company's authorized and paid-up capital was increased by JD 10 million to JD 30 million, divided into 30 million shares of JD 1 each. The Company's address is Amman - Prince Mohammed Street – P.O. Box 279 Amman - 11118, Jordan.

   The Company conducts all types of insurance and has branches in Abu Dhabi, Sharja, and Dubai. It also markets insurance policies in Kuwait through an agency.

b. The accompanying financial statements were approved by the Board of Directors on February 27, 2022 which are subject to General Assembly approval.

2. Accounting Policies

- Basis of preparation

- The financial statements have been prepared according to the standards issued by the International Accounting Standards Board; interpretations issued by the International Financial Reporting Standards Committee; as well as the forms prescribed by the Jordanian Insurance Management.

- The financial statements have been prepared according to the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are stated at fair value as of the date of the financial statements. Stated at fair value are also the financial assets and financial liabilities whose change in fair value risks have been hedged.

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

- Basis of Combination of the Financial Statements

  The financial statements include the financial statements of the Company and those of its external branches, while inter-company transactions and balances are eliminated.

- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2020, except for what is mentioned in Note (3.a).

- Sector Information

- The business sector represents a set of assets and operations that jointly provide products and services subject to risks and returns different from those of other business sectors. These risks and returns are measured according to the reports used by the Company's Chief Executive Officer and key decision maker.

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

Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions.

Financial assets and financial liabilities are initially measured at fair value. Moreover, transaction costs directly attributable to the acquisition or issue of financial assets and liabilities are added to the fair value of the financial assets or financial liabilities, or deducted from them, where necessary, at initial recognition. The transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized directly in the statement of profit or loss.

If the transaction price is different from the fair value at initial recognition, the Company treats this difference as follows:

- If fair value is determined at an active market price for identical assets or liabilities or based on a valuation method that uses only observable inputs in the market, the difference in profit or loss is recognized on initial recognition (i.e., gain or loss on the first day).

- In all other cases, fair value is adjusted to the transaction price (that is, the first day gain or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be taken to the statement of profit or loss on a rational basis, only to the extent that a change in factor (including time) is taken into account by the market participants when pricing the asset or liability or when this instrument is derecognized.

Financial Assets

Initial recognition

All financial assets are recognized on the trade date when the purchase or sale of a financial asset under a contract requires the terms of delivery of the financial asset within a time frame determined by the relevant market. Moreover, the financial asset is initially measured at fair value plus transaction costs except for those financial assets classified as at fair value through the statement of profit or loss. Transaction costs directly attributable to the acquisition of financial assets designated at fair value through profit or loss are recognized in the statement of profit or loss.

Subsequent measurement

Measurement of all recognized financial assets within the scope of IFRS 9 requires subsequent measurement at amortized cost or fair value based on the entity's business model for managing financial assets and their contractual cash flow characteristics.

Specifically:

- Financial instruments held in the business model for collecting contractual cash flows with contractual cash flows that are only principal and interest payments on the principal outstanding, and are subsequently measured at amortized cost; and

- Financial instruments held in the business model for both collecting contractual cash flows and selling debt instruments with contractual cash flows that are only principal and interest payments on the principal outstanding and are subsequently measured at fair value through other comprehensive income;

- All other financing instruments (such as debt instruments managed at fair value or held for sale) and equity investments are subsequently measured at fair value through the statement of profit or loss.

However, the Company may, after initial recognition of the financial asset, may make an irrevocable choice/designation concerning the financial asset on an individual basis, as follows:

- The Company may make an irrevocable choice to include in other comprehensive income the subsequent changes in the fair value of the equity investment not held for trading or potential replacement recognized by the acquirer within the business combinations to which IFRS 3 applies; and

The Company may irrevocably determine the financial instruments that fulfill the standards of amortized cost or fair value through other comprehensive income and are measured at fair value through the statement of profit or loss if it significantly eliminates or reduces the accounting mismatch (referred to as the fair value option).

Debt Instruments at Amortized Cost or at Fair Value through Comprehensive Income

The Company evaluates the classification and measurement of the financial asset based on the contractual cash flow characteristics and the Company’s business model for asset management.

For an asset classified at amortized cost or at fair value through comprehensive income, its contractual terms should result in cash flows that are only principal and interest payments on the principal outstanding.

For the purpose of testing the principal and interest payments on the principal outstanding, the asset is the fair value of the financial asset at initial recognition. This principal amount may change over the life of the financial asset (for example, if there is a principal repayment). Interest consists of the allowance for the time value of money, the credit risk associated with the original amount outstanding over a given period of time, and other basic lending options and risks, as well as the profit margin. An assessment of the principal and interest payments is made for the principal amount outstanding in the currency in which the financial asset is evaluated.

Contractual cash flows represent the principal and interest payments on the principal outstanding and are consistent with the underlying funding arrangement. Contractual terms involving exposure to risks or fluctuations in contractual cash flows unrelated to the underlying financing arrangement, such as exposure to changes in equity prices or commodity prices, do not result in contractual cash flows that are only from principal and interest payments. A financial asset granted or acquired may also be the primary financing arrangement regardless of whether it is a loan in its legal form.

Evaluating the Business Model

Evaluation of business models for the management of financial assets is essential for the classification of financial assets. Moreover, the Company defines business models at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. In this regard, the Company’s business model does not depend on the management’s intentions concerning an individual instrument, and therefore, the business model is evaluated at a group level and not on an instrument-by-instrument basis.

The Company adopts more than one business model to manage its financial instruments that reflect how the Company manages its financial assets to generate cash flows. In addition, the Company's business models determine whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both.

The Company takes into account all relevant information available when conducting an evaluation of the business model. However, this assessment is not done on the basis of scenarios that the Company does not expect to occur reasonably, such as the so-called "worst case" or "stress state" scenarios. The Company also takes into account all available relevant evidence such as:

- The portfolio stated policies and objectives and the application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining a specific profit rate, matching the period of financial assets with the period of financial liabilities that finance those assets, or achieving cash flows through the sale of assets;

- How to evaluate the performance of the business model and financial assets held in this business model and to report to key management personnel;

- Risks affecting the performance of the business model (and the financial assets of that model), in particular the manner in which such risks are managed; and

- How to compensate business managers (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows received).

Upon initial recognition of the financial asset, the Company determines whether the newly recognized financial assets are part of an existing business model or whether they reflect the beginning of a new business model. The Company evaluates its business models in each reporting period to determine whether business models have changed since the prior period.

When a debt instrument measured at fair value through comprehensive income is derecognized, the cumulative gain / loss previously recognized in comprehensive income is reclassified as equity to the statement of profit or loss. On the other hand, for equity investments measured at fair value through comprehensive income, the cumulative gain / loss previously recognized in comprehensive income is not subsequently reclassified to the statement of profit or loss but transferred directly to equity.

Debt instruments that are subsequently measured are carried at amortized cost or at fair value through comprehensive income for impairment testing.

Reclassification
If the business model in which the Company retains financial assets changes, the financial assets that have been affected are reclassified. The classification and measurement requirements relating to the new class are effective from the first day of the first reporting period after the change in the business model resulting in the reclassification of the Company's financial assets. Changes in contractual cash flows are considered in the accounting policy for the adjustment and disposal of the financial assets described below.

Impairment
The Company recognizes the expected credit loss provisions on the following financial instruments that are not measured at fair value through the profit or loss statement:

- Balances and deposits with banks and financial institutions.
- Receivables and receivables from reinsurers.
- Financial assets at amortized cost (debt instruments).
- Checks under collection

No impairment loss is recognized in equity instruments.

The Company calculates the impairment of financial statements using the simplified method.

Defining Default
The definition of default is very important in determining the expected credit loss. It is used to measure the value of credit loss, because default is a component of the probability of default that affects the measurement of credit losses.

Impairment of Financial Assets

The Company takes a provision for the expected credit losses on receivables, checks under collection, and reinsurers' receivable. The expected credit losses are updated on each reporting date to reflect changes in creditworthiness since the initial recognition of the relevant financial instrument.

The Company continuously records the expected credit losses over their lives as regards receivables, checks under collection, and reinsurers' receivable. Moreover, the expected credit losses are estimated using a provision matrix based on the Group's previous credit loss experience and adjusted to the factors relating to debtors, general economic conditions, and assessment of the current and future conditions at the reporting date, including the time value of cash, as appropriate.

For all other financial assets, the Company recognizes the expected credit losses over their lifetime if there has been a significant increase in credit risk since initial recognition. The expected credit loss over its life span represents the expected credit losses that will arise from all probable defaults over the course of the expected lifetime of the financial instrument.

Provision for the Expected Credit Losses

The Company has adopted the simplified method to recognize the expected credit losses over their lifetime concerning receivables, checks under collection, and reinsurers' receivable as permitted by IFRS 9. Accordingly, non-impaired receivables, checks under collection, and reinsurers' receivable that do not contain a significant component of finance have been classified within the second stage with the recognition of expected credit losses over their lifetime.

A provision for the expected long-term credit loss of a financial instrument should be recognized if the credit risk on that financial instrument increases substantially since initial recognition, and the expected credit loss is a potential weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of several future economic scenarios, discounted at the effective interest rate of the asset.

The Company assesses whether there is an objective evidence of impairment on an individual basis for each asset with an individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Adjustment and Derecognition of Financial Assets

An adjustment is made to the financial asset when the contractual terms that govern the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. The adjustment affects the amount and / or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is adjusted, the Company assesses whether such an adjustment results in derecognition. According to the Company's policy, the adjustment leads to derecognition when it causes a significant difference in terms.

If a financial asset is derecognized, the provision for expected credit losses at the derecognition date is re-measured to determine the net carrying amount of the asset at that date. The difference between the adjusted carrying amount and the fair value of the new financial assets with the new terms will result in a gain or loss on derecognition.

When the contractual terms of a financial asset are modified, and the adjustment does not result in derecognition, the Company determines whether the credit risk of the financial asset has increased significantly since initial recognition by comparing

- The probability of non-payment for the remaining period estimated on the basis of data at initial recognition and original contractual terms; with

- The probability of non-payment for the remaining period at the reporting date based on the modified terms.

When the adjustment does not result in derecognition, the Company calculates the adjustment gain / loss to compare the total carrying amount before and after the adjustment (except for the expected credit loss provision). The Company then measures the expected credit loss of the adjusted asset, as the expected cash flows arising from the adjusted financial asset are included in the expected cash deficit from the original asset.

Derecognition of Financial Assets

The Company derecognises a financial asset upon expiry of the contractual rights relating to the receipt of the cash flows from the asset, or when the entity has transferred the financial asset, together with all significant risks and rewards of ownership, to another entity. If the Company does not transfer or retain substantially the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its remaining interest in the transferred asset and the related liabilities that the Company may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize the financial asset.

Upon derecognition of any financial asset measured at amortized cost, the difference between the carrying amount of the asset and the consideration received or receivable is recognized in the statement of profit or loss.

Write-off

The Company derecognises financial assets when there is information indicating that the debtor is experiencing financial difficulties, and there is no realistic probability of recovery, for example. Such derecognition also applies if the debtor is placed under liquidation, or he has filed for bankruptcy, or where trade receivables are past due for more than two years, whichever is earlier. The Company may continue to subject written-off financial assets to collection procedures, taking into account legal advice, where appropriate. Meanwhile, any recoveries are recognized in the statement of profit or loss.

Financial Liabilities and Equity Instruments Issued by the Company Classification as Debt or Equity Instruments

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance matter of the contractual arrangements, the definitions of financial liabilities, and the equity instrument.

Equity Instruments

An equity instrument is defined as a contract that evidences ownership of the remaining shares of an entity's assets after deducting all liabilities. The equity instruments issued are recorded with the proceeds received net of the direct issue cost.

Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective yield method or at fair value through profit or loss. Financial liabilities that are not (i) a potential consideration for the acquiree in a business combination, (ii) held for trading, or (iii) designated at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

Other accounts payable are initially classified as "financial liabilities" at fair value less transaction costs, whereas they are subsequently measured at amortized cost using the effective yield method. Interest expense is recognized on an effective yield basis except for short-term liabilities if the return recognition is insignificant.

The effective yield method is the method of calculating the amortized cost of a financial liability and allocating the expense over the period in question. The effective interest rate is the rate that exactly discounts the expected future cash payments within the expected life of the financial obligation or, where appropriate, a shorter period.

Derecognition of Financial Liabilities:
The Company derecognises financial liabilities when it is discharged from its obligations, or when such obligations are canceled or expired. The difference between the carrying amount of the derecognised financial liability and the consideration payable or payable is recognized in profit or loss.

Foreign Exchange Gains and Losses
The carrying amount of financial assets recorded in a foreign currency is determined and translated at the rate prevailing at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a specific hedging relationship, the currency exchange differences are recognized in the statement of profit or loss; and

- For debt instruments measured at fair value through comprehensive income that are not part of a specific hedging relationship, the exchange differences on the amortized cost of the debt instrument are recognized in the profit or loss statement. Other exchange differences in comprehensive income are recognized in the revaluation reserve; and

- If financial liabilities are part of a portfolio managed on a fair value basis, in accordance with a documented risk management or investment strategy; or

- If a derivative is included in the basic financial or non-financial contract, and the derivative is not closely related to the basic contract.

Fair Value
Closing market prices (acquiring assets / selling liabilities) in active markets at the date of the financial statements represent the fair value of traded financial derivatives. In case declared market prices do not exist, some financial derivatives are not actively trading, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparing it with the market value of another financial asset with similar terms and conditions.

- Analyzing future cash flows and discounting the expected cash flows based on a rate used for similar instruments.

- Adopting option pricing models.

The valuation methods aim at providing a fair value reflecting market expectations, and take into consideration market factors, risks, and future benefits when estimating the derivatives value. Moreover, financial assets, the fair value of which cannot be reliably measured, are stated at cost less any impairment.

Investment properties
Investment properties are stated at cost net of accumulated depreciation (excluding land). In addition, impairment in their value is taken to the statement of profit or loss. The operating revenues or expenses of these investments are included in the statement of profit or loss. Moreover, these investments (excluding land) are depreciated over their useful lives using the straight-line method at an annual rate of 2%.

Investment properties are evaluated according to the decisions issued by the Ministry of Industry and Trade and Insurance Management. Moreover, their fair value is disclosed in the financial statements.

Reinsurance and Reinsurers' Accounts

The Company carries out reinsurance operations with other insurance and reinsurance companies and is exposed in many areas to certain levels of risk. Reinsurance operations include the relative share, excess loss agreements, facultative reinsurance, and other forms of reinsurance that essentially cover all types of insurance. Reinsurance contracts do not exempt the Company from its obligations to policyholders. Failure of reinsurers to meet their obligations may result in losses to the Company, and therefore, provisions are taken for the uncollectible amounts. The recoverable amount of the reinsurer is estimated in a manner commensurate with the Company's commitment for each claim.

Reinsurance shares are calculated from insurance premiums and contributions, compensation paid, technical allocations and all rights and obligations arising from reinsurance based on contracts between the Company and reinsurers and according to the accrual basis.

Reinsurers' Accounts

Reinsurers' shares of insurance premiums and contributions, paid claims, technical provisions, and all the rights and obligations resulting from reinsurance based on agreements between the Company and reinsurers are accounted for on the accrual basis.

Impairment in Reinsurance Assets

In case there is any indication as to the impairment of the reinsurance assets of the Company, which possesses the reinsured contracts, the Company reduces the present value of the contracts and records the impairment loss in the statement of profit or loss. The impairment is only recognized in the following two cases:

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

2. The event has a reliably and clearly measurable effect on the amounts the Company will recover from reinsurers.

Acquisition Costs of Insurance Policies

Acquisition costs represent the costs incurred by the Company against selling, underwriting, or starting new insurance contracts. The acquisition costs are recorded in the statement of profit or loss.

Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation and any accumulated impairment losses. Moreover, property and equipment (excluding land) are depreciated when they are ready for use based on the straight-line method over their estimated useful lives using the following annual depreciation rates. The depreciation expense is recorded in the statement of profit or loss:

	%
Buildings	2
Machinery, equipment, and furniture	7 - 25
Vehicles	15

Depreciation is calculated for readily usable property and equipment when they are being used for their intended use.

When the recoverable values of property and equipment is less than their carrying amounts, assets are written down to their recoverable values, and impairment losses are recorded in the statement of profit or loss.

The useful lives of property and equipment are reviewed at the end of each year. In case the expected useful life differs from previous estimates, the change in estimate is recorded in the following years, being a change in estimates.

Gains or losses on disposal of property and equipment, representing the difference between their sale proceeds and their carrying value, are recorded in the statement of profit or loss.

Property and equipment are derecognized when disposed of or when no future benefits are expected from their use or disposal.

Intangible Assets
Intangible assets obtained through merger are stated at fair value on their acquisition date.

Intangible assets obtained through other than merger are stated at cost.

Intangibles assets are classified according to their estimated lives: definite or indefinite. Intangible assets with a definite useful life are amortized over their useful life, and amortization is recorded in the statement of profit or loss. Intangible assets with indefinite lives are reviewed for impairment at the date of the financial statements, and the impairment is recorded in the statement of profit or loss.

Internally generated intangible assets are not capitalized by the Company but recorded in the statement of profit or loss in the same year.

Any indications to the impairment of these financial assets are reviewed as of the date of the financial statements. Moreover, the life estimate of those assets is reviewed, and any related adjustments are made in the subsequent years.

Computer Programs and Systems
Software and computer systems are stated at cost on acquisition and amortized at 25% per annum.

Provisions
Provisions are recognized when the Company has obligations on the date of the statement of financial position as a result of past events, it is probable to settle the obligation, and the amount of the obligation can be reliably estimated.

Amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as of the date of the financial statements, taking into consideration the risks and uncertainty relating to the obligation. When the provision amount is determined on the basis of the expected cash flows for the settlement of the current obligation, its current book value represents the present value of these cash flows.

When it is expected that some or all of the economic benefits required from other parties to settle the provision will be recovered, the receivable is recognized within assets if receipt of the compensations is actually certain and their values can be reliably measured.

Technical Reserves
Technical reserves are taken and maintained according to the regulations of the Insurance Commission as follows:

1. The reserve for unearned premiums for general insurance activities is calculated according to the remaining days up to the expiry date of the insurance policy after the financial statements date on the basis of a 365-day year except for marine and land transport insurance in which the provision for unearned premiums is calculated on the basis of underwritten premiums of the valid policies on the date of the financial statements according to the laws, regulations, and instructions issued for this purpose.

2. The provision for reported claims is computed by determining the maximum amount of the total expected costs for each claim on an individual basis.

3. The premiums deficiency reserve and provision for incurred but not reported (IBNR) claims are calculated based on the Company's experience and estimates.

4. The reserve for unearned premiums for life insurance activities is calculated based on the Company’s experience and estimates, as well as on the actuary’s recommendation.

5. The mathematical reserve for life insurance policies is calculated based on the actuarial equations which are reviewed periodically by an independent actuary, as well as according to the instructions of the Insurance Management.

Provision for End- of-service Indemnity
The provision for employees' end- of-service indemnity is calculated in accordance with the Company's policy that complies with the Jordanian Labor Law.

The annual compensation paid to employees leaving the service is recognized in the provision for end-of-service indemnity when paid, and a provision for the liabilities incurred by the Company concerning the employees' end- of- service indemnity is taken to the statement of profit or loss.

Liability Adequacy Test
All insurance claims are evaluated for sufficiency and suitability as of the statement of financial position date through calculating the present value of future cash flows for outstanding insurance contracts.

If the evaluation indicates that the present value of the insurance claims (varied and less convenient purchase expenditures and relevant intangible assets) is not enough compared to the expected future outflows, then the whole amount of deficit is taken to the statement of profit or loss.

Income Tax
The tax expenses represent accrued taxes and deferred taxes.

a. Accrued Taxes
The accrued taxes is determined based on taxable income. Moreover, taxable income differs from income declared in the statement of income, as declared revenue includes non-taxable revenue, tax expenses not deductible in the current year but deductible in the subsequent years, or accumulated losses acceptable by the tax authorities, or allowable for tax deduction purposes.

Taxes are calculated according to the tax rates prescribed by the prevailing laws, regulations, and instructions in Jordan.

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

Deferred taxes are calculated according to the liability method in the statement of financial position, based on the tax rates expected to be applied at the tax liability settlement date, or the realization of the deferred tax assets.

The balances of deferred tax assets and liabilities are reviewed at the statement of financial position date and reduced in case they are (wholly or partially) not expected to be utilized, or the tax liability has been settled, or is no longer needed.

Offsetting
Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position when there are binding legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Revenue Recognition

a. Insurance Contracts

Insurance premiums arising from insurance contracts are recorded as revenue for the year (earned insurance premiums) on the basis of the maturities of time periods and in accordance with the insurance coverage periods. Unearned insurance premiums from insurance contracts at the date of the statement of financial position are recorded as unearned insurance premiums within liabilities.

Claims and incurred losses settlement expenses are recorded in the statement of profit or loss based on the expected liability amount of the compensation relating to the insurance policyholders or other affected parties.

b. Dividends and Interest

Dividends from investments are recorded when the right of the shareholders to receive dividends arises upon the related resolution of the General Assembly of Shareholders.

Interest income is calculated according to the accrual basis based on the maturities of the time periods, original principals, and earned interest rate.

c. Rental Income

Rental income from real estate investments of operating lease contracts is recognized based on the straight-line method over the contract term. Moreover, other expenses are recognized on the accrual basis.

Recognition of Expenses

All commissions and other costs relating to the acquisition of new or renewed insurance policies are amortized in the statement of profit or loss upon their occurrence. Other expenses are recognized on the accrual basis.

Insurance Compensations

Insurance compensations represent paid claims for the period and the change in the claims reserve.

Insurance compensations include all amounts paid during the year whether they relate to the current year or previous years. Moreover, outstanding claims represent the highest estimated amount for settlement of all claims resulting from events prior to the statement of financial position date but still unsettled at that date. Moreover, outstanding claims are calculated on the basis of the best information available at the date of the financial statements and include the provision for unreported claims.

Salvage and Subrogation Reimbursements

Estimates of salvage and subrogation reimbursements are considered in the measurement of the insurance liability for claims.

General and Administrative and Employee Expenses

All distributable general and administrative and employee expenses are allocated to the insurance branches separately. Moreover, around 80% of the undistributable general and administrative and employee expenses have been allocated to the various insurance departments based on the earned premiums of each department in proportion to total premiums.

Staff Expenses

All employees 'distributable expenses are charged to each insurance branch on the basis of the actual costs of each department. 80% of the non-distributable employees' expenses are distributed to the various insurance departments on the basis of the premiums earned for each department attributed to total premiums.

Cash and Cash Equivalents

This item represents cash and cash equivalents that mature over a period of three months and include cash and balances at banks and banking institutions, less restricted balances.

Lease contracts

The company as a Lessee

The company assesses whether the contract contains lease when starting the contract. The company recognizes the right to use assets and the corresponding lease obligations in relation to all lease arrangements in which the lessee is, except for short-term lease contracts (defined as leases of 12 months or less) and low value asset leases, and for these contracts, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another regular basis is more representative of the time pattern in which the economic benefits are derived from the leased assets.

The lease liabitily is initially measured at the present value of the lease payments that were not paid on the start date of the lease, deducted by using the price implicit in the lease. If this rate cannot be easily determined, the company uses its additional borrowing rate.

The lease payments included in the lease liability measurement include:

- Fixed rental payments (essentially including fixed payments), minus incentive rent receivable;
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins;
- The amount expected to be paid by the lessee under the residual value guarantees;
- The price of the exercise of purchase options, if the leasee is reasonably certain of the exercise of the options; and
- Paying the contract termination fines, if the lease reflects the exercise of the lease termination option.

Lease liabilitys are presented as a separate line item in the statement of financial position.

Lease liabilitys are subsequently measured by increasing the carrying amount to reflect the interest in the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the rental payments paid.

The lease liabilitys (and a similar adjustment to the related right-to-use assets) are re-measured whenever:

- The lease term has changed or there has been an important event or change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease liability are re-measured by deducting the adjusted lease payment using the adjusted discount rate.

- Rent payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease liability is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the rental payments change due to a change in the interest rate Floating point, in which case the adjusted discount rate is used.

- The lease contract is modified and the lease agreement is not accounted for as a separate lease, in which case the lease liability is re-measured based on the duration of the modified lease contract by deducting the modified rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right to use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the company expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the start date of the lease.

The right-to-use assets are presented as a separate line item in the statement of financial position.

The company applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and calculates any impairment losses as described in the "property and equipment" policy.

Variable rents that are not dependent on an index or rate are not included in the measurement of lease liability and right to use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in "Other Expenses" in the statement of profit or loss.

The company as a lessor

The company enters into lease contract as a lessor in relation to some of its investment properties.

Leases in which the company is leased are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and benefits of ownership to the lessee, the contract is classified as a finance lease and all other leases are classified as operating leases.

When the company is an intermediary lessor, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as finance or operating lease by reference to the original right of use arising from the main lease.

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The initial direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company's net investment in the rental contracts. Finance lease revenue is allocated to accounting periods to reflect a constant periodic rate of return on the company's existing net investment with respect to lease contracts.

When the contract includes leasing components and components other than leasing, the company applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

3. Adoption of new and revised Standards

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2021, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Interest Rate Benchmark Reform

In the prior year, the Company adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as ‘risk free rates’ or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

There was no material impact on the amounts reported for the current year for both the Phase 1 and Phase 2 amendments as the company does not have material financial instruments linked to IBOR.

COVID-19-Related Rent Concessions beyond June 30, 2021 - Amendment to IFRS 16

In the prior year, the Company early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021.

In March 2021, the Board issued *Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)* that extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change

- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)

- There is no substantive change to other terms and conditions of the lease

The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements as the Company did not have any leases impacted by the amendment.

b. New and Revised Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

New and revised IFRSs	Effective date
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	The effective date is yet to be set. Earlier application is permitted.
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.
Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.	The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references.

New and revised IFRSs	Effective date
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	January 1, 2022, with early application permitted.
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	January 1, 2022, with early application permitted.

New and revised IFRSs	Effective date
Annual Improvements to IFRS Standards 2018-2020 *Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards* The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).	January 1, 2022, with early application permitted.
IFRS 9 Financial Instruments The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.	The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.
IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements.	As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.
IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	January 1, 2022, with early application permitted.

New and revised IFRSs	Effective date
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	January 1, 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.	January 1, 2023, with earlier application permitted

New and revised IFRSs	Effective date
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with: - Right-of-use assets and lease liabilities - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	January 1, 2023, with earlier application permitted

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company’s financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application, except for International Financial Reporting Standard No. 17 related to insurance contracts.

4. Judgments, Estimates and Risk Management

Preparation of the financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions and changes in the fair value shown within comprehensive income and shareholders' equity. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The aforementioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and situations of those estimates in the future.

We believe that the estimates within the financial statements are reasonable. The details are as follows:

- Management periodically revaluates the productive lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of those assets and estimates of their expected productive lives in the future. Any impairment loss is taken to the statement of profit or loss.

- The claims provision and technical provisions are taken based on technical studies, according to the instructions of the Insurance Commission, and based on actuarial studies.

- Calculation of the provision for expected credit losses requires management to use significant judgments and estimates to estimate the amounts and timing of future cash flows and the risk of an increase in the credit risk of financial instruments after initial recognition and based on future measurement information for expected credit losses. The expected credit loss is measured as an expected credit loss provision over the life of the asset.

  Determination of the number and relative weight of scenarios, the outlook for each type of product / market, and the determination of future information relevant to each scenario: When measuring the expected credit loss, the Company uses reasonable and supported future information based on the assumptions of future variables of different economic variables and how these variables affect each other.

  Probability of Default: The probability of default is a key input in measuring the expected credit loss. The probability of default is an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions, and expectations relating to future circumstances.

  Loss Given Default: Loss Given Default (LGD) is an estimate of loss resulting from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account the cash flows from the collateral (if any).

- Revenue Recognition: The Company's management uses significant estimates and assumptions to determine the amount and timing of the recognition of revenue under IFRS 15 *"Revenue from Contracts with Customers".*

- Provision for Income Tax: The financial year is charged with its share from income tax according to the prevailing laws and regulations and IFRS, and the necessary tax provision is calculated and recorded accordingly.

- Investment properties are valued on the bases and assumptions that rely mainly on market conditions and prices. The average of three estimates by accredited real estate experts was adopted, the latest of which was at the end of 2021.

- Management estimates the amounts expected to be recovered from the insurance companies and the Jordan Insurance Association for automobile accidents based on studies prepared by the Company's management and according to the available information and documents.

- A contractual option to extend or terminate a lease
  Extension and termination options are included in a number of leases. These terms are used to increase the operational flexibility in terms of contract management, that most of the options for extension and termination held are viable by both the company and the lessor.

- Deduction of lease payments
  Lease payments (if any) are deducted using the company's additional borrowing rate ("IBR"). Management applied provisions and estimates to determine the additional borrowing rate at the start of the lease.

- Fair value hierarchy: The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e. assessing whether inputs are observable and whether the unobservable inputs are significant, which require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When evaluating the fair value of the financial assets and liabilities, the Company uses market information when these are available. In case Level 1 inputs are not available, the Company deals with independent and qualified parties to prepare evaluation studies. Furthermore, the suitable evaluation methods and inputs used in preparing the evaluation studies are reviewed by management.

We believe that our used estimates for the preparation of the interim condensed financial information are reasonable and consistent with the estimates approved for the preparation of the financial information for the year 2020, except for the following:

The management has taken into account the impact of the COVID-19 virus and its unique circumstances and studied the risks of exposures to the company as well as assessed the expected effects on the company’s business and operations in order to review and evaluate the potential risks arising from this event, and the company’s management is constantly monitoring the impact of this event and its impact on the company’s continuity Including its adequacy and the adequacy of its capital, and it has also evaluated its impact on management estimates used, including the loss model the expected credit worthiness of the related financial assets, the evaluation of investments, debt instruments and equity, and the evaluation of indicators of decline in tangible assets and the reasonableness of the inputs used for this purpose in the financial statements as on December 31, 2021, and there was no amendment to the financial statements for the financial year ending on December 31, 2021.

5. Deposits at Banks

This item consists of the following:

	December 31,				
	2021				2020
	Deposits Maturing Within Three Months	Deposits Maturing After Three Months and Up to One Year	Deposits Maturing After One Year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan:					
Arab Jordan Investment Bank	1,256,944	-	-	1,256,944	2,019,327
Jordan Commercial Bank	201,075	-	-	201,075	197,862
Arab Bank *	-	-	495,821	495,821	485,334
Ahli Bank	34,401	-	-	34,401	632,568
Societe General Bank	33,194	-	-	33,194	32,906
BLOM Bank	601,916	-	-	601,916	711,570
Jordan Kuwait Bank	5,452	-	-	5,452	5,377
Total Banks Inside Jordan	2,132,982	-	495,821	2,628,803	4,084,908
Outside Jordan:					
Arab Bank	10,859,904	-	1,152,000	12,011,904	7,374,464
Emirates Islamic Bank	-	-	-	-	4,884,610
Union National Bank	4,185,600	-	-	4,185,600	-
First Abu Dhabi Bank	6,989,568	-	-	6,989,568	968,866
National Kuwait Bank	-	-	838,289	838,289	838,289
Total Banks Outside Jordan	22,035,072	-	1,990,289	24,025,361	14,066,229
Total	24,168,054	-	2,486,110	26,654,164	18,151,137

- Interest rates on bank deposit balances in Jordanian Dinars range from 2% to 4% and US Dollar from 0,05% to 0,25%.

* Deposits pledged to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of December 31, 2021 and 2020.

6. Financial Assets at Fair Value through Statement of Profit or Loss

This item consists of the following:

	December 31,	
	2021	2020
Inside Jordan:	JD	JD
Quoted shares	2,747,993	2,251,127
	2,747,993	2,251,127
Outside Jordan:		
Quoted shares	888	554
Total Financial Assets at Fair Value	2,748,881	2,251,681

7. Financial Assets at Fair Value through Statement Comprehensive Income

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Inside Jordan		
Quoted shares	4,911,088	3,915,061
Unquoted shares	29,825	21,843
	4,940,913	3,936,904
Outside Jordan		
Quoted shares	18,197,466	8,720,173
Unquoted shares *	4,727,697	4,239,444
	22,925,163	12,959,617
Total financial assets at fair value	27,866,076	16,896,521

* This item includes an amount of JD 4,680,750 (net after adding the effect of the revaluation amounting to JD 610,770 as of December 31, 2021), representing the investment in Asia Insurance Company (Iraq), Moreover, the shares registered in the Company's name amounted to 5,925,000,000 Share/Iraqi Dinar equivalent to 19,75% of the paid-up capital as of December 31, 2020 and 2021.

8. Investment Properties

a. This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Lands	11,946,304	12,753,008
Buildings – Net after depreciation	3,566,577	3,645,437
	15,512,881	16,398,445

b. Additions to investment properties amounted to JD 426,037, and disposals amounted to JD 1,200,000 during the year 2021, (Additions of JD 161,204, and disposals of zero during the year 2020).

c. Investment properties depreciation amounted to JD 111,064 for the year ended December 31, 2021 (JD 110,490 for the year 2020).

d. The fair value of investment properties is evaluated by real estate appraisers at JD 25,910,404 as of December 31, 2021 (JD 28,116,536 for the year 2020).

9. Life Insurance Policy Holders' Loans

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Life insurance policy holders' loans not exceeding the policy liquidation value	35,539	44,539
	35,539	44,539

10. Cash on Hand and at Banks

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Cash on hand	194,356	178,688
Current accounts at banks	3,342,122	7,690,688
	3,536,478	7,869,376

11. Notes Receivable and Checks under Collection - Net

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Notes receivable	40,550	60,550
Checks under collection *	3,220,383	3,106,014
	3,260,933	3,166,564
Less: Expected Credit Loss **	(185,350)	(166,050)
	3,075,583	3,000,514

* The maturity date of the checks under collection extend until September 2023.

** The movement on the allowance for expected credit losses for notes receivable and checks under collection is as follows:

	2021	2020
	JD	JD
Balance – beginning of the year	166,050	166,050
Additions during the year	19,300	-
Balance – End of the Year	185,350	166,050

12. Receivable - Net

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Policyholders' receivables	15,773,322	13,517,178
Agents' receivables	2,841,349	3,287,171
Employees' receivables	115,790	101,074
Other receivables *	1,155,910	1,111,417
	19,886,371	18,016,840
Less: Expected Credit Loss **	(3,471,308)	(3,428,412)
Receivable – Net	16,415,063	14,588,428

* The details of this item are as follows:

	December 31, 2021	December 31, 2020
	JD	JD
Buildings receivable	466,247	529,522
Settlement of branches' accounts with the Head Office current account	127,760	40,651
Suspended policies receivable	163,003	156,784
Others	398,900	384,460
	1,155,910	1,111,417

The following is the ageing of receivables and expected credit loss percentage:

As of December 31, 2021	Accounts Receivable					
	Receivables Not Due	Less than 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	Total
	JD	JD	JD	JD	JD	JD
Account Receivable	2,766,845	7,721,434	1,180,587	2,069,354	6,148,151	19,886,371
Less: Expected Credit Loss **	-	-	(347)	(1,203,503)	(2,267,458)	(3,471,308)
Expected Credit Loss average %	%-	%-	%1	%34/67	%65/32	%100

As of December 31, 2020	Accounts Receivable					
	Receivables Not Due	Less than 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	Total
	JD	JD	JD	JD	JD	JD
Account Receivable	2,482,149	6,364,558	911,654	2,140,096	6,118,383	18,016,840
Less: Expected Credit Loss **	-	-	(343)	(1,188,630)	(2,239,439)	(3,428,412)
Expected Credit Loss average %	%-	%-	%1	%34/67	%65/32	%100

** Movement on the allowance for expected credit losses related to receivables are as follows:

	2021	2020
	JD	JD
Balance – beginning of the year	3,428,412	3,712,160
Currency exchange differences	43,069	-
Adjusted balance	3,471,481	3,712,160
(Released) during the year	-	(193,000)
Less: Written-off debts	(173)	(90,748)
Balance – End of the Year	3,471,308	3,428,412

13. Re-insurance Receivable - Net

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Local insurance companies *	2,875,278	2,539,096
Foreign re-insurance companies	4,117,408	2,260,528
	6,992,686	4,799,624
Less: Expected Credit loss in reinsurance receivable accounts **	(1,161,642)	(961,642)
	5,831,044	3,837,982

* The Company follows a settlement policy with local insurance companies within three months from the date of the claim,

The following are the ageing of local insurance companies and foreign re-insurance companies receivables:

As of December 31, 2021	Accounts Receivable					
	Receivables Not Due	Less than 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	Total
	JD	JD	JD	JD	JD	JD
Account Receivable	2,498,438	181,320	1,932,474	781,058	1,599,387	6,992,677
Less: Expected Credit Loss **	-	(78,992)	(164,953)	(389,150)	(528,547)	(1,161,642)
Expected Credit Loss average %	%0	6,8%	14,2%	33,50%	45,50%	%100

As of 31st December, 2020	Accounts Receivable					
	Receivables Not Due	Less than 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	Total
	JD	JD	JD	JD	JD	JD
Account Receivable	78,564	1,412,655	300,233	713,199	2,294,973	4,799,624
Less: Expected Credit Loss **	-	(65,392)	(136,553)	(322,150)	(437,547)	(961,642)
Expected Credit Loss average %	%0	6,8%	%14,2	33,50%	45,50%	%100

** Movement on the allowance for expected credit losses related to reinsurance receivable are as follows:

	2021	2020
	JD	JD
Balance – beginning of the year	961,642	861,642
Additions during the year	200,000	100,000
Balance – End of the Year	1,161,642	961,982

14. Income Tax

a. Income Tax Provision

Movement on the income tax provision is as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	255,662	103,822
Accrued income tax of the year	101,352	516,000
Accrued income tax for previous years	100,000	-
Income tax paid	(371,993)	(364,160)
Balance at the Ending of the Year	85,021	255,662

b. The income tax expense stated in the statement of Profit or Loss represents the following:

	2021	2020
	JD	JD
Accrued Income tax of the profit year	101,352	516,000
Accrued income tax for previous years	100,000	-
Deferred tax impact	61,724	(488,740)
	263,076	27,260

c. Summary of the reconciliation between accounting income and taxable income:

	2021	2020
	JD	JD
Accounting profit / Jordan branches	926,476	1,355,735
Tax unacceptable expenses	181,485	1,052,516
Tax exempted profits	(1,297,534)	(299,882)
Taxable (loss) profit	(189,573)	2,108,369
Tax Rate	26%	26%

d. Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities resulted from temporary timing differences for the financial statements items of the Company's branches operating in the Hashemite Kingdom of Jordan, the details are as follows:

	December 31, 2021						December 31, 2021	December 31, 2020
Accounts Included	Beginning Balance	Previous years Adjustments	Adjusted Balance	Additions	Released Amounts	Ending Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD	JD	JD
Allowance expected credit Loss	3,251,624	200,000	3,451,624	-	-	3,451,624	897,422	845,422
End of service Indemnity Provision	369,057	-	369,057	41,353	151,412	258,998	67,339	95,955
IBNR provision	3,007,608	-	3,007,608	167,695	-	3,175,303	825,578	781,978
Valuation losses for financial assets at fair value through statement of profit or loss	2,160,334	-	2,160,334	-	497,634	1,662,700	432,302	561,687
Valuation losses for financial assets through statement of comprehensive income	3,395,983	-	3,395,983	-	1,004,010	2,391,973	621,914	882,955
	12,184,606	200,000	12,384,606	209,048	1,653,056	10,940,598	2,844,555	3,167,997

- The details on the deferred tax liabilities is as follows:

	December 31, 2021					December 31, 2020
Accounts Included	Beginning Balance	Additions	Released amounts	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Valuation revenue for financial assets at fair value through statement of profit or loss	2,297,161	-	5,643	2,291,518	274,982	275,659
Valuation losses for financial assets through statement of comprehensive income	-	9,765,135	-	9,765,135	1,171,816	-
	2,297,161	9,765,135	5,643	12,056,653	1,446,798	275,659

e. The movement on deferred tax assets is as follows:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Balance at the beginning of the year	3,167,997	1,520,642
Previous years adjustments	52,000	-
Additions	54,352	1,672,684
Released	(429,794)	(25,328)
Balance at the Ending of the year	2,844,555	3,167,998

f. The movement on deferred tax liabilities is as follows:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Balance at the beginning of the year	275,659	-
Additions	1,171,816	275,659
Released	(677)	-
Balance at the Ending of the year	1,446,798	275,659

In the opinion of the Company's management and tax advisor, the Company can benefit from deferred taxes resulting from the above provisions in the future.

g. A final settlement of income tax has been reached in Jordan until the end of 2018. The Company submitted its tax return for 2019 and 2020 and paid the declared tax, However, it is still under consideration by the Income and Sales Tax Department.

- The Company's branches profits in the United Arab Emirates are not taxable, the Company's profit in Kuwait is subject to income tax rate at 10%, which has been settled up to the end of 2018 and the declared taxes were paid for the end of the year of 2018, The Company submitted its tax return for 2020 and paid the declared tax, However, it is still under consideration by the Ministry of Finance - the tax sector in Kuwait.

- The income tax due for the year 2021 has been calculated, In the opinion of the Company’s management and tax advisor, the provisions in the financial statement are sufficient for tax purposes for the year and the years not audited by the Income and Sales Tax Department.

15. Property and Equipment - Net

a. The details of this item are as follows:

	Lands	Buildings	Machineries, equipments and Furnitures	Vehicles	Total
For the Year 2021	JD	JD	JD	JD	JD
Cost:					
Balance at the beginning of the year	511,113	593,734	1,543,546	349,638	2,998,031
Additions	-	402	36,876	3,413	40,691
Balance at End of the Year	511,113	594,136	1,580,422	353,051	3,038,722
Accumulated Depreciation:					
Accumulated depreciation at the beginning of the year	-	208,729	1,421,719	338,059	1,968,507
Depreciation for the year	-	11,017	53,837	14,987	79,841
Accumulated Depreciation at End of the Year	-	219,746	1,475,556	353,046	2,048,348
Net Book Value of Property and Equipment at the End of the Year	511,113	374,390	104,866	5	990,374
Depreciation of Property and Equipment Rate %	-	2	25-7	15	
For the Year 2020					
Cost:					
Balance at the beginning of the year	511,113	591,184	1,503,338	349,638	2,955,273
Additions	-	2,550	40,208	-	42,758
Balance at End of the Year	511,113	593,734	1,543,546	349,638	2,998,031
Accumulated Depreciation:					
Accumulated depreciation at the beginning of the year	-	197,746	1,383,420	317,179	1,898,345
Depreciation for the year	-	10,983	38,299	20,880	70,162
Accumulated Depreciation at End of the Year	-	208,729	1,421,719	338,059	1,968,507
Net Book Value of Property and Equipment at the End of the Year	511,113	385,005	121,827	11,579	1,029,524
Depreciation of Property and Equipment Rate %	-	2	7 - 25	15	

b. Fully depreciated assets amounted to JD 1,225,659 as of December 31, 2021 (JD 1,335,427 as of December 31, 2020).

16. Intangible Assets - Net

This item consists of the following:

	Computer Systems and Programs	
	December 31,	
	2021	2020
	JD	JD
Balance at the beginning of the year	939,825	844,352
Additions	109,858	95,473
Balance at the end of the year	1,049,683	939,825
Amortization	(809,788)	(702,713)
Balance at the end of the year	239,895	237,112
Annual Amortization rate	25%	25%

17. Other Assets

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Refundable deposits	1,390,928	1,381,748
Accrued revenues and not received *	65,638	35,605
Prepaid expenses	772,136	480,813
Others	329,657	335,038
	2,558,359	2,233,204

* This item represents dividends accrued from investments in companies received in the subsequent period.

18. Mathematical Reserve - Net

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Net mathematical reserve	1,417,919	1,472,226
Net Mathematical Reserve – Life	1,417,919	1,472,226

19. Due to Banks

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Bank of Jordan *	5,000,000	5,000,000
Cairo Amman Bank **	8,301,715	6,029,220
Arab Bank ***	4,461,819	-
	17,763,534	11,029,220

* This item represents the utilized balance as of December 31, 2021 of the overdraft facilities granted by the Bank of Jordan and the ceiling of JD 5 million at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company, The main objective of these facilities is to finance the Company's activities.

** This item represents the utilized balance as of December 31, 2021 of the overdraft facilities granted by Cairo Amman bank with a ceiling of JD 6,9 million at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the financial solvency of the Company, The main objective of these facilities is to finance the Company's activities.

*** This item represents the utilized balance as of December 31, 2021 of the overdraft facilities granted by Arab bank at a ceiling of JD 5/5 million at an interest rate of 8.375% calculated on a daily basis and credited monthly and it is guaranteed by the solvency of the financial Company. The main objective of these facilities is to finance the Company's activities.

- The movement on due to banks is as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	11,029,220	11,906,952
Added during the year	13,659,314	1,102,648
Paid during the year	(6,925,000)	(1,980,380)
Balance at the End of the Year	17,763,534	11,029,220

20. Payable

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Policyholders payable	1,379,693	1,193,947
Workshops and spare parts payable	635,559	311,473
Brokers payable	447,970	475,353
Others	665,801	560,224
	3,129,023	2,540,997

21. Re-insurance Payable

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Local insurance companies	1,582,015	2,355,663
Foreign re-insurance companies	3,672,150	3,363,047
	5,254,165	5,718,710

22. Various Provisions

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Provision for vacation allowances	3,402	-
Provision for collective profits policy commissions	144,270	135,539
Provision for insurance management fees	22,370	24,469
Provision for end-of-service indemnity	1,004,151	1,039,358
	1,174,193	1,199,366

The following table illustrates the movement on the various provisions:

	December 31, 2021				December 31, 2020
	Balance Beginning of the Year	Incurred During the Year	Used During the Year	Balance End of the Year	Balance End of the Year
	JD	JD	JD	JD	JD
Provision for vacation allowances	-	3,402	-	3,402	-
Provision for collective profits policy commissions	135,539	8,731	-	144,270	135,539
Provision for insurance management fees	24,469	305,735	307,834	22,370	24,469
Provision for end-of-service indemnity	1,039,358	150,945	186,152	1,004,151	1,039,358
	1,199,366	468,813	493,986	1,174,193	1,199,366

23. Other Liabilities

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Unearned revenues	328,813	395,989
Accrued and not paid expenses	192,364	212,023
Ministry of finance deposits	99,320	162,934
Life deposits	14,654	117
Car parking deposits	4,775	4,758
Unpaid Visa deposits	6,436	5,813
Individual policies deposits	5,685	5,685
Board of directors bonuses	55,000	55,000
	707,047	842,319

24. Capital

Subscribed and paid capital amounted to JD 30 million distributed over 30,000,000 shares with a par value of JD 1 as of December 31, 2021 and 2020.

25. Statutory Reserve

The amounts in this account represent appropriations from annual income before tax at 10%, Moreover, the reserve balance amounted to 25% of the Company's capital according to the Companies Law, This reserve may not be distributed to shareholders.

26. Financial Assets Valuation Reserve

The movement on the financial assets valuation reserve is as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	(2,736,253)	(4,197,641)
Net changes in fair value	8,112,713	1,185,729
Deferred tax liabilities	1,446,798	275,659
Balance at the End of the Year	6,823,258	(2,736,253)

27. Retained Earnings

The movement on retained earnings is as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	5,239,835	2,738,383
Previous years adjustments *	(200,000)	-
Adjusted balance	5,039,835	2,738,383
profit for the year	876,439	3,011,696
Impact on sale of financial assets at fair value through statement of comprehensive income	19,991	(510,244)
Balance at the End of the Year	5,936,265	5,239,835

a. The retained earnings balance includes an amount of JD 2,222,643 restricted against deferred tax assets as of December 31, 2021 (JD 2,285,042 as of December 31, 2020).

b. The retained earnings balance includes an amount of JD 1,221,061 as of December 31, 2020, representing the effect of early adoption of International Financial Reporting Standard No, (9), This item represents the revaluation differences and may not be used until realized according to the regulations of the Jordan Securities Commission.

* During the year, an amount of 200,000 JD was booked against provisions for previous years, as an adjustment to the retained earnings at the beginning of this year 2021, comparative figures have not been modified ad ins practice this could not be done.

28. Credit interest

This item consists of the following:

	2021	2020
	JD	JD
Earned bank interest	249,489	270,994
Cash dividends	100,000	75,000
Total	349,489	345,994
Amount transferred to underwriting accounts	(100,000)	(75,000)
	249,489	270,994

29. Net Gain from Financial Assets and Investments

This item consists of the following:

	2021	2020
	JD	JD
Cash dividends *	440,534	296,017
(Losses) on the sale of financial assets at fair value through statement of profit or loss	(281)	-
Gain / (losses) on the valuation of financial assets at fair value through statement of profit or loss	497,483	(75,673)
Rental Income – Net	365,287	382,768
Profit on sale of investment properties	191,193	-
	1,494,216	603,112

* This amount represents cash dividends from the Company's investments in companies' shares, of which an amount of JD 76,636 relates to financial assets at fair value through statement of profit or loss for the year ended December 31, 2021.

30. Other Revenue

This item consists of the following:

	2021	2020
	JD	JD
Currency exchange profit (losses)	310,373	(172,846)
Help-on-the-road service premiums	16,403	13,839
Treaties profits *	111,285	739,847
Earned discount	72,929	52,835
Others	177,938	185,312
Total	688,928	818,987

* This item represents marine treaties profits from AWRIS and profits on life sharing.

31. Employees Expenses

This item consists of the following:

	2021	2020
	JD	JD
Salaries and bonuses	4,118,374	4,392,578
Company's social security contributions	355,247	378,151
Medical expenses	382,216	409,019
Employees development and training	3,959	2,426
Travel and transportation	132,796	115,555
Total	4,992,592	5,297,729
Employees' administrative expenses allocated to underwriting accounts *	4,243,099	4,502,124
Employees' Expenses Un-allocated to Underwriting Accounts	749,493	795,605

* Allocation:

	2021	2020
	JD	JD
Life	1,133,320	1,216,228
Motor	1,432,409	1,602,530
Marine and transportation	149,936	127,866
Fire and other damages to properties	794,804	819,126
Liability	51,102	46,797
Medical	668,272	672,896
Other branches	13,256	16,681
Total	4,243,099	4,502,124

32. General and Administrative Expenses

This item consists of the following:

	2021	2020
	JD	JD
Rent	93,590	97,673
Printing and supplies	112,052	87,887
Advertising, publishing and marketing	11,463	11,576
Bank interest and commissions	5,082	5,262
Water, electricity and heating	87,266	91,051
Maintenance	4,313	5,572
Post and telephone	170,641	144,089
National agent commissions / external	42,240	40,700
Professional fees	125,068	102,712
Hospitality and gifts	17,836	16,469
Lawyers' expenses and fees	368,960	232,975
Revaluation expenses	9,505	13,825
Computer expenses	15,075	17,394
Utilization of computer program fees	7,289	20,183
Computer program services	181,369	158,683
Subscriptions	13,230	18,833
Board of Directors' transportation	129,100	129,296
Tenders and guarantees expenses	231,171	122,495
Government and other fees	137,002	132,440
Donations and gifts	56,908	124,365
Insurance expenses	54,260	62,514
Marketing expenses	179,142	208,639
Bad debt expenses and allowable discount	143,155	74,030
Others	598,770	527,794
Total	2,794,487	2,446,457
Total General and Administrative Expenses Allocated to Underwriting Accounts *	2,355,811	2,067,116
Total General and Administrative Expenses Unallocated to Underwriting Accounts	438,676	379,341

* Allocation:

	2021	2020
	JD	JD
Life	629,231	558,422
Motor	795,287	735,790
Marine and transportation	83,247	58,709
Fire and other damages to properties	441,283	376,096
Liability	28,372	21,486
Medical	371,031	308,955
Other branches	7,360	7,658
	2,355,811	2,067,116

33. Other Expenses

This item consists of the following:

	2021	2020
	JD	JD
Provision for end-of-service indemnity	95,056	103,449
Board of Directors Bonuses	55,000	55,000
	150,056	158,449

34. Earning Per Share for the Year

Earnings per share has been computed by dividing profit for the year by the weighted average number of shares, The details are as follows:

	2021	2020
	JD	JD
Profit for the year	876,439	3,011,696
	Share	Share
Weighted average number of shares	30,000,000	30,000,000
	JD / Share	JD / Share
Earnings per Share for the Year (Basic and Diluted)	-/029	-/100

35. Cash and Cash Equivalents

The details of this item are as follows:

	December 31,	
	2021	2020
	JD	JD
Cash on hand	194,356	178,688
Current accounts at banks	3,342,122	7,690,688
Add: Deposits at banks maturing within three months	24,168,054	15,717,514
Cash and Cash Equivalents at the end of the year	27,704,532	23,586,890

36. Risk Management

First: Descriptive Disclosures:

Risks faced by the Company are concentrated in insurance and financial risks, Within the Company's assessment of these risks, a strategy had been developed, including controls to mitigate them, taking into account the risk and return components.

The elements of effective risk management are identification, measurement, management, and control of insurance risks and financial risks that negatively affect the Company’s profitability and reputation, as well as ensuring a return commensurate with the said risks margin.

The risks to which the Company is exposed consist of the following:

a. Material risks, which are natural disasters, fires, accidents and other external risks not related to the Company's business.

b. Legal risks arising from judicial claims or other risks arising from laws and legislations issued by regulatory bodies.

c. Financial risks, representing interest rate risk, credit risk, foreign currency risk and market risk.

d. Unpredictable intangible risks representing the knowledge risks of the Company's key personnel. These risks arise from inadequate knowledge and relations risks, as well as deficient cooperation with customers. All these risks directly reduce the employee’s knowledge productivity and efficiency, downgrade service quality, and detract from reputation, thus affecting the Company’s expenditures and profits.

The Company prioritizes risks, so that risks with large losses and high probability of occurrence are dealt with first, while risks with smaller losses and lower probability of occurrence are dealt with later.

Risk Management Policy
A plan has been developed for the Company’s scope of work and risk assessment bases through creating a special department that caters for quality and development and monitors planning efficiency and proper preparation.

Risks are events that produce negative effects upon their occurrence, Therefore, risks consequences should be identified to avert them together with any resultant new risks, This is to enable the Company to address them before they occur, Moreover, there are many ways to identify risks, including goal-based identification, as each of the Company’s sections has certain goals to achieve, As such, any event obstructing achievement of these goals is a risk, subject to study and follow-up, There is also a risk identification type whereby identification is based on classification, which is comprehensive and includes potential sources of risk, Moreover, risks are identified through reviewing common risks, especially for similar companies.

The Company deals with potential risks through the following:
a. Transferring the risk to another party through contracting or financial hedging.
b. Avoiding risks through refraining from actions that may lead to risks.
c. Mitigating losses arising from risk occurrence.
d. Accepting unavoidable risks, as acceptance of small risks is an effective strategy.

To avoid losses, a clear and easy-to-manage risk management plan has been developed through a pricing policy that relies on historical statistics, The Company’s technical departments also implement the plan to avoid or mitigate the effects of those risks, Moreover, the Risk Department keeps abreast of developments in the Company, and therefore, continuously develops and updates the plan.

The Company follows a risk management strategy through the following:
a. Defining the Company’s objectives.
b. Clarifying strategies for the Company's objectives.
c. Distinguishing and assessing risk.
d. Finding ways to address and avoid risk.

Second: Quantitative Disclosures:

a. Insurance Risks

1. Insurance Risk

The risk of any insurance contract is the probability of occurrence of the insured event and the uncertainty of the amount of the claim related to that event, This is due to the nature of the insurance contract where the risks are volatile and unpredictable for the insurance contracts related to the insurance category, Moreover, the probabilities theory of pricing and reserve can be applied, and the Company's main risks are that the claims incurred and related payments may exceed the carrying amount of the insurance liabilities, This may occur if the probability and severity of the claims are greater than expected, As the insurance events are not constant and vary from year to year, the estimates may differ from the related statistics.

Studies have shown that the more similar insurance contracts are, the more expectations approximate the actual loss rate, Furthermore, diversification in covered insurance risks leads to lower probability of total loss of insurance.

The Company, through its staff, provides the best service to its customers, Accordingly, a plan has been prepared to protect them against potential risks. This requires taking the necessary provisions and making available the technical staff necessary to maintain continuity of the Company.

The steps taken include extending the assumptions to internal data derived from the quarterly claims reports and the insurance policies performed as at the balance sheet date to derive the existing insurance contracts, Selection of the applicable results for the year accidents for each insurance type is based on evaluating the most appropriate mechanism for monitoring the related development.

2. Claims Development

The tables below show the actual claims (based on management's estimates at the end of the year) compared to the expectations for the past four years based on the year in which the accident occurred separately for each branch of insurance, as follows:

Gross - Motor Insurance:

Accident Year	2017 and before	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	165,579,992	15,938,877	14,421,087	10,324,023	11,818,751	218,082,730
After one year	168,770,034	17,511,546	15,865,088	10,744,305	-	212,890,973
After two years	169,099,431	18,003,179	16,123,740	-	-	203,226,350
After three years	169,406,223	19,840,297	-	-	-	189,246,520
After four years	169,438,275	-	-	-	-	169,438,275
Current expectations of cumulative claims	178,932,892	20,373,273	16,699,311	11,304,309	12,877,487	240,187,272
Cumulative payments	175,479,102	17,165,607	15,274,544	9,655,812	7,383,184	224,958,249
Liabilities as stated in the statement of financial position	3,453,790	3,207,666	1,424,767	1,648,497	5,494,303	15,229,023
(Deficit) from the Preliminary Assessment of the Provision	(13,352,900)	(4,434,396)	(2,278,224)	(980,286)	(1,058,736)	(22,104,542)

Gross - Medical Insurance:

Accident Year	2017 and before	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	8,932,195	8,425,004	8,565,119	7,076,825	8,024,540	41,023,683
After one year	9,284,777	8,108,357	8,421,888	-	-	25,815,022
After two years	9,317,190	8,111,145	-	-	-	17,428,335
After three years	9,317,190	-	-	-	-	9,317,190
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	8,111,145	8,421,888	7,076,825	8,024,540	31,634,398
Cumulative payments	-	8,111,145	8,421,888	7,076,825	6,471,075	30,080,933
Liabilities as stated in the statement of financial position	-	-	-	1,553,465	1,553,465	1,553,465
Surplus from the Preliminary Assessment of the Provision	8,932,195	313,859	143,231	-	-	9,389,285

Gross - Fire and Other Damages to Properties:

Accident Year	2017 and before	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	62,902,105	6,183,432	1,469,330	6,807,684	449,977	77,812,528
After one year	63,114,433	5,952,560	1,174,246	2,285,272	-	72,526,511
After two years	62,663,413	5,822,004	1,158,821	-	-	69,644,238
After three years	62,627,980	5,521,071	-	-	-	68,149,051
After four years	62,531,320	-	-	-	-	62,531,320
Current expectations of cumulative claims	62,703,697	5,521,071	1,158,821	2,286,872	450,599	72,121,060
Cumulative payments	59,981,662	4,912,912	1,027,788	2,124,243	227,596	68,274,201
Liabilities as stated in the statement of financial position	2,722,035	608,159	131,033	162,629	223,003	3,846,859
Surplus from the Preliminary Assessment of the Provision	198,408	662,361	310,509	4,520,812	21,981	5,714,071

Gross - Marine and Transportations:

Accident Year	2017 and before	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	13,527,742	668,688	1,016,126	1,061,928	421,406	16,695,890
After one year	13,725,351	796,357	986,632	966,679	-	16,475,019
After two years	13,274,384	778,984	1,023,918	-	-	15,077,286
After three years	13,270,691	795,535	-	-	-	14,066,226
After four years	12,899,400	-	-	-	-	12,899,400
Current expectations of cumulative claims	12,907,215	796,460	1,023,918	966,446	421,447	16,115,486
Cumulative payments	12,394,188	704,999	683,377	852,336	222,658	14,857,558
Liabilities as stated in the statement of financial position	513,027	91,461	340,541	114,110	198,789	1,257,928
Surplus from the Preliminary Assessment of the Provision	620,527	(127,772)	(7,792)	95,482	(41)	580,404

Gross - Liability:

Accident Year	2017 and before	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	1,700,951	111,719	31,807	17,101	166,816	2,028,394
After one year	2,675,096	26,691	12,680	20,201	-	2,734,668
After two years	2,741,750	-	12,680	-	-	2,754,430
After three years	2,134,900	-	-	-	-	2,134,900
After four years	977,151	-	-	-	-	977,151
Current expectations of cumulative claims	984,430	24,911	12,687	20,219	166,816	1,209,063
Cumulative payments	747,430	24,911	2,687	5,219	9,516	789,763
Liabilities as stated in the statement of financial position	237,000	-	10,000	15,000	157,300	419,300
Surplus from the Preliminary Assessment of the Provision	716,521	86,808	19,120	(2,518)	-	819,931

Gross - Life:

Accident Year	2017 and before	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	19,636,894	17,833,304	12,606,711	16,588,365	26,525,024	93,190,298
After one year	18,778,521	3,361,516	5,424,076	5,876,569	-	33,440,682
After two years	237,959	798,860	456,943	-	-	1,493,762
After three years	370,795	383,945	-	-	-	754,740
After four years	425,454	-	-	-	-	425,454
Current expectations of cumulative claims	425,454	383,945	456,943	5,876,569	26,525,024	33,667,935
Cumulative payments	5,500	42,977	95,628	5,290,062	20,857,288	26,291,455
Liabilities as stated in the statement of financial position	419,954	340,968	361,315	586,507	5,667,736	7,376,480
Surplus from the Preliminary Assessment of the Provision	19,211,440	17,449,359	12,149,768	10,711,796	-	59,522,363

Gross - Other Branches:

Accident Year	2017 and before	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	1,630,265	50,140	35,413	62,278	194,071	1,972,167
After one year	1,645,745	63,176	41,014	63,172	-	1,813,107
After two years	1,642,728	63,176	40,914	-	-	1,746,818
After three years	1,639,062	61,700	-	-	-	1,700,762
After four years	1,614,450	-	-	-	-	1,614,450
Current expectations of cumulative claims	1,625,710	61,700	40,914	63,172	194,071	1,985,567
Cumulative payments	1,421,312	28,256	30,914	45,252	85,680	1,611,414
Liabilities as stated in the statement of financial position	204,398	33,444	10,000	17,920	108,391	374,153
(Deficit) from the Preliminary Assessment of the Provision	4,555	(11,560)	(5,501)	(894)	-	(13,400)

3. Concentration of Insurance Risks

Concentration of assets and liabilities based on insurance type is as follows:

For the Year Ended December 31, 2021:

	Motor	Marine and Transportation	Fire and other damages to properties insurance	Liability	Medical	Other Branches	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gross	28,784,417	1,644,033	9,678,737	882,454	5,866,270	435,963	9,475,477	56,767,351
Net	21,286,146	271,146	395,974	28,633	3,578,479	253,120	2,676,091	28,489,589

For the Year Ended December 31, 2020:

	Motor	Marine and Transportation	Fire and other damages to properties insurance	Liability	Medical	Other Branches	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gross	24,791,210	2,060,361	16,049,891	1,821,833	5,227,454	450,337	9,479,671	59,880,757
Net	20,740,207	361,448	462,886	32,398	3,129,645	263,624	2,850,737	27,840,945

Concentration of the assets and liabilities according to the geographical distribution is as follows:

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to geographical area:				
Inside Jordan	78,390,724	50,099,575	67,213,554	33,718,346
Other Middle East countries	29,918,168	7,949,791	22,491,906	15,984,532
Europe	-	-	-	-
Asia *	-	-	-	-
Africa *	-	-	-	-
America	-	-	-	-
Other countries	-	-	-	-
	29,918,168	7,949,791	22,491,906	15,984,532
Total	108,308,892	58,049,366	89,706,460	49,702,878

* Excluding Middle East Countries.

Concentration of accounts receivable and accounts payable according to sectors is as follows:

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to Sector:				
Public sector	361,831	37,733	340,228	43,243
Private Sector:				
Companies and Institution	19,867,861	8,042,846	15,751,381	7,985,816
Individuals	2,216,415	302,609	2,334,801	230,648
Total	22,446,107	8,383,188	18,426,410	8,259,707

4. Re-insurers Risk

To reduce exposure to risks of financial losses arising from large claims, the Company, within its regular activities, enters into re-insurance contracts with other parties.

Moreover, re-insurance risks are the risks arising from re-insurance companies' failure to meet their commitments related to the signed re-insurance arrangements.

In this regard, the Company's management selects highly solvent re-insurance companies with high credit rankings, It also evaluates the financial position of re-insurance companies it deals with, as well as monitors, credit risk concentrations stemming from those companies' geographical areas and activities, or similar economic components, The issued re-insurance policies do not exempt the Company from its obligations toward the policy holders, Consequently, the Company remains liable in terms of the re-insured claims balance should re-insurers default on their obligations as per re-insurance contracts.

5. Insurance Risks Sensitivity

a. Positive assumption has been adopted, It is the assumption that net underwritten premiums will increase by 5% for the year ended December 31, 2021 for all insurance branches and the subsequent increase in paid commissions.
b. The negative assumption has been adopted, It is the assumption that net underwritten premiums will decrease by 5% for the year ended December 31, 2021 for all insurance branches and the subsequent decrease in paid commissions.
c. The positive assumption has been adopted, It is the assumption that net compensations will decrease by 5% for the year ended December 31, 2021 for all insurance branches and the subsequent decrease in the percentage of recoveries.
d. The negative assumption has been adopted, It is the assumption that net compensations will increase by 5% for the year ended December 31, 2021 for all insurance branches and the subsequent increase in recoveries.

b. Financial Risks

The Company adopts financial policies for managing the different risks within a specified strategy, Moreover, the Company's management monitors and controls risks and performs the optimal strategic distribution for both financial assets and financial liabilities, Risks include interest rate risks, credit risks, foreign currency risks, and market risks.

The Company adopts a financial hedging policy for financial assets and financial liabilities, when necessary, This hedging relates to the expected future risks.

1. Market Risk

Market risks are irregular risks that vary according industry and include price risks, commercial capability, and competition, These risks can be mitigated through diversifying the Company's investment portfolio, Moreover, risk can be estimated by means of standard deviation if the expected return on investments is equal, If, on the other hand, the expected return is unequal, the variance factor for each investment is calculated by dividing standard deviation by the expected return for each investment, The lower the standard deviation, the lesser the risk degree, Furthermore, the Company monitors the stock exchange prices and prices of securities held by the Company daily to take the necessary action at the end of each quarter of the fiscal year.

The table below summarizes the effect of the increase (decrease) in Amman Stock Exchange and Arabian markets by 5% of the fair value of financial assets at fair value through the statement of profit or loss and through the other comprehensive income statement for the year 2021 and 2020, This effect is reflected in the statement of profit or loss and shareholders' equity as of the statement of financial position date, The sensitivity analysis has been prepared on the assumption that share prices move by the same percentage of market index change.

	+ 5%		- 5%	
	For the year ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Statement of profit or loss	137,444	112,584	(137,444)	(112,584)

	+ 5%		- 5%	
	December 31,		December 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Shareholders' Equity	1,155,428	658,294	(1,155,428)	(658,294)

2, Liquidity Risk

Liquidity risks relate to the Company's inability to make available the necessary financing to meet its obligations on their maturity dates, Furthermore, management of risks includes the following:

- Keeping highly marketable assets that can be easily liquidated as a safeguard against unforeseeable shortfall in liquidity,
- Monitoring liquidity indicators according to the internal requirements and regulatory authorities' requirements,
- Managing concentrations and debts maturity dates,
- The following table summarizes the maturities of financial liabilities (on the basis of the remaining period of the maturity from the date of the financial statements):

	Less than One Month	From 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	More than 1 Year to 3 Years	More than 3 Years	Without Maturing	Total
December 31, 2021	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Due to banks	-	-	-	17,763,534	-	-	-	17,763,534
payable	-	2,194,822	934,201	-	-	-	-	3,129,023
Re-insurance payable	-	-	5,254,165	-	-	-	-	5,254,165
Other liabilities	179,847	173,273	-	353,927	-	-	-	707,047
Total	179,847	2,368,095	6,188,366	18,117,461	-	-	-	26,853,769
Assets	18,304,501	15,531,637	2,495,876	20,122,421	1,637,309	-	50,217,148	108,308,892

	Less than One Month	From 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	More than 1 Year to 3 Years	More than 3 Years	Without Maturing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
December 31, 2020								
Liabilities:								
Due to banks	-	-	-	11,029,220	-	-	-	11,09,220
payable	-	1,778,698	762,299	-	-	-	-	2,540,997
Re-insurance payable	-	-	5,718,710	-	-	-	-	5,718,710
Other liabilities	217,833	217,934	-	406,552	-	-	-	842,319
Total	217,833	1,996,632	6,481,009	11,435,772	-	-	-	20,131,246
Assets	15,139,951	12,846,470	2,064,380	16,643,582	1,476,658	-	41,535,419	89,706,460

3. Currency Risks

The Company's main operations are dominated in Jordanian Dinar, Moreover, currency risk relates to the risk of changes in currency rates that relate to payments denominated in foreign currencies, As for transactions dominated in US Dollars, management believes that the foreign currency risk relating to the US Dollar is immaterial as the Jordanian Dinar (the functional currency) is pegged to the US Dollar.

The following illustrates the Company's major foreign currency risks:

Type of Currency		December 31, 2021		
		Book Value	Market Value	Effect
		JD	JD	JD
US Dollar	781,686	547,259	554,997	7,738
UAE Dirham	122,790,105	23,558,153	23,581,711	23,558
Kuwaiti Dinar	349,371	838,490	810,541	(27,949)
Bahraini Dinar	11,637	21,820	21,971	151
Qatari Riyal	5,627	1,041	1,058	17
Euro	24,874	22,940	21,765	(1,175)
GBP	9,737	8,862	9,688	826
				3,166

Type of Currency		December 31, 2020		
		Book Value	Market Value	Effect
		JD	JD	JD
US Dollar	2,321,466	1,625,026	1,643,598	18,572
UAE Dirham	78,890,773	16,259,793	16,962,919	703,126
Kuwaiti Dinar	781,981	1,850,525	1,825,681	(24,844)
Bahraini Dinar	23,375	43,828	43,987	159
Qatari Riyal	217,135	40,170	41,907	1,737
Euro	48,262	39,508	41,988	2,480
GBP	9,737	8,862	9,446	584
				701,814

4. Interest Rate Risk

These risks arise from the fluctuations in the prevailing market interest rates, The Company manages interest rate risks through applying sensitivity analysis to instruments subject to interest rates in a manner that does not negatively affect net interest income (parallel analysis LIBOR +/- 0,5% on the return curve).

The sensitivity analysis for the year ended December 31, 2021 is as follows:

	Effect of increase of interest rate of 0,5% on statement in profit or loss	Effect of decrease of interest rate of 0,5% on statement in profit or loss
Currency	JD	JD
Jordanian Dinar	1,384	(1,384)
USD	374	(374)
Kuwaiti Dinar	419	(419)
UAE Dirham	11,779	(11,779)

Sensitivity analysis for the year 2020

	Effect of increase of interest rate of 0,5% on statement in profit or loss	Effect of decrease of interest rate of 0,5% on statement in profit or loss
Currency	JD	JD
Jordanian Dinar	34,439	(34,439)
USD	8,125	(8,125)
Kuwaiti Dinar	9,250	(9,250)
UAE Dirham	81,299	(81,299)

5. Sensitivity of Insurance Risks

	December 31, 2021		December 31, 2020	
	Statement of profit or loss	Shareholders' Equity	Statement of profit or loss	Shareholders' Equity
	JD	JD	JD	JD
Income shareholders' equity	876,439	50,259,523	3,011,696	40,003,582
Impact of decreasing gross premium by 5% while holding other factors constant	(3,425,455)	(3,425,455)	(3,251,774)	(3,251,774)
Gross	(2,549,016)	46,834,068	(240,078)	36,751,808
Income shareholders' equity	876,439	50,259,523	3,011,696	40,003,582
Impact of increasing gross compensations by 5% while holding other factors constant	(2,395,151)	(2,395,151)	(1,981,427)	(1,981,427)
Gross	(1,518,712)	47,864,372	1,030,269	38,022,155

6. Credit Risk

Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of losses by the Company, Moreover, the Company adopts a policy of dealing with creditworthy parties in order to mitigate the financial losses arising from the Company's default on its liabilities, The Company does not follow a policy of taking guarantees against accounts receivable, Consequently, accounts receivable are not guaranteed.

The Company's financial assets consist primarily of policyholders and financial investments at fair value through the statement of profit or loss, statement of comprehensive income, financial investments, property investments, cash and cash equivalents, and other receivables. Moreover, policyholders represent debts due from the locally insured parties, governmental bodies, large projects, and external customers, The Company's management believes that the ratio of debts owed to the Company is high, However the probability of no collection of all or part of these debts is very low, notwithstanding that these debts represent significant concentration of risk in the customers' geographical areas, In this regard, stringent credit risks control is maintained, as each customer's account is monitored separately and constantly. Customers' concentration according to their geographical areas is as follows:

Geographical Area	Indebtedness
	JD
United Arab Emirates	1,884,093
Hashemite Kingdom of Jordan	14,011,397
Other countries	519,573
	16,415,063

37. Transactions with Related Parties

- The Company entered into transactions with major shareholders, members of the Board of Directors, and executive management within its regular activities. All insurance credit granted to related parties are considered operating, and no related provisions have been taken (if provisions had been taken, their amounts would have been determined).

- The following is a summary of the transactions with related parties during the year:

	December 31,	
	2021	2020
	JD	JD
Statement of Financial Position Items:		
Accounts receivable	634,472	1,433,024
Accounts payable	39,282	5,881

	For the Year Ended December 31,	
	2021	2020
Statement of profit or loss Items:	JD	JD
Insurance premiums	1,322,377	899,013
Net payments to re-insurers	152,072	870,334
Compensations paid - net	36,785	630,322

Transactions with related parties relate to the Board of Directors and their relatives.

- The following is a summary of the benefits (salaries, bonuses, and other benefits) for Executive Management of the Company:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Salaries and other benefits	631,890	631,890

38. Main Segments Analysis

a. Information on the Company’s Operating Segments

For managerial purposes, the Company was organized into two sectors, the General Insurance Sector which includes general, motor, marine, fire and other damages on properties, liability, medical, and others; and the life insurance sector, These two sectors represent the main sectors that the Company uses to demonstrate the information related to the main sectors, The above- mentioned sectors also include investments and management of cash for the Company’s own account, Moreover, transactions among business sectors are based on estimated market prices on the same terms used for others.

b. Information on Geographical Distribution

This note represents the geographical distribution of the Company's operations, Moreover, the Company conducts its operations mainly in the Kingdom, representing local operations.

The following is the distribution of the Company's revenues, assets and capital expenditures according to geographical sector:

	Inside Jordan	
	For the Year Ended December 31,	
	2021	2020
	JD	JD
Total Revenue	32,946,348	32,182,703
Capital Expenditures	88,353	298,271

	December 31,	
	2021	2020
	JD	JD
Total Assets	78,390,724	67,213,554

	Outside Jordan	
	For the Year Ended December 31,	
	2021	2020
	JD	JD
Total Revenue	5,650,126	6,864,527
Capital Expenditures	15,174	5,141

	December 31,	
	2021	2020
	JD	JD
Total Assets	29,918,168	22,491,906

39. Capital Management

- Achieving Capital Management Objectives:
  The Company aims to achieve capital management objectives through growing the Company’s operations; achieving surplus in operating profits and revenues; and attaining optimal employment of available resources, This is to achieve the targeted growth in shareholders’ equity through growing the statutory reserve by 10% of realized profits and retained earnings.

  The Company takes into consideration that the size of capital should be compatible with the size and nature of risks that the Company is exposed to. This is carried out in a manner that does not contradict the regulations and instructions in force, and is reflected in the Company’s strategies and budgets, Moreover, the effect on capital adequacy ratio is considered upon acquiring investments while capital and its adequacy are monitored periodically.

- The solvency margin as of December 31, 2021 and 2020 is as follows:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
First: Available capital *	60,657,046	51,721,673
Second: Required capital		
Capital required against assets risks	19,234,766	17,569,637
Capital required against underwriting liabilities	3,798,152	3,577,582
Capital required against reinsurers' risks	834,909	695,424
Capital required against life insurance	4,629,364	4,576,064
Total Required Capital	28,497,191	26,418,707
Third: Solvency margin ratio (available capital / required capital)	213%	196%

* Available capital consists of the following:

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Primary Capital:		
Paid-up capital	30,000,000	30,000,000
Statutory reserve	7,500,000	7,500,000
Retained earnings	5,936,265	5,239,835
	43,436,265	42,739,835
Add: Additional Capital:		
Financial assets cumulative change in fair value	6,823,258	(2,736,253)
Increase in fair value investment properties	10,397,523	11,718,091
	60,657,046	51,721,673

In the opinion of the Board of Directors, regulatory capital is adequate and commensurate with the size of capital and nature of risks the Company is exposed to.

40. Assets and Liabilities Maturities Analysis

The following table shows the analysis of assets and liabilities according to their expected period of recovery or settlement:

	Within One Year	More than One Year	Total
December 31, 2021	JD	JD	JD
Assets:			
Deposits at banks	24,168,054	2,486,110	26,654,164
Financial assets at fair value through profit or loss	2,748,881	-	2,748,881
Financial assets at fair value through comprehensive income	-	27,866,076	27,866,076
Investment property	-	15,512,881	15,512,881
Life policyholders' loans	-	35,539	35,539
Cash on hand and at banks	3,536,478	-	3,536,478
Notes receivable and checks under collection	3,075,583	-	3,075,583
Accounts receivable – net	14,358,500	2,056,563	16,415,063
Re-insurance receivable	4,869,195	961,849	5,831,440
Deferred tax assets	-	2,844,555	2,844,555
Property and equipment – net	-	990,374	990,374
Intangible assets - net	-	239,895	239,895
Other assets	2,558,359	-	2,558,359
Total Assets	55,315,050	52,993,842	108,308,892
Liabilities:			
Unearned premiums reserve - net	11,365,857	-	11,365,857
Outstanding claims reserve - net	15,622,636	-	15,622,636
Mathematical reserve - net	1,417,919	-	1,417,919
Premiums deficiency reserve	83,176	-	83,176
Due to banks	17,763,534	-	17,763,534
Payable	3,129,023	-	3,129,023
Re-insurance payable	5,254,165	-	5,254,165
Various provisions	1,174,193	-	1,174,193
Income tax Provision	85,021	-	85,021
Deferred tax liabilities	1,446,798	-	1,446,798
Other liabilities	707,047	-	707,047
Total Liabilities	58,049,369	-	58,049,369
Net Assets	(2,734,319)	52,993,842	50,259,523

December 31, 2020	Within One Year JD	More than One Year JD	Total JD
Assets:			
Deposits at banks	15,717,514	2,433,623	18,151,137
Financial assets at fair value through profit or loss	2,251,681	-	2,251,681
Financial assets at fair value through comprehensive income	-	16,896,521	16,896,521
Investment property	-	16,398,445	16,398,445
Life policyholders' loans	-	44,539	44,539
Cash on hand and at banks	7,869,376	-	7,869,376
Notes receivable and checks under collection	3,000,514	-	3,000,514
Accounts receivable – net	13,117,443	1,470,985	14,588,428
Re-insurance receivable	2,504,651	1,333,331	3,837,982
Deferred tax assets	-	3,167,997	3,167,997
Property and equipment – net	-	1,029,524	1,029,524
Intangible assets - net	-	237,112	237,112
Other assets	2,233,204	-	2,233,204
Total Assets	46,694,383	43,012,077	89,706,460
Liabilities:			
Unearned premiums reserve - net	11,438,068	-	11,438,068
Outstanding claims reserve - net	14,817,111	-	14,817,111
Mathematical reserve - net	1,472,226	-	1,472,226
Premiums deficiency reserve	113,540	-	113,540
Due to banks	11,029,220	-	11,029,220
Payable	2,540,997	-	2,540,997
Re-insurance payable	5,718,710	-	5,718,710
Various provisions	1,199,366	-	1,199,366
Income tax Provision	255,662	-	255,662
Deferred tax liabilities	275,659		275,659
Other liabilities	842,319	-	842,319
Total Liabilities	49,702,878	-	49,702,878
Net Assets	(3,008,495)	43,012,077	40,003,582

41. Lawsuits against the Company

- There are lawsuits against the Company claiming compensation on various accidents, The lawsuits at courts with determined amounts totaled around JD 2,004,103 as of December 31, 2021 (JD 1,854,235 as of December 31, 2020). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions within the claims provision shall arise.

42. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for Bank guarantees of JD 3,185,185 guaranteed against the Company's solvency as of December 31, 2021 (JD 3,046,800 as of December 31, 2020).

43. Fair Value Hierarchy

a. Fair value of financial assets that are continuously determined at fair value:

Some of the Company's financial assets is valued at fair value at the end of each financial period.

The table below shows information on how to determine the fair value of financial assets (valuation methods and inputs used):

Financial Assets	Fair Value December 31, 2021	Fair Value December 31, 2020	Fair Value Hierarchy	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Unobservable Inputs to fair value
	JD	JD				
Financial assets at fair value:						
Financial Assets at Fair Value Through Statement of Profit or Loss:						
Shares	2,748,881	2,251,681	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Financial Assets at Fair Value Through Comprehensive Income:						
Shares with available market price	23,108,554	12,635,234	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market price	29,825	21,843	Level 3	The net asset value for the most recent financial information available	Not Applicable	Not Applicable
Shares with unavailable market price	4,727,697	4,239,447	Level 3	Csh flow discount method	Applicable	Applicable
	27,866,076	16,896,524				
Total Financial Assets at Fair Value	30,614,957	19,148,205				

There were no transfers between level one, level two and level two during the year 2021 and the year 2020.

b. Fair value of financial assets and financial liabilities that are not continuously determined at fair value:

Except to what is mentioned in the table below, we believe that the carrying amounts of the financial assets and financial liabilities stated in the Company's financial statements approximate their fair values:

	December 31, 2021 Book value	December 31, 2021 Fair value	December 31, 2020 Book value	December 31, 2020 Fair value	Fair value Hierarchy
	JD	JD	JD	JD	
Financial assets with undetermined fair value					
Deposits at banks	26,654,164	27,187,247	18,151,137	18,514,160	Level 2
Policyholder's loans	35,539	36,250	44,539	45,430	Level 2
Real estate investment	15,512,881	25,910,404	16,398,445	28,116,536	Level 2
Total Financial assets with undetermined fair value	42,202,584	53,133,901	34,594,121	46,676,126	

The fair values of the financial assets included in level 2 hierarchy above have been determined in accordance with the generally accepted pricing models based on the discounted cash flow method taking into consideration the interest rate as the most critical component of the calculation.

44. Solvency Margin

The Company did not achieve the required solvency margin according to the instructions of the Insurance Management, which should not be less than 200% as of December 31, 2021, noting that the solvency margin of the Company is 213% without taking into consideration the excesses approved by the Insurance Management.