



# شركة التأمين الإسلامية

المساهمة العامة المحدودة

إشارتنا : ت.إ.ن/١٢١/٢٠٢٤  
التاريخ : ٢٩/٠٥/٢٠٢٤

To: Jordan Securities Commission

السادة / هيئة الأوراق المالية المحترمين

To: Amman Stock Exchange

السادة / بورصة عمان المحترمين

Subject:

Financial Statements as at  
31/12/2023

الموضوع: البيانات المالية المنتهية في  
٢٠٢٣/١٢/٣١

Attached the Financial Statements  
of The Islamic Insurance Co. as at  
31/12/2023.

The financial statements are  
subject to the approval from the  
Central Bank of Jordan

بالإشارة إلى الموضوع أعلاه ، يسرنا أن  
نرفق طياً البيانات المالية كما هي  
في ٣١ كانون الأول ٢٠٢٣، وفقاً  
للمعيار الدولي لإعداد التقارير المالية رقم  
(١٧) (باللغة الانجليزية) مراجعة من قبل  
مدقق حسابات الشركة السادة المهنيون  
العرب، حسب الأصول، وهي خاضعة  
لموافقة البنك المركزي الاردني.

Kindly accept our highly  
appreciation and respect

وتفضلوا بقبول فائق الاحترام،،،

The Islamic Insurance Co. Plc.

عن / شركة التأمين الإسلامية م.ع.م.

A. Al- Natsheh  
First Deputy. G. Manager

عبد السميع النتشه  
نائب المدير العام الأول

**The Islamic Insurance Company**  
**Public Shareholding Company**  
**Amman - Jordan**  
**Financial Statements**  
**for the Year Ended 31 December 2023**  
**Together with the Independent Auditor's Report**

**The Islamic Insurance Company**  
**Public Shareholding Company**

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## INDEPENDENT AUDITOR'S REPORT

To The Shareholders of  
The Islamic Insurance Company  
Public Shareholding Company  
Amman – Jordan

### **Opinion**

We have audited the financial statements of **The Islamic Insurance Company (PLC)**, which comprise the statement of financial position as at 31 December 2023, statement of profit or loss (Policyholders), statement of profit or loss (Shareholders), statement of comprehensive income, statement of changes in shareholders' equity, statement of changes in policyholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Islamic shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company and in accordance with Financial Accounting Standards for Islamic Financial Institutions as issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

### **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 financial statements in the Hashemite Kingdom of 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 financial statements as at 31 December 2022 have been audited by another certified public accountant who issued an unmodified audit opinion on these statements on 8 February 2023.

### **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 of 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 determined the matters described below to be the key audit matters to be communicated in our report:

### **Application of International Financial Reporting Standard No (17) – Insurance Contracts**

The Company has applied IFRS (17) - Insurance Contracts, which applies to annual periods beginning on or after 1 January 2023. IFRS (17) establishes principles for recognition, measurement, presentation and disclosure regarding insurance and reinsurance contracts and investment contracts with direct participation features. The Company has applied the new approach, fully retrospectively to all groups of its insurance contracts, resulting in reduction in policyholders' equity by JOD (748,239) and shareholders' equity by JOD (373,681) as of 1 January 2022. IFRS (17) introduced new terminologies for significant insurance related balances in addition to new measurement principles for insurance related liabilities and recognition of insurance revenues. Given the complexity and significant judgments applied and estimates performed in determining the impact of IFRS (17) and consequential changes in processes, systems and controls, determination of the impact of applying the standard is considered one of the key audit matters to us. Our audit procedures included obtaining an understanding of the procedures applied by the Company to determine the impact of applying the standard, as well as an understanding the changes on the Company's accounting policies, systems, procedures and controls. We also evaluated the competence, capabilities, and objectivity of the Actuarial expert assigned by the Company's management based on his professional qualifications and experience. Furthermore, we tested the reconciliations of the Company's insurance contract assets and liabilities with the insurance contracts disclosed in the financial statements for the year 2022, and assessed the adequacy of the impact of the adjustments due to the application of the standard on policyholders' equity and shareholders' equity as of 1 January 2022.



### **Insurance Contracts Liabilities**

The accompanying financial statements, as at the end of the year 2023, include insurance contracts liabilities amounting to JOD (23,014,697). Measuring insurance contracts liabilities includes a degree of material judgment and is based on many assumptions and estimates and requires the adjustment for non-financial risks that the Company needs to take into account for uncertainty about the amount and timing of cash flows from non-financial risks while the company fulfils insurance contracts. In addition to estimating the present value of future cash flows, which is based on the best estimate of the ultimate cost of all incurred claims, but not yet settled at the reporting date, whether reported or not, along with related claims handling costs and the measurement of onerous contracts. Given the uncertainty inherent in the estimation process and the objectivity associated with measuring insurance contracts liabilities, ensuring the accurate measurement and completeness of insurance contract liabilities is considered one of the key audit matters to us. Our audit procedures regarding the measurement and completeness of insurance contract liabilities included an understanding, evaluating and testing the key controls related to claims processing and provisions recording procedures. We performed substantive tests on recorded amounts for a sample of reported and paid claims, including, comparing outstanding claims amounts with appropriate documentation and payments in subsequent periods. We assessed the completeness of the data used as inputs in the actuarial evaluations and tested the accuracy of the basic claims data used by the actuary appointed by the company's management in estimating the present value of future cash flows and the risk adjustment for non-financial risks by comparing them with other accounting records. We also evaluated the competence, capabilities, and objectivity of the actuary appointed by the company's management based on their professional qualifications and experience. We involved our internal actuarial specialists to assess the company's methods and assumptions and evaluate the company's actuarial practices and provisions

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Islamic shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company and in accordance with Financial Accounting Standards for Islamic Financial Institutions as issued by the Accounting and Auditing Organization for Islamic Financial Institutions, and for such internal control as management determines is 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.

### **Auditor's Responsibilities for the Audit of the 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company 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.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 year 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 reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

The Islamic Insurance Company PLC as at 31 December 2023 maintains proper accounting records and the accompanying financial statements are in agreement therewith and with the financial data presented in the Board of Director's report, and we recommend the general assembly to approve it.

21 February 2024  
Amman – Jordan



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



**The Islamic Insurance Company**  
**Public Shareholding Company**  
**Amman-Jordan**  
**Statement of financial position as at 31 December 2023**  
**(In Jordanian Dinar)**

	Note	31 December 2023	(Restated) 31 December 2022	(Restated) 1 January 2022
<b>Assets</b>				
<b>Investments</b>				
Bank deposits	3	25,030,041	21,002,984	18,458,548
Financial assets at fair value through profit or loss	4	4,000,000	4,000,000	4,000,000
Financial assets at fair value through other comprehensive income	5	8,885,671	9,405,999	9,182,554
Financial assets at amortized cost	6	-	747,000	747,000
Investment properties	7	388,055	396,055	-
<b>Total Investments</b>		<b>38,303,767</b>	<b>35,552,038</b>	<b>32,388,102</b>
Cash on hand and at banks	8	3,216,038	1,551,815	2,692,879
Insurance contract assets - net	9	-	-	-
Reinsurance contract assets - net	10	4,931,811	6,853,403	4,371,460
Property and equipment - net	12	2,123,016	1,834,132	610,139
Intangible assets - net	13	9,577	19,818	7,342
Other assets	14	77,468	296,485	178,275
<b>Total Assets</b>		<b>48,661,677</b>	<b>46,107,691</b>	<b>40,248,197</b>
<b>Liabilities, Shareholders' Equity and Policyholders' Equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	9	23,014,697	20,668,271	15,516,799
Reinsurance contract liabilities	10	23,891	-	158,328
Accounts payable	15	26,745	14,055	43,148
Income tax provision	11	730,680	509,767	561,459
Other provisions	16	1,061,846	872,029	814,754
Other liabilities	17	319,543	377,499	312,490
<b>Total Liabilities</b>		<b>25,177,401</b>	<b>22,441,621</b>	<b>17,406,978</b>
<b>Policyholders' Equity</b>				
Deficiency cover reserve (Emergency Provision)	18	490,102	580,515	563,778
Cumulative change in fair value	23	(146,440)	(14,321)	(86,017)
Non-demanded surplus	19	17,793	56,180	89,617
Accumulated surplus	20	-	66,950	-
<b>Total Policyholders' Equity</b>		<b>361,455</b>	<b>689,324</b>	<b>567,378</b>
<b>Shareholders' Equity</b>				
Paid-in capital	21	15,000,000	15,000,000	15,000,000
Statutory reserve	22	3,954,946	3,694,510	3,454,318
Voluntary reserve	22	1,505,916	1,245,480	1,005,288
Changes in foreign exchange rate		-	-	(46,815)
Cumulative change in fair value	23	(439,320)	(42,962)	(258,051)
Retained earnings	24	3,101,279	3,079,718	3,119,101
<b>Total Shareholders' Equity</b>		<b>23,122,821</b>	<b>22,976,746</b>	<b>22,273,841</b>
<b>Total Policyholders' and Shareholders' Equity</b>		<b>23,484,276</b>	<b>23,666,070</b>	<b>22,841,219</b>
<b>Total Liabilities, Shareholders' Equity and Policyholders' Equity</b>		<b>48,661,677</b>	<b>46,107,691</b>	<b>40,248,197</b>

“The attached notes from (1) to (59) are an integral part of these financial statements”

**The Islamic Insurance Company**  
**Public Shareholding Company**  
**Amman-Jordan**  
**Statement of profit or loss (policyholders') for the year ended 31 December 2023**  
**(In Jordanian Dinar)**

	<b>Note</b>	<b>2023</b>	<b>(Restated) 2022</b>
<b>Revenues</b>			
Insurance contracts revenues	26	34,467,656	30,174,737
Insurance contracts expenses	27	(30,192,226)	(28,100,305)
<b>Insurance contract service results</b>		<b>4,275,430</b>	<b>2,074,432</b>
Reinsurance contracts held expenses	28	(12,401,010)	(11,638,852)
Reinsurance contracts held revenues	29	10,250,519	11,149,802
<b>Reinsurance contracts service results</b>		<b>(2,150,491)</b>	<b>(489,050)</b>
<b>Net insurance contract service results</b>		<b>2,124,939</b>	<b>1,585,382</b>
Finance (expenses) revenues from insurance contracts	30	(597,810)	399,420
Finance revenues (expenses) from reinsurance contracts	31	237,406	(157,290)
<b>Net insurance financing results</b>		<b>(360,404)</b>	<b>242,130</b>
Policyholders' share of investment returns	32	447,946	286,774
Policyholders' share of net profits from financial assets and investments	33	94,932	79,472
Shareholders' share against managing the investment portfolio	34	(135,720)	(91,561)
<b>Total revenues</b>		<b>2,171,693</b>	<b>2,102,197</b>
Shareholders' share against takaful operation management (not-allocated)	34	(2,150,493)	(2,018,511)
Provision for expected credit losses (cheques under collection)		(367)	-
Provision for expected credit losses (deposits)		5,781	-
<b>Total expenses</b>		<b>(2,145,079)</b>	<b>(2,018,511)</b>
Policyholders' surplus before income tax		26,614	83,686
Income tax provision	11	(183,977)	-
<b>Policyholders' (deficit) surplus after income tax</b>		<b>(157,363)</b>	<b>83,686</b>

"The attached notes from (1) to (59) are an integral part of these financial statements"



	Note	2023	2022
<b>Revenues</b>			
Shareholders' share against takaful operation management	34	6,393,527	5,774,692
Shareholders' share against managing the investment portfolio	34	135,720	91,561
Shareholders' share of investment returns	32	744,765	649,337
Shareholders' share of net profits from financial assets and investments	33	318,569	253,634
Other revenues	35	-	618
<b>Total revenues</b>		<b>7,592,581</b>	<b>6,769,842</b>
<b>Expenses</b>			
Employees expenses	36	3,387,846	3,146,290
Administrative and general expenses	38	819,592	728,715
Other expenses	39	55,000	55,000
Other provisions	40	532,133	375,500
Depreciation & amortization		266,078	117,416
Unneeded provision for expected credit losses (deposits)		(17,429)	-
<b>Total expenses</b>		<b>5,043,220</b>	<b>4,422,921</b>
<b>Profit for the year before income tax</b>		<b>2,549,361</b>	2,346,921
Income tax for the year	11	(806,928)	(687,042)
<b>Profit for the year</b>		<b>1,742,433</b>	1,659,879
<b>Earnings per Share</b>	41	<b>0.116</b>	<b>0.111</b>

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**The Islamic Insurance Company**  
**Public Shareholding Company**  
**Amman-Jordan**  
**Statement of other comprehensive income (Shareholders') for the year ended 31 December 2023**  
**(In Jordanian Dinar)**

	<u>2023</u>	<u>2022</u>
Profit for the year	1,742,433	1,659,879
<b>Other comprehensive income items:</b>		
Shareholders' share from foreign currency exchange differences	-	46,815
Shareholders' share from change in fair value	(396,358)	215,089
Shareholders' share from loss of sale of financial assets through other comprehensive income	-	(18,878)
<b>Total comprehensive income for the year</b>	<u><b>1,346,075</b></u>	<u><b>1,902,905</b></u>

“The attached notes from (1) to (59) are an integral part of these financial statements”

**The Islamic Insurance Company**  
**Public Shareholding Company**  
**Amman-Jordan**  
**Statement of changes in shareholders' equity for the year ended 31 December 2023**  
**(In Jordanian Dinar)**

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Changes in foreign exchange rate	Cumulative Change in Fair Value	Retained Earnings	Total Shareholders' Equity
<b>Balance at 1 January 2023</b>	15,000,000	3,694,510	1,245,480	-	(42,962)	3,079,718	22,976,746
Profit for the year	-	-	-	-	-	1,742,433	1,742,433
Shareholders' share from change in fair value	-	-	-	-	(396,358)	-	(396,358)
Transfer to reserves	-	260,436	260,436	-	-	(520,872)	-
Paid dividends	-	-	-	-	-	(1,200,000)	(1,200,000)
<b>Balance at 31 December 2023</b>	<b>15,000,000</b>	<b>3,954,946</b>	<b>1,505,916</b>	<b>-</b>	<b>(439,320)</b>	<b>3,101,279</b>	<b>23,122,821</b>
<b>Balance at 1 January 2022</b>	15,000,000	3,454,318	1,005,288	(46,815)	(258,051)	3,492,782	22,647,522
The impact of initial application of IFRS 17	-	-	-	-	-	(373,681)	(373,681)
<b>Restated balance at 1 January 2022</b>	15,000,000	3,454,318	1,005,288	(46,815)	(258,051)	3,119,101	22,273,841
Profit for the year (Restated)	-	-	-	-	-	1,659,879	1,659,879
Shareholders' share from change in fair value	-	-	-	-	215,089	-	215,089
Shareholders' share from foreign currency exchange differences	-	-	-	46,815	-	-	46,815
Shareholders' share from loss of sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	(18,878)	(18,878)
Transfer to reserve	-	240,192	240,192	-	-	(480,384)	-
Paid dividends	-	-	-	-	-	(1,200,000)	(1,200,000)
<b>Balance at 31 December 2022</b>	<b>15,000,000</b>	<b>3,694,510</b>	<b>1,245,480</b>	<b>-</b>	<b>(42,962)</b>	<b>3,079,718</b>	<b>22,976,746</b>

“The attached notes from (1) to (59) are an integral part of these financial statements”

**The Islamic Insurance Company**  
**Public Shareholding Company**  
**Amman-Jordan**  
**Statement of changes in policyholders' equity for the year ended 31 December 2023**  
**(In Jordanian Dinar)**

	Deficiency Cover Reserve (Emergency Provision)*	Cumulative Change in Fair Value	Non- Demanded Surplus	Accumulated Surplus (Deficit)	Total Policyholders' Equity
<b>Balance at 1 January 2023</b>	580,515	(14,321)	56,180	66,950	689,324
Policyholders' deficit for the year	-	-	-	(157,363)	(157,363)
Transferred from deficiency cover reserve to cover the deficit	(90,413)	-	-	90,413	-
Policyholder' share from change in fair value of financial assets through other comprehensive income	-	(132,119)	-	-	(132,119)
Change in non-demanded surplus	-	-	(38,387)	-	(38,387)
<b>Balance at 31 December 2023</b>	<b>490,102</b>	<b>(146,440)</b>	<b>17,793</b>	<b>-</b>	<b>361,455</b>
<b>Balance at 1 January 2022</b>	1,300,837	(86,017)	89,617	11,180	1,315,617
The impact of initial application of IFRS 17	(737,059)	-	-	(11,180)	(748,239)
<b>Restated balance at 1 January 2022</b>	563,778	(86,017)	89,617	-	567,378
Policyholders' surplus for the year (Restated)	-	-	-	83,687	83,687
Policyholder' share from change in fair value of financial assets through other comprehensive income	-	71,696	-	-	71,696
Change in non-demanded surplus	-	-	(33,437)	-	(33,437)
Transferred to deficiency cover reserve	16,737	-	-	(16,737)	-
<b>Balance at 31 December 2022</b>	<b>580,515</b>	<b>(14,321)</b>	<b>56,180</b>	<b>66,950</b>	<b>689,324</b>

\*The deficiency coverage reserve is calculated at a rate of 20% from both of the Policyholders' surplus for the period and the Policyholder's share from profit of sale of financial assets through other comprehensive income.

"The attached notes from (1) to (59) are an integral part of these financial statements"



The Islamic Insurance Company  
Public Shareholding Company  
Amman-Jordan  
Statement of cash flows for the year ended as at 31 December 2023  
(In Jordanian Dinar)

	Note	2023	(Restated) 2022
<b>Cash Flows from Operating Activities</b>			
Profit for the year before income tax		2,575,975	2,430,607
<b>Adjustments</b>			
Depreciation & amortization		266,078	117,416
Profit from sales of property and equipment		-	(618)
Provision against end of service indemnity		45,534	51,592
Other provisions		132,133	375,500
Provision for expected credit losses (cheques under collection)		367	-
Provision for expected credit losses (deposits)		(18,592)	-
<b>Cash flows from operating activities before changes in working capital items</b>		<b>3,001,495</b>	<b>2,974,497</b>
Insurance contract assets –Net		-	-
Reinsurance contract assets –Net		1,921,592	(2,481,943)
Other assets		219,017	(118,210)
Insurance contract liabilities		2,346,058	5,151,473
Reinsurance contract liabilities		23,891	(158,328)
Accounts payable		12,690	(29,093)
Other provisions		12,150	5,683
Other liabilities		(57,956)	65,009
Non-demanded surplus		(38,387)	(33,437)
<b>Net cash flows from operating activities before paid income tax</b>		<b>7,440,550</b>	<b>5,375,651</b>
Income tax paid		(769,992)	(738,734)
<b>Net cash flows from operating activities</b>		<b>6,670,558</b>	<b>4,636,917</b>
<b>Cash Flows from Investing Activities</b>			
Bank deposits		(1,709,904)	(3,410,145)
Purchase of financial assets at fair value through other comprehensive income		(8,150)	-
Sale of financial assets at fair value through other comprehensive income		-	91,278
Purchase of investment properties		-	(400,000)
Purchase of property and equipment		(398,004)	(1,311,616)
Sale of property and equipment		-	1,700
Purchase of intangible assets		(138,717)	(39,405)
Sale of financial assets at amortized cost		747,000	-
<b>Net cash flows used in investing activities</b>		<b>(1,507,775)</b>	<b>(5,068,188)</b>
<b>Cash Flows from Financing Activities</b>			
Paid dividends		(1,200,000)	(1,200,000)
<b>Net cash flows used in financing activities</b>		<b>(1,200,000)</b>	<b>(1,200,000)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,962,783</b>	<b>(1,631,271)</b>
Cash and cash equivalents, beginning of year		1,659,185	3,290,456
<b>Cash and cash equivalents, end of year</b>	43	<b>5,621,968</b>	<b>1,659,185</b>

“The attached notes from (1) to (59) are an integral part of these financial statements”

**The Islamic Insurance Company**  
**Public Shareholding Company**  
**Amman-Jordan**  
**Notes to the financial statements**  
**31 December 2023**

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**1. General**

The **Islamic Insurance Company** (the "Company") was established on 1996 and registered as a public shareholding company under No. (306). The authorized and paid in capital is JD 15,000,000 divided into 15,000,000 shares at JD 1 per share.

The Company engages in several Insurance activities that complies with Islamic regulation including, motor, marine transportation risk, fire insurance, comprehensive householder insurance, engineering and contactor's plant and equipment insurance, miscellaneous insurance, workers compensation insurance, liability insurance, glass plate insurance, personal accidents, medical, and social takaful insurance (Life), and all investment business with means free of usury any illegitimate, and with accordance with Sharia' Islamic principles and Central Bank of Jordan regulations.

The accompanying financial statements were approved by the Board of Directors' in their meeting held on 11 February 2024.

**2.1 Basis of Preparation**

The financial statements were prepared in accordance with Financial Accounting standards for Islamic Financial Institutions issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and in accordance with templates set by Central Bank of Jordan - Insurance Supervision Department. In the absence of Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions relating to financial statements items, the International Financial Reporting Standards and related interpretations are applied in conformity with the Shari'a standards, pending the promulgation of Islamic Standards therefor.

The financial statements have been prepared on a historical cost basis except for financial assets at fair value.

The financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year, except for the adoption of new standards effective as at the beginning of the year.

The preparation of financial statements requires the use of important and specific accounting estimates, and it also requires management to use its own estimates in the process of applying the company's accounting policies.

## 2.2 Changes in accounting policies

### 1. Standards have been published that are effective for annual periods beginning on or after January 1, 2023.

The company has applied International Financial Reporting Standard (17) Insurance Contracts, whereby it assessed the impact of the standard's application, it identified the gap between the previous situation and the standard's requirements, and prepared a risk assessment system through actuarial statistical models for different insurance contracts. In addition, it updated the information technology systems to ensure the availability of all necessary database for applying actuarial models and preparing future cash flow estimation systems for contracts. It determined the present value of cash flows and updated accounting policies and procedures, as well as other operational policies and procedures that had an impact on financial data. The company also reevaluated the models used for recognizing insurance contract revenues in accordance with standard requirements, as indicated in the policies applied in Note (4.2).

International Financial Reporting Standard (17) replaces International Financial Reporting Standard (4) for annual periods beginning on or after January 1, 2023.

### 2. New standards, interpretations and amendments not yet effective.

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued both Financial Accounting Standard No. (42) relating to presentation and disclosure in the financial statements of Takaful institutions, and Financial Accounting Standard No. (43) relating to Accounting for Takaful (Recognition and Measurement) applicable to the fiscal years on or after 1 January 2025.

**The company restated the comparative information for the year 2022 applying the transitional provisions in Appendix C of International Financial Reporting Standard (17). The nature of the changes in accounting policies can be summarized as follows:**

#### 1.1 Changes in classification and measurement.

The adoption of International Financial Reporting Standard (17) did not change the classification of the company's insurance contracts.

IFRS 17 establishes specific principles for the recognition and measurement of issued insurance contracts and reinsurance contracts held by the company

Under IFRS 17, all issued insurance contracts and reinsurance contracts held by the company are eligible for measurement using the Premium Allocation Approach (PAA), which simplifies the measurement of insurance contracts compared to the General Measurement Model (GMM).

The measurement principles of the Premium Allocation Approach (PAA) differ from the "earned premiums" approach used by the company under IFRS 4 in the following key areas:

- The liability for the remaining coverage reflects the received premiums minus the deferred insurance acquisition cashflows and the amounts recognized as revenues for provided insurance services.
- The liability for the remaining coverage includes an adjustment for the time value of money and the impact of financial risks when the installment due date and the related insurance coverage period exceed 12 months.
- Measuring liability for the remaining coverage obligations involves an explicit assessment of risk adjustment for non-financial risks when a group of contracts is onerous (loss-making) to calculate the loss component.
- The measurement of the liability for incurred claims (previously known as reported and unreported claims - IBNR) is determined based on the expected present value using the probability-weighted discounted cash flows, including an explicit adjustment for non-financial risks. The liability encompasses the company's commitment to paying other incurred insurance expenses.
- The measurement of the carrying amount of the assets for remaining coverage (which reflects reinsurance premiums paid for retained reinsurance) is adjusted to include a loss recovery component, reflecting the expected recovery from the losses of onerous (loss-making) contracts when these loss-bearing contracts are reinsured.

## 2.1 Changes in presentation and disclosure

For presentation in the statement of financial position, the company aggregates issued insurance contracts and reinsurance contracts held separately and presents them distinctly.

- The Insurance contracts portfolios, which are assets.
- The Insurance contracts portfolios that are considered liabilities.
- The reinsurance contracts held portfolios, which are assets.
- The reinsurance contracts held portfolios, that are considered liabilities.

The portfolios referred to above are those that were created upon initial recognition in accordance with the requirements of IFRS 17.

The portfolios of issued insurance contracts include assets for insurance acquisition cash flows.

The description of items in the statement of profit or loss and other comprehensive income has undergone significant changes compared to the previous year.

Previously, the company reported the following items: (Total Contributions Written, Net Contributions Written, Changes in Insurance Reserves, Total Insurance Claims, Net Insurance Claims). Instead, IFRS 17 requires a separate presentation of the following:

- Insurance service revenues.
- Insurance service expenses.
- Insurance business financing income or expense.
- Income or expenses from reinsurance contracts held.

The company provides detailed qualitative and quantitative information regarding:

- The amounts recognized in its financial statements from insurance contracts.
- Key provisions and changes in those provisions when applying the standard.

## 1.3 Transition (methods used and provisions applied in determining transitional amounts for IFRS 17).

On the transition date, January 1, 2022, the company undertook the following actions:

- Identified, recognized, and measured each group of insurance contracts as if International Financial Reporting Standard (17) were always applied.
- Identified, recognized, and measured assets from cash flows related to acquiring insurance contracts as if International Financial Reporting Standard (17) were always applied. However, no assessment of recoverability was conducted before the transition date. On the transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognition of any balances that would not have existed if International Financial Reporting Standard (17) were always applied.
- Recognition of any net difference arising in policyholders' equity.

### The full retrospective approach

The company applied the full retrospective approach to the existing insurance contracts as of the transition date, including those that originated before the transition date. This is because most of the issued insurance contracts have a coverage period of not more than 12 months.



The following is the impact of applying IFRS 17 on the balances as of January 1, 2022, on the financial statements:

**Additions:**

Deferred acquisition cost	168,523
Discounting – Insurance Contract	408,089
Risk Adjustment – Reinsurance Contract Held	231,913
<b>Total Additions</b>	<b>808,525</b>

**Deductions:**

Unearned Issuance Fees	(69,807)
Non-Performance risk for reinsurance (NPR)	(23,952)
Risk Adjustment – Insurance Contract	(648,657)
Discounting – Reinsurance Contracts held	(135,849)
Loss Component - Insurance Contract	(678,499)
<b>Total Deductions</b>	<b>(1,556,764)</b>

**Net Transfer Effect** (748,239)

**Unallocated Loss Adjustment Expenses** (373,681)

**1.4 Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses, the resultant provisions and the changes in fair value that are presented in equity and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

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

**A) Expected credit losses**

The company applies the simplified approach as required by International Financial Reporting Standard (9) for calculating the expected credit loss allowance. This method obliges recognition of an impairment loss allowance for expected credit losses over the lifetime of the receivables and contractual assets. This is in consideration of credit risks and business condition.

The expected credit loss rates are based on historical credit losses the company has experienced over the preceding three years until the end of the current period. These historical loss rates are then adjusted for current and future information regarding macroeconomic factors affecting the company's customers.

The insurance company is required to establish a provision for amounts owed between it and local insurance companies and external reinsurance companies that remain unsettled and have a maturity exceeding one year.

**B) Impairment in the value of financial assets.**

The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the consolidated statement of profit or loss.

**C) Income tax**

The financial year is charged with its related income tax in accordance with regulations.

**1) Accrued income tax**

Tax expenses are calculated based on taxable profits, which differ from reported profits in the income statement because reported profits include non-taxable revenues or non-deductible expenses for tax purposes, either in the current financial year or subsequent years, accepted accumulated tax losses, or items that are not subject to taxation.

Taxes are calculated based on the tax rates prescribed by the laws, regulations, and instructions in the Hashemite Kingdom of Jordan.

**2) Deferred taxes**

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced in the event that it will not be possible to benefit from those deferred tax assets partially or in whole, or to pay the tax liability.

**D) Property & equipment**

Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of profit or loss.

**E) The present value of future cash flows**

Cash flows are defined as all expected receipts and payments within the boundaries of an insurance or reinsurance contract, after adjusting them to reflect the timing and uncertainty of those amounts. This adjustment is based on actuarial assumptions and the company's experience in managing its portfolio of insurance or reinsurance contracts.

Future cash flows are recognized at their present value, and this section provides an overview of items likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, along with information about the accounting basis for each affected item in the financial statements.

When applying the measurement requirements according to International Financial Reporting Standard (IFRS) 17, the following inputs and methods were used, which involve significant estimates. The present value of future cash flows is estimated using deterministic scenarios, and the assumptions used in these deterministic scenarios are derived to approximate the weighted average probability for a complete set of scenarios.

**E.1) Discount rates**

The bottom-up approach was used to derive the discount rate for cash flows that do not vary with the underlying items' returns in participating contracts (except for investment contracts without discretionary participation features (DPF) that fall outside the scope of IFRS 17). Under this approach, the discount rate is determined as the risk-free rate adjusted for the differences in liquidity characteristics between the financial assets used to derive the risk-free rate and the related cash flows (known as the illiquidity premium). The risk-free rate was derived using available market swap rates in the currency of the insurance contract being measured or an equivalent currency, adjusted for currency basis spreads.

**E.2) Estimations of future cash flows to fulfill insurance contracts.**

The measurement of each group of contracts within the scope of International Financial Reporting Standard 17 includes all future cash flows within the boundaries of each contract group. The estimation of these future cash flows is based on the expected and probabilistic future cash flows. The company estimates the expected cash flows and their likelihood of occurrence on the measurement date. In formulating these expectations, the company uses information about past events, current conditions, and future condition expectations. The company's estimation of future cash flows represents an average of a range of scenarios that reflect the full spectrum of possible outcomes. Each scenario specifies the amount, timing, and probability of future cash flows. The weighted average of the estimated future cash flows is calculated using a deterministic scenario that represents the expected average probability of a set of scenarios.

When establishing assumptions related to estimating cash flows for groups of insurance contracts, the company takes into consideration factors such as underlying risks, aggregation level, the likelihood of contract settlement before the end of the coverage period, and other expected practices of insurance contract holders. Additionally, the company considers other factors that could impact the estimates and sources of information for these factors.

When estimating cash flows related to expenses at the portfolio or higher level, they are allocated to groups of contracts using systematic approaches such as the direct cost method. The Islamic insurance company has determined that this method leads to a systematic and rational allocation, where similar methods are consistently applied to allocate expenses of a similar nature. Typically, cash flows for acquisition costs of contract groups are allocated based on the total written contributions.

**E.3) Financing revenues (expenses) - Insurance and reinsurance contracts**

Insurance financing revenues or expenses include the change in carrying amount of the portfolio of insurance contracts arising from:

1. The effect of the time value of money and changes in the time value of money.
2. The impact of financial risks and changes in financial risks.

For contracts measured under the Premium Allocation Approach (PAA), the main amounts within the revenues or expenses of insurance finance are:

1. The accumulated profits on the liability for incurred claims.
2. The impact of changes in profit rates and other financial assumptions.

The company classifies changes in the risk adjustment for non-financial risks within the insurance service result and as revenues or expenses of insurance financing.

For contracts measured under the Premium Allocation Approach (PAA), the company includes all insurance financing revenues or expenses for the period in the statement of profit or loss (That is, the profit or loss option is applied).

**F) Adjustments for non-financial risk**

Represents an amount against the uncertainty of the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the company's experience in managing the portfolio of insurance/reinsurance contracts held.

The non-financial risk adjustment is applied to the present value of estimated future cash flows and reflects the compensation required by the company to bear the uncertainty regarding the amount and timing of cash flows arising from non-financial risks as the company executes insurance contracts. For reinsurance contracts retained, the non-financial risk adjustment represents the amount of risk transferred from the company to the reinsurer.

The Company calculate the non-financial risk adjustments based on the Value-at-Risk assumption at 75% confidence level.

**G) Non-insurance components**

Insurance contracts are contracts through which the company accepts significant insurance risks from policyholders by agreeing to compensate the policyholder if there is an uncertain future event that negatively impacts the policyholder. When conducting this assessment, all substantive rights and obligations are considered, including those arising from laws or regulations, on a contract-by-contract basis. The company exercises judgment to evaluate whether the contract transfers insurance risks (i.e., whether there is a scenario with a commercial substance in which the company has the potential for loss based on present value) and whether the accepted insurance risks are significant.

The company issues insurance policies for various types of coverage, including motor, marine transportation risk, fire insurance, comprehensive householder insurance, engineering and contractor's plant and equipment insurance, miscellaneous insurance, workers compensation insurance, liability insurance, glass plate insurance, personal accidents, medical, and social takaful insurance (Life). All of these falls within the definition of insurance contracts and insurance risks. The company does not engage in issuing savings, investment, or participatory policies.

Contracts that have a legal form of insurance but do not involve significant insurance risks and expose the company to financial risks are classified as investment contracts. These contracts are accounted for under the International Financial Reporting Standard 9 (IFRS 9) as financial instruments. It's important to note that the company does not issue any investment-linked or savings-related insurance contracts.

The company defines an insurance contract that exhibits characteristics of direct participation as a contract that meets the following criteria at its inception:

- The contractual terms specify that the policyholders will participate in a clearly defined portion of a specific pool of key elements.
- The company expects to pay the policyholder an amount equal to a significant portion of the fair value returns on the underlying assets.
- The company anticipates that a substantial proportion of any change in the amounts to be paid to the policyholder will vary with the changes in the fair value of the underlying assets.

All other insurance contracts issued by the company are without direct participation features.

In the normal course of business, the company uses reinsurance to mitigate its exposure to risks. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risks related to the underlying contracts, even if the reinsurer does not have a significant exposure to the possibility of a large loss.

All references to insurance contracts in these financial statements apply to both issued insurance contracts and held reinsurance contracts, unless specifically stated otherwise.



## Significant Accounting Policies

### A) Business Segments

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

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

### B) Definition of insurance contract

The contract under which an insurance company accepts significant insurance risks from the policyholder. By agreeing to compensate the contract holder in the event of a specific and uncertain future occurrence (the insured event), which adversely impacts the contract holder. The company recognizes a group of insurance contracts at the following timings, whichever is earlier.

- The start of the coverage period for the group of contracts.
- From the date of the first payment due from any contract holder in the group.
- From the date when the facts and circumstances indicate that the group to which an insurance contract will belong is onerous, for group of onerous contracts.

The company does not issue contracts containing the direct participation feature, and all insurance contracts issued by the company are classified as insurance contracts and do not contain any non-insurance components.

### C) Reinsurance contracts held

It is an insurance contract issued by a reinsurer to compensate an insurance company for claims arising from one or more of its issued insurance contracts (the underlying contracts).

Reinsurance contracts held are recognized:

- If the reinsurance contracts held are proportionate to a group of insurance contracts, the reinsurance contracts held are recognized at the beginning of the coverage period for this group of contracts, or upon the initial recognition of any underlying contract, whichever comes first.
- From the beginning of the coverage period for the group of reinsurance contracts held.

### D) Initial recognition of insurance contracts / general approach / variable fee.

At initial recognition, the company measures a group of insurance contracts as follows:

- 1) The cash flows for fulfilling the contracts, which include:
  - Estimates of future cash flows.
  - Adjustments for the time value of money and financial risks associated with future cash flows, to the extent that these financial risks are not included in the estimates of future cash flows (discount rates).
  - Adjustments for non-financial risks.
- 2) Contractual service margin.

### E) Subsequent measurement of insurance contracts / general approach / variable fee.

At initial recognition, the company records the book value of the liability, which includes the following:

- 1) The liability for the remaining coverage, which includes the net present value of cash inflows and outflows (after applying the discount rate), adjusted for non-financial risks and contractual service margin.
- 2) The liability for incurred claims, which is calculated based on the best estimate of future cash flows for settling the claims, adjusted for non-financial risks, and considering the application of the discount rate to claims expected to be settled beyond one year.

**F) Initial recognition of insurance contracts / premium allocation approach.**

At initial recognition, the company records the book value of the liability, which includes the following:

- 1) The received insurance premiums at initial recognition.
- 2) Deducting any costs paid for the acquisition of insurance contracts on that date.
- 3) Adding any amounts relating to the amortization of insurance acquisition cash flows recognized as an expense in the reporting period.

**G) Subsequent measurement of insurance contracts / premium allocation approach.**

- 1) At the end of each subsequent period, the company confirms the book value of the liability, considering the following adjustments to the balance of the liability:
  - a) Add the insurance premiums received for the period,
  - b) Subtract cash flows for acquisitions of insurance contracts,
  - c) Add any amounts related to the amortization of cash flows to acquire established insurance contracts as an expense
  - d) Adding any incidental adjustment on the financing component.
  - e) Deducting the amount recognized as insurance revenue for services provided in that period.
  - f) Deduct any paid investment component transferred to incurred claims.

- 2) Liabilities for claims incurred, which are calculated according to the best estimate of future cash flows to settle claims plus adjustments for non-financial risks, considering the application of the discount rate to claims.

The company conducted an eligibility test (PAA Eligibility Test) for groups of insurance contracts and reinsurance contracts with coverage periods exceeding one year, and all groups passed the eligibility test (PAA Eligibility Test), as it was found that there are no fundamental differences between the Liabilities for remaining coverage (LRC) and/or Assets for remaining coverage (ARC) when applying the premium allocation approach and the general measurement approach. Therefore, the company decided to measure these portfolios using the premium allocation approach. Note that the level of relative importance for the financial statements used is (3%) of net equity, and the relative importance limit for each group tested is (33%) of the relative importance limit at the company level (i.e. 1% of net equity).

**H) Modification of insurance contracts**

The company modify insurance contracts by addressing changes that have occurred in future cash flows due to the modification, treating them as changes in estimates of cash flows for fulfilling the contracts, unless the criteria for derecognizing insurance contracts are met.

**I) Derecognition of insurance contracts**

The company derecognizes insurance contracts in the following cases:

- The contract extinguished (obligation specified in the insurance contract expires or is discharged or cancelled).
- If a modification to an insurance contract does not meet the criteria for modification as per the standard's requirements, the company derecognizes the contract and recognizes a new contract.

**J) Onerous Insurance contracts (PAA)**

The company recognizes insurance contracts as onerous contracts if, at the initial recognition date, the contract is expected to incur a loss. The loss component is measured if the expected cash flows to fulfill the contract's obligations or the group of contracts exceed the expected cash inflows from that contract or group of contracts. The loss is recognized immediately in the statement of profit and loss (Policyholders) in insurance contract expenses. The loss component is measured on a gross basis but can be mitigated by the loss recovery component if the contracts are covered by reinsurance contracts.

**K) Liability for the remaining coverage**

The liability that the company must recognize upon initial recognition of insurance contracts, which pertains to subsequent financial periods as a result of existing insurance contracts.

L) **Liability for incurred claims.**

It is the total expected costs incurred by the company due to events covered by the insurance contract that occurred before the end of the financial period. This includes reported and unreported claims, as well as related expenses.

M) **Contractual service margin.**

It is the unearned profit from in-force contracts that are expected to be profitable, and it is recognized simultaneously with providing services under insurance contracts.

N) **A summary of measurement approaches.**

1) Islamic insurance company classify insurance contracts according to the following:

<b>The portfolio (Level 1)</b>	<b>Contract classification</b>	<b>Measurement approach.</b>
Own damage insurance	Insurance contracts	PAA
Compulsory insurance	Insurance contracts	PAA
Buses & borders	Insurance contracts	PAA
Marine insurance	Insurance contracts	GMM eligible to PAA
Fire insurance	Insurance contracts	PAA
Engineering insurance – short term	Insurance contracts	PAA
Engineering insurance – long term	Insurance contracts	GMM eligible to PAA
General insurance (Liability, Accidents, and Others)	Insurance contracts	PAA
Medical insurance (Group and Individual)	Insurance contracts	PAA
Takaful (Life) insurance - Group	Insurance contracts	PAA
Takaful (Life) insurance - Individual	Insurance contracts	GMM eligible to PAA

The company conducted an eligibility test (PAA) for groups of insurance contracts with coverage periods exceeding one year. All groups passed the eligibility test, showing no significant differences between the liabilities of the remaining coverage contracts and the remaining coverage assets under the premium allocation approach and the general measurement approach. Therefore, the company decided to measure these portfolios using the premium allocation approach

2) Islamic insurance company classify reinsurance contracts held according to the following:

<b>The portfolio (Level 1)</b>	<b>Measurement approach.</b>
Motors Insurance (Proportional treaty)	GMM eligible to PAA
Motors Insurance (Non-proportional treaty)	PAA
Marine Insurance (Proportional treaty)	GMM eligible to PAA
Marine Insurance (Non-proportional treaty)	PAA
Fire Insurance (Proportional treaty)	GMM eligible to PAA
Fire Insurance (Non-proportional treaty)	PAA
General Insurance (Proportional treaty)	GMM eligible to PAA
Engineering Insurance (Proportional treaty)	GMM eligible to PAA
Medical Insurance (Proportional treaty)	GMM eligible to PAA
Takaful Insurance (Proportional treaty)	GMM eligible to PAA
Takaful Insurance (Non-proportional treaty)	PAA

The company conducted an eligibility test (PAA) for groups of insurance contracts with coverage periods exceeding one year. All groups passed the eligibility test, showing no significant differences between the liabilities of the remaining coverage contracts and the remaining coverage assets under the premium allocation approach and the general measurement approach. Therefore, the company decided to measure these portfolios using the premium allocation approach.

**O) Aggregation level.**

The company classifies groups of insurance contracts and reinsurance contracts according to the following:

The company manages insurance contracts issued by insurance departments within the operational sector. Each insurance management handles contracts subject to similar risks, all insurance contracts within an insurance management represent a group of contracts. Similarly, each portfolio is classified into groups of contracts issued within a fiscal year (annual groups), (a) onerous (loss-making) contracts upon initial recognition, (b) contracts that have a significant possibility of becoming onerous (loss-making) at a later time upon initial recognition, or (c) a group of remaining contracts. These groups represent the aggregation level at which recognition and measurement of insurance contracts occur at the outset. These distinctions are not subsequently reconsidered.

For each portfolio of contracts, the company determines the appropriate level for which it has reasonable and supportable information to assess whether these contracts are onerous (loss-making) upon initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of accuracy determines the groups of contracts. The company uses an estimation approach to determine the level of accuracy for which it possesses reasonable and supportable information sufficient to conclude that all contracts within a homogenous group will be adequately allocated to the same group without performing individual assessments of contracts.

For underwriting management of the life insurance risk, contract groups typically align with policyholder groups that the company has determined to have similar insurance risks and are priced within the same insurance rate ranges. The company monitors the profitability of contracts within the portfolios, the likelihood of changes in insurance and financial exposure, and other factors that could lead these contracts to become onerous within these pricing groups, without information available at a more granular level.

Contracts issued within the participating insurance management are always priced with high expected profit margins. Therefore, these contracts are allocated to groups of contracts that have a low possibility of becoming onerous (loss-making) as is the case upon initial recognition.

Compulsory motor insurance contracts which are underwritten through the Unified Compulsory Insurance Bureau have been included in one group of contracts and classified as having a significant possibility of becoming onerous (loss-making) prior to acquisition.

For other motor vehicle contracts that are measured using the retrospective accounting approach, the company assumes that no contracts of this nature are onerous (loss-making) upon initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish between onerous and non-onerous contracts (not likely to become loss-making).

For non-onerous contracts, the entity evaluates the likelihood of changes in facts and circumstances occurring in subsequent periods to determine whether the contracts have a significant possibility of becoming onerous. Similar to life insurance contracts, this assessment is conducted at the policyholder group pricing level.

The evaluation of portfolios of reinsurance contracts held is conducted separately from portfolios of issued insurance contracts, applying the company's requirements to reinsurance contracts. The company aggregates reinsurance contracts entered into during a fiscal year (annual groups) into groups of (a) contracts that have a positive net profit upon initial recognition, if any; (b) contracts that do not have a significant possibility of future net profit upon initial recognition; and (c) the remaining contracts in the portfolio, if any.

The evaluation of reinsurance contracts held is performed for aggregation purposes on an individual contract basis. The company tracks internal management information reflecting historical experience of these contracts' performance and utilizes this information to determine the pricing of these contracts in a manner that positions the reinsurance contracts held at a net cost position with little likelihood of future net profit arising later.

**P) Profitability level**

The previously mentioned groups of contracts are classified into the following categories, based on the expected net cash flows from the contract and the accounting approach adopted in dealing with contract groups:

- Contracts that have no likelihood of becoming onerous at initial recognition.
- Contracts that are onerous.
- Other contracts.

**Q) Financial assets**

**Financial assets at amortized cost**

They are the financial assets which the Company's management intends according to its business model to hold for the purpose of collecting contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the outstanding principal.

Those financial assets are stated at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount are amortized using the effective interest rate method, and recorded to the interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or part therefore are deducted, and any impairment loss in its value is recorded in the statement of profit or loss.

The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

**Financial Assets at Fair Value through Profit or Loss**

It is the financial assets held by the Company for the purpose of trading in the near future and achieving gains from the fluctuations in market prices in the short term or trading margins.

Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded at the consolidated statement of profit or loss upon acquisition) and subsequently measured at fair value. Moreover, changes in fair value are recorded in the consolidated statement of profit or loss including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the statement of profit or loss.

Dividends from these financial assets are recorded in the statement of profit or loss.

**Reclassification**

Financial assets may be reclassified from the amortized cost to financial assets at fair value through statement of income and vice versa only when the entity changes the business model on which it was classified as stated above, considering the following:

- Any previously recognized profits, losses or benefits may not be recovered.
- When financial assets are reclassified at fair value, their fair value is determined at the date of reclassification. Any gain or loss arising from differences between the previously recorded value and the fair value is recognized in the consolidated statement of income.
- When financial assets are reclassified to be measured at amortized cost, they are recorded at their fair value at the date of reclassification.

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

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the consolidated statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or Loss from the sale of these investments should be recognized in the statement of comprehensive income and within owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings and not to the statement of profit or loss.

These assets are not subject to impairment testing.

Dividends are recorded in the consolidated statement of profit or loss on a separate line item.

**Q) Investment properties**

Property held to earn rentals or for capital appreciation purposes as well as those held for undetermined future use are classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment losses (except for lands), these investments are depreciated over their useful life at a rate of 2%, and any decrease in their value is recorded in statement of profit or loss.

The cost of constructed property includes the cost of material and any other costs directly attributed to bringing the property to a working condition for its intended use.

Investment property is valued in accordance with Central Bank of Jordan regulations, and its fair value is disclosed in the investment property note.

**R) Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of profit or loss.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis at annual depreciation rates:

Buildings	2%
Fixture & Furniture	20%
Computers	35%
Vehicles	15%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property plant and equipment.

**S) Intangible assets**

Intangible assets acquired through business combinations are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.

Intangible assets with finite live are amortized over the useful economic lives, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired.

Internally generated intangible assets are not capitalized and are expensed in the statement of profit or loss.

Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.

Intangible assets include computer software and software licenses. These intangible assets are amortized on a straight-line basis over their estimated economic useful.

**T) Cash and cash equivalents**

Cash and cash equivalents are carried in the consolidated financial statement at cost. For the purposes of the consolidated statement of cash flow, cash and cash equivalents comprise cash on hand and at banks, deposits with maturities less than three months, less restricted funds.

**U) Offsetting**

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

**V) Recognition of financial assets**

Financial assets and financial liabilities are recognized on the trading date which is the date that the entity commits itself to purchase or sell the financial assets.

**W) Fair value**

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date.

In case market prices are not available, there is no active trading for certain financial instruments, or the market is inactive, their fair value is estimated using several methods, including:

- Comparing them to the current market value of a similar financial instrument to a large extent.
- Analyzing the future cash flows and discounting the expected cash flows using a rate employed in a similar financial instrument.
- Option pricing models.

The valuation methods aim to obtain a fair value that reflects market expectations and takes into consideration market factors, as well as any anticipated risks or benefits when estimating the value of financial instruments. In cases where it is not feasible to measure their fair value using a reliable method, they are presented at cost, after any impairment in value has been recognized.

**X) Financial liabilities**

The company classifies financial liabilities based on the purpose for which the obligation was incurred. The accounting policy for financial liabilities is as follows:

- Payables and reinsurance contracts liability.  
Payables and reinsurance contracts liability are initially recognized at fair value, subsequently measured at amortized cost using the effective interest rate method.
- Credit facilities  
They are initially recognized at fair value net of costs associated with obtaining the facilities, Subsequently, these liabilities are measured at amortized cost using the effective murabha method. The finance cost includes the initial expenses, the premium paid upon settlement, and the murabha that accrues during the term of the obligation.

**Y) Insurance Contract Liabilities**

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

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

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

**- Allowance for doubtful debts and expected credit loss**

The allowance for doubtful debts and expected credit losses provision are booked when there is objective evidence that the company will not be able to collect all or part of the due amounts, and calculated based on the difference between book value of and recoverable amount.

The provision matrix is as follow:

Past due receivables more than 360 days	100%
Past due receivables more than 180 days	50%
Past due receivables more than 90 days	25%

Taking into consideration that 100% from insurance company receivables have been taken, as its margin compliance less than 100%



**- Provision for end of service indemnity**

The provision for end of service indemnity is calculated in accordance with the company's policy, which is in line with the Jordanian labor law.

The compensations incurred for employees who leave the service are recorded against the provision for end of service indemnity upon payment. A provision for the company's liabilities related to employees' end-of-service compensation is included in the statement of profits or losses.

**Z) Foreign currency**

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Translation differences for items of non-monetary assets and liabilities denominated in foreign currencies are recorded as part of the change in fair value and translated at the date of fair value determination. Foreign exchange gains or losses are reflected in the statement of profit or loss.

**AA) Revenue recognition**

**A. Dividend and Deposits revenue**

The Dividends revenues are realized when the shareholder has the right to receive the payment once declared by the General Assembly of Shareholders.

Deposits revenues are recorded when it booked by bank.

**B. Rent revenues**

Rental revenues from investment properties under operating lease agreements are recognized using the straight-line method over the duration of those contracts and on an accrual basis.

**BB) Insurance acquisition cost**

Insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. The Company has elected to capitalize and amortize these costs over the coverage period.

**CC) Insurance contract expenses (Shareholders' share against Takaful Operation Management - distributed)**

The company allocate directly attributable employee expenditures, General & Administrative expenses related to insurance contracts to the insurance portfolios, incorporating them into the calculation of contract profitability while, the company allocate indirectly attributable employee expenditures, General & Administrative expenses not related to insurance contracts based on the total insurance contributions written by the insurance portfolios as an approved cost center for distribution.

**DD) Deficiency cover reserve (Emergency provision)**

20% of all policyholders' surplus and policyholders' gain from sale of financial assets at fair value through other comprehensive income recognized during the period are transferred to the contingencies provision to cover the deficits in future financial periods, and only if no accumulated deficit was present at date of the transfer. The reserve is not distributable to policyholders' and must not exceed total technical provisions.

In case of liquidation, the Deficiency coverage reserve (Emergency provision) is distributed to charity after the settlement of any outstanding non-profitable loans if present.

**EE) Basis for determining the insurance surplus**

Insurance surplus is the excess of the total contributions collected, investment income from these contributions and any other income after deducting claims paid, technical, reserves shareholders share for management of Takaful operations and investments, and policyholder's fund expense.

Different lines of business are treated as a single unit when computing the insurance surplus.

#### **FF) Basis for Distributing the insurance surplus**

The insurance surplus is limited to the policyholders and can only allocated to them. Shareholders do not have the right in the surplus.

The insurance surplus is distributed among policyholders in proportion to their respective contribution percentage without distinguishing between those who for insurance claims and those who have not during the fiscal year.

The Company retains any un-distributed amount not claimed by the policyholders' in. a separate account presented within the policyholders' fund to be later transferred to the reserve to cover deficit (Emergency Allowance) after acquiring the approval of the Sharia' Supervisory Committee.

In case of liquidation, the insurance surplus for the period is allocated to policyholders while any undistributed and unclaimed surplus of prior periods (if any) will be distributed to charity after the settlement of any outstanding non-profitable loan.

#### **GG) Methods of covering policyholders' fund deficit**

In case of deficit or accumulated deficit in the policyholders' current account, the deficit is covered by the Emergency Allowance In case of the shortage in the Emergency Allowance the shareholders will grant the policyholders a non-profitable loan to cover all the shortage, and then company create full allowance against this loan.

#### **HH) Non-compliant Sharia' transactions**

The Company is committed to comply with Sharia' in its operations and to disclose any income or gains from the transactions inconsistent with Sharia'.

Any revenues and gains non-compliant with sharia' are recorded in separate account which is presented in the financial statements within other credit balances (shareholders liabilities) and are not recorded in the income statement. This account is distributed to charity based on the Sharia' committee decision.

#### **II) Policyholders and shareholders' financial investments**

The Company complies with the principles of Takaful insurance by maintaining complete separate entries and records for the policyholders and the shareholders.

The shareholders paid all general expenses and manage Takaful Business for Policyholders' interest in accordance with contract on the basis of known wakala Fees.

The shareholders invest surplus funds from the policyholder's account against known share from investment revenue as Mudhareb.

The percentage as determined by Board and approved by Sharia' Committee, as follow:

30% Company share from Gross written contributions as Wakala Fees against mange Takaful business to cover administrative expenditures.

25% Company share from Investment revenue as mudhareb

While the applied percentage, as approved by the Board of Directors with the consent of the Shari'a Committee for the year 2023, is as follows:

18.5% Company share from Gross written contributions as Wakala Fees against mange Takaful business to cover administrative expenditures.

25% Company share from Investment revenue as mudhareb.

The mentioned percentage above have been applied in the financial statement as of 31 December 2023.

### 3. Bank Deposits

	31 December 2023 (Audited)						31 December 2022 (Audited)			
	Deposits mature within (1) month		Deposits mature after (1) month to (3) months		Deposits mature after (3) months to (12) months		Total		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
Inside Jordan	2,207,334	200,001	-	-	8,750,000	13,232,167	10,957,334	13,432,168	6,610,806	13,147,326
Outside Jordan	-	-	-	-	-	710,000	-	710,000	-	3,848,023
<b>Total</b>	<b>2,207,334</b>	<b>200,001</b>	<b>-</b>	<b>-</b>	<b>8,750,000</b>	<b>13,942,167</b>	<b>10,957,334</b>	<b>14,142,168</b>	<b>6,610,806</b>	<b>16,995,349</b>
Provision for expected credit losses *	(1,288)	(117)	-	-	(15,078)	(52,978)	(16,366)	(53,095)	(22,147)	(2,581,024)
<b>Net</b>	<b>2,206,046</b>	<b>199,884</b>	<b>-</b>	<b>-</b>	<b>8,734,922</b>	<b>13,889,189</b>	<b>10,940,968</b>	<b>14,089,073</b>	<b>6,588,659</b>	<b>14,414,325</b>

- There is no fixed profit rate on deposit balances with banks, as profits are linked to the investment outcomes of banks based on the principles and rules of Sharia-compliant trading. The profit rate ranged from 3% to 5.5% for bank deposits for the year ended 31/12/2023.
- Deposits pledged to the favor of the Governor of the Central Bank of Jordan amounted to JOD (800,000) as at 31 December 2023 at Jordan Islamic Bank.

\* The movement on the provision for expected credit losses is as follow:

	31 December 2023 (Audited)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at beginning of the year	22,147	2,581,024	34,099	2,193,572
Additions	-	-	-	387,452
Transfer to the provision for expected credit losses –Cash at bank	-	(2,510,500)	-	-
Disposals	(5,781)	(17,429)	(11,952)	-
<b>Balance at end of the year</b>	<b>16,366</b>	<b>53,095</b>	<b>22,147</b>	<b>2,581,024</b>

#### 4 . Financial Assets at Fair Value Through Profit or Loss

	31 December 2023 (Audited)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
<b>Inside Jordan</b>				
Al Wakala Bi Al Istithmar (Investment portfolios) *	1,000,000	3,000,000	1,000,000	3,000,000
<b>Total</b>	<b>1,000,000</b>	<b>3,000,000</b>	<b>1,000,000</b>	<b>3,000,000</b>

\*Investment portfolios represent bonds issued from Jordan Islamic Bank, available for subscription throughout the year without a predetermined maturity date. They are not listed on the public market and can be liquidated by the company at any time during the year. They are stated at cost which represent the best measure of fair value.

#### 5 . Financial Assets at Fair Value Through Other Comprehensive Income

	31 December 2023 (Audited)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
<b>Inside Jordan</b>				
Investments in quoted shares	2,212,606	6,637,820	2,337,851	7,013,553
Investments in unquoted shares	6,772	20,316	11,610	34,828
<b>Total</b>	<b>2,219,378</b>	<b>6,658,136</b>	<b>2,349,461</b>	<b>7,048,381</b>
<b>Outside Jordan</b>				
Investments in quoted shares	-	-	-	-
Investments in unquoted shares*	-	8,157	-	8,157
<b>Total</b>	<b>-</b>	<b>8,157</b>	<b>-</b>	<b>8,157</b>
<b>Grand total</b>	<b>2,219,378</b>	<b>6,666,293</b>	<b>2,349,461</b>	<b>7,056,538</b>

\*This item represents financial assets with no publicly traded prices outside Jordan and stated at cost.

#### 6 . Financial Assets at Amortized Cost

	31 December 2023 (Audited)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Islamic Finance Sukuk-National Electricity Company	-	-	186,750	560,250
<b>Total</b>	<b>-</b>	<b>-</b>	<b>186,750</b>	<b>560,250</b>

Islamic finance Sukuk represents Sukuk issued by the National Electricity Company, which is maturing on August 29, 2023.

## 7 . Investment properties

	31 December 2023 (Audited)	31 December 2022 (Audited)
Buildings	400,000	400,000
Accumulated depreciation	(11,945)	(3,945)
	<b>388,055</b>	<b>396,055</b>

The fair value of the investment properties as assessed by real estate appraiser equals to an amount of JOD (400,000) as at 31 December 2022 according to instruction issued from central bank.

## 8 . Cash on hand and at banks

	31 December 2023 (Audited)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Cash on hand	73,852	-	8,764	-
Current banks accounts	1,716,732	4,335,954	1,340,426	202,625
<b>Total</b>	<b>1,790,584</b>	<b>4,335,954</b>	<b>1,349,190</b>	<b>202,625</b>
Transfer from the provision for expected credit losses- Deposits	-	(2,510,500)	-	-
Provision for expected credit losses	-	(400,000)	-	-
<b>Total</b>	<b>1,790,584</b>	<b>1,425,454</b>	<b>1,349,190</b>	<b>202,625</b>

The Islamic Insurance Company PLC  
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31 December 2023

9 . Insurance contract Assets /liabilities – Premium Allocation Approach

	Liabilities for remaining coverage				liabilities for incurred claims				Total	
	31/12/2023 Excluding loss component contracts	31/12/2022 Excluding loss component contracts	31/12/2023 Loss component	31/12/2022 Loss component	31/12/2023 Present value of future cash flows	31/12/2022 Present value of future cash flows	31/12/2023 non-financial Risk adjustments	31/12/2022 non-financial Risk adjustments	31/12/2023 Total	31/12/2022 Total
Insurance contracts liabilities at beginning of the year	3,990,516	2,667,709	923,057	678,499	14,882,954	11,548,163	871,745	648,657	20,668,271	15,543,028
Insurance contracts (assets) at beginning of the year	-	-	-	-	-	-	-	-	-	-
<b>Net of insurance contracts liabilities (assets) at the beginning of the year</b>	<b>3,990,516</b>	<b>2,667,709</b>	<b>923,057</b>	<b>678,499</b>	<b>14,882,954</b>	<b>11,548,163</b>	<b>871,745</b>	<b>648,657</b>	<b>20,668,271</b>	<b>15,543,028</b>
<b>Insurance Contract revenues</b>	<b>(34,467,656)</b>	<b>(30,174,737)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,467,656)</b>	<b>(30,174,737)</b>
<b>Insurance Contract expenses</b>	<b>793,684</b>	<b>816,348</b>	<b>167,512</b>	<b>244,558</b>	<b>29,038,657</b>	<b>26,827,330</b>	<b>192,373</b>	<b>212,069</b>	<b>30,192,226</b>	<b>28,100,305</b>
Incurred claims net of recoveries	-	-	-	-	24,671,335	24,027,984	-	-	24,671,335	24,027,984
Changes that relate to past service: changes related to LFIC	-	-	-	-	29,139	(984,017)	-	-	29,139	(984,017)
Changes in onerous contract	-	-	167,512	244,558	-	-	-	-	167,512	244,558
Changes in risk adjustment –insurance contract	-	-	-	-	-	-	192,373	212,069	192,373	212,069
Amortization of insurance acquisition cost	426,857	422,156	-	-	-	-	-	-	426,857	422,156
Other technical expenses	366,827	394,192	-	-	-	-	-	-	366,827	394,192
Employee Exp. (Sh. Takaful Operation Management)	-	-	-	-	3,317,107	3,076,487	-	-	3,317,107	3,076,487
Management Exp. (Sh. Takaful Operation Management)	-	-	-	-	1,021,076	706,876	-	-	1,021,076	706,876
<b>Insurance Contract service results</b>	<b>(33,673,972)</b>	<b>(29,358,390)</b>	<b>167,512</b>	<b>244,558</b>	<b>29,038,657</b>	<b>26,827,330</b>	<b>192,373</b>	<b>212,069</b>	<b>(4,275,430)</b>	<b>(2,074,432)</b>
Finance ( expenses ) revenue from insurance contract	-	-	-	-	540,329	(410,439)	57,482	11,019	597,810	(399,420)
<b>Net change – Other Comprehensive Income</b>	<b>(33,673,972)</b>	<b>(29,358,390)</b>	<b>167,512</b>	<b>244,558</b>	<b>29,578,986</b>	<b>26,416,891</b>	<b>249,855</b>	<b>223,088</b>	<b>(3,677,619)</b>	<b>(2,473,853)</b>
Cash received from underwritten contracts	34,904,335	31,485,552	-	-	-	-	-	-	34,904,335	31,485,552
Paid claims	-	-	-	-	(23,704,243)	(19,298,737)	-	-	(23,704,243)	(19,298,737)
Paid acquisition cost	(471,038)	(410,164)	-	-	-	-	-	-	(471,038)	(410,164)
Paid other technical expenses	(366,827)	(394,192)	-	-	-	-	-	-	(366,827)	(394,192)
Paid Employee and management Exp (Sh. Takaful Operation Management)	-	-	-	-	(4,338,183)	(3,783,363)	-	-	(4,338,183)	(3,783,363)
<b>Insurance contracts liabilities at the end of the year</b>	<b>4,383,014</b>	<b>3,990,516</b>	<b>1,090,569</b>	<b>923,057</b>	<b>16,419,514</b>	<b>14,882,954</b>	<b>1,121,600</b>	<b>871,745</b>	<b>23,014,697</b>	<b>20,668,271</b>
<b>Insurance contracts (assets) at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net of insurance contracts liabilities (assets) at the end of the year</b>	<b>4,383,014</b>	<b>3,990,516</b>	<b>1,090,569</b>	<b>923,057</b>	<b>16,419,514</b>	<b>14,882,954</b>	<b>1,121,600</b>	<b>871,745</b>	<b>23,014,697</b>	<b>20,668,271</b>

9 . (A) Accounts Receivables – Insurance operations

	31 December 2023 (Audited)	31 December 2022 (Audited)
Policyholders receivables	4,099,168	3,882,284
Agents receivables	-	-
Brokers receivables	-	-
Employees receivables	21,660	4,904
<b>Total</b>	<b>4,120,828</b>	<b>3,887,188</b>
Less: Allowance for doubtful debts *	(174,289)	(201,067)
Less: Provision for expected credit losses **	(480,601)	(386,948)
<b>Net Accounts Receivable</b>	<b>3,465,938</b>	<b>3,299,173</b>

This item represents account receivables related to insurance operation that considered in the calculation of insurance contract assets and liabilities which is included in footnote (9)

\* Movement on the allowance for doubtful debts is as follows:

	31 December 2023 (Audited)	31 December 2022 (Audited)
Balance at beginning of the year	201,067	215,317
Additions	-	-
Disposals	(26,778)	(14,250)
<b>Balance at end of the year</b>	<b>174,289</b>	<b>201,067</b>

\*\* Movement on the provision for expected credit losses is as follows:

	31 December 2023 (Audited)	31 December 2022 (Audited)
Balance at beginning of the year	386,948	399,104
Additions	93,653	-
Disposals	-	(12,156)
<b>Balance at end of the year</b>	<b>480,601</b>	<b>386,948</b>

The aging of accounts receivables is as follows:

	31 December 2023 (Audited)	31 December 2022 (Audited)
Past due from 0-30 days	2,308,651	2,178,268
Past due from 31-90 days	794,833	836,637
Past due from 91-180 days	305,669	284,622
Past due from 181-365 days	306,529	248,901
Past due for more than one year	405,146	338,760
	<b>4,120,828</b>	<b>3,887,188</b>



9 . (B) Cheques under collection – Insurance Operations

	31 December 2023 (Audited)	31 December 2022 (Audited)
Cheques under collection *	1,562,283	1,427,533
Less: Provision for expected credit losses **	(7,822)	(7,455)
Net cheques under collection	<u>1,554,461</u>	<u>1,420,078</u>

\*\* Movement on the provision for expected credit losses is as follows:

	31 December 2023 (Audited)	31 December 2022 (Audited)
Balance at beginning of the year	7,455	7,455
Additions	367	-
Disposals	-	-
<b>Balance at end of the year</b>	<u>7,822</u>	<u>7,455</u>

This item represents cheques under collection related to insurance operation that considered in the calculation of insurance contract assets and liabilities which is included in footnote (9)

The aging of cheques under collection is as follows:

	31 December 2023 (Audited)	31 December 2022 (Audited)
Past due from (0-6) months	1,094,141	1,061,239
Past due from (7-12) months	468,142	366,294
	<u>1,562,283</u>	<u>1,427,533</u>

9 . (C) Accounts Payable – Insurance Operations

	31 December 2023 (Audited)	31 December 2022 (Audited)
Individual	101,043	111,540
Companies payable	85,808	68,536
Institutions payable	3,132	1,702
Carag station & suppliers Co.	49,359	121,163
Other payables (Medical care, takefuk, other)	69,298	74,090
Agents payables (Accrued commission)	112,446	84,967
Medical and pending cheques	384,655	755,493
<b>Total</b>	<u>805,741</u>	<u>1,217,491</u>

This item represent account payable related to insurance operation that considered in the calculation of insurance contract assets and liabilities which is included in footnote (9)

# 10. Reinsurance Contract Assets /Liabilities - Premium Allocation Approach

	Liabilities for remaining coverage				liabilities against incurred claims				Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	Excluding loss recovery component	Excluding loss recovery component	Loss recovery component	Loss recovery component	Present value of future cash flows	Present value of future cash flows	non-financial Risk adjustments	non-financial Risk adjustments	Total	Total
Reinsurance contract liabilities at beginning of the year	-	186,403	-	-	-	(23,133)	-	(4,942)	-	158,328
Reinsurance contract (assets) at beginning of the year	1,828,267	729,197	(85,561)	-	(8,147,431)	(4,873,686)	(448,678)	(226,971)	(6,853,403)	(4,371,460)
Net of reinsurance contracts liabilities (assets) at the beginning of the year	1,828,267	915,600	(85,561)	-	(8,147,431)	(4,896,819)	(448,678)	(231,913)	(6,853,403)	(4,213,132)
Reinsurance contracts held expenses	12,401,010	11,638,852	-	-	-	-	-	-	12,401,010	11,638,852
Reinsurance contract held revenues	-	-	(14,293)	(85,561)	(10,161,702)	(10,851,262)	(74,524)	(212,979)	(10,250,519)	(11,149,802)
Recovered incurred claims from reinsurer	-	-	-	-	(9,884,767)	(10,473,882)	-	-	(9,884,767)	(10,473,882)
Change in loss recovery component	-	-	(14,293)	(85,561)	-	-	-	-	(14,293)	(85,561)
Changes in non-financial risk adjustment	-	-	-	-	-	-	(74,524)	(212,979)	(74,524)	(212,979)
Profit commission due from reinsurer	-	-	-	-	(276,935)	(377,380)	-	-	(276,935)	(377,380)
Insurance service results	12,401,010	11,638,852	(14,293)	(85,561)	(10,161,702)	(10,851,262)	(74,524)	(212,979)	2,150,491	489,050
Finance (expenses) revenue from insurance contracts held	-	-	-	-	(207,820)	161,076	(29,586)	(3,786)	(237,406)	157,290
Net Change -Other Comprehensive Income	12,401,010	11,638,852	(14,293)	(85,561)	(10,369,522)	(10,690,186)	(104,110)	(216,765)	1,913,085	646,340
Paid reinsurers 'share from premium	(10,105,412)	(10,726,185)	-	-	-	-	-	-	(10,105,412)	(10,726,185)
Received claims recovery from reinsurer	-	-	-	-	9,860,874	7,062,194	-	-	9,860,874	7,062,194
Received profit Commission	-	-	-	-	276,935	377,380	-	-	276,935	377,380
Reinsurance contracts liabilities at the end of the year	117,062	-	-	-	(88,469)	-	(4,702)	-	23,891	-
Reinsurance contracts (assets) at the end of the year	4,006,803	1,828,267	(99,854)	(85,561)	(8,290,674)	(8,147,431)	(548,086)	(448,678)	(4,931,811)	(6,853,403)
Net of reinsurance contracts liabilities (assets) at the end of the year	4,123,865	1,828,267	(99,854)	(85,561)	(8,379,143)	(8,147,431)	(552,788)	(448,678)	(4,907,920)	(6,853,403)

10. (A) Receivables (Reinsurance contract held) - net

	31 December 2023 (Audited)	31 December 2022 (Audited)
Reinsurance contract held assets (Local)	185,558	141,075
Reinsurance contract held assets (Foreign)	866,517	1,427,444
<b>Total Receivables related to reinsurance operation</b>	<b>1,052,075</b>	<b>1,568,519</b>
Allowance for doubtful debts*	(26,247)	(187,538)
Provision for expected credit losses**	(142,859)	(48,420)
<b>Net receivables reinsurance operations</b>	<b>882,969</b>	<b>1,332,561</b>

This item represents receivables related to reinsurance operation that considered in the calculation of reinsurance contract assets and liabilities which is included in footnote (10)

\* Movements on the allowance for doubtful debts is as follows:

	31 December 2023 (Audited)	31 December 2022 (Audited)
Balance at beginning of the year	187,538	85,667
Additions	23	101,871
Disposals	(161,314)	-
<b>Balance at end of the year</b>	<b>26,247</b>	<b>187,538</b>

\*\* Movement on the provision for expected credit losses is as follows:

	31 December 2023 (Audited)	31 December 2022 (Audited)
Balance at beginning of the year	48,420	123,885
Additions	94,439	-
Disposals	-	(75,465)
<b>Balance at end of the year</b>	<b>142,859</b>	<b>48,420</b>

The aging Receivables (Reinsurance contract held) is as follows:

	31 December 2023 (Audited)	31 December 2022 (Audited)
Past due from (31-90) days	879,287	1,348,384
Past due from 91-180 days	55,270	72,135
Past due from 181-365 days	16,838	70,536
Past due more than one year	100,680	77,464
	<b>1,052,075</b>	<b>1,568,519</b>

10. (B) Payables (Reinsurance contract held)

	31 December 2023 (Audited)	31 December 2022 (Audited)
Reinsurance contract held liabilities – (Local)	647,748	348,910
Reinsurance contract held liabilities – (Foreign)	5,475,586	3,290,544
<b>Total</b>	<b>6,123,334</b>	<b>3,639,454</b>

This item represents payable related to reinsurance operation that considered in the calculation of reinsurance contract assets and liabilities which is included in footnote (10)

11. Income Tax

A- Income tax provision

The movement on income tax provision is as follow:

	31 December 2023 (Audited)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at beginning of the year	-	509,767	-	561,459
Income tax paid	(36,980)	(733,012)	-	(738,734)
Income tax expense for the year	183,977	806,928	-	687,042
<b>Balance at end of the year</b>	<b>146,997</b>	<b>583,683</b>	<b>-</b>	<b>509,767</b>

Income tax expense that appears in the statement of profit and loss represents:

	31 December 2023 (Audited)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Income tax expense for the year	183,977	806,928	-	687,042
<b>Total</b>	<b>183,977</b>	<b>806,928</b>	<b>-</b>	<b>687,042</b>

The following is the reconciliation between accounting profit and taxable profit:

	31 December 2023 (Audited)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Accounting profit (company profit)	26,614	2,549,361	83,686	2,346,921
Policyholders and shareholders				
Nontaxable revenues	(2,235,864)	(33,762)	(2,018,000)	(68,093)
Nondeductible expenses	2,916,853	587,970	1,934,312	363,641
<b>Taxable profit</b>	<b>707,603</b>	<b>3,103,569</b>	<b>(2)</b>	<b>2,642,469</b>
<b>Income tax of the year</b>	<b>183,977</b>	<b>806,928</b>	<b>(1)</b>	<b>687,042</b>
<b>Effective income tax rate</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>

- The Company has settled its tax liability with Income Tax Department up to the year ended 2020, and based on the tax advisor opinion the income tax provision considered sufficient as of 31/12/2023.
- There is no deferred tax assets or liabilities related to the company as it calculates income tax based on taxable profit for the year.
- The income tax returns for the years 2021 and 2022 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- The Income and National Contribution tax provision for the year 2023 was calculated in accordance with the Income Tax Law.

## 12. Property and equipment – net

	<u>Buildings</u>	<u>&amp;Equipment Furniture</u>	<u>Vehicles</u>	<u>Computer Devices</u>	<u>Total</u>
<b>Cost</b>					
Balance as at 1/1/2023	2,208,913	619,055	183,700	366,792	3,378,460
Additions	222,659	117,734	-	57,611	398,004
Balance as at 31/12/2023	2,431,572	736,789	183,700	424,403	3,776,464
<b>Accumulated depreciation &amp; impairment</b>					
Balance as at 1/1/2023	495,054	567,608	165,285	316,381	1,544,328
Depreciation	45,569	19,918	3,225	40,408	109,120
Balance as at 31/12/2023	540,623	587,526	168,510	356,789	1,653,448
<b>Net book value as at 31/12/2023</b>	<b>1,890,949</b>	<b>149,263</b>	<b>15,190</b>	<b>67,614</b>	<b>2,123,016</b>
<b>Cost</b>					
Balance as at 1/1/2022	978,468	593,662	181,900	320,089	2,074,119
Additions	1,230,445	26,768	7,700	46,703	1,311,616
Disposal	-	(1,375)	(5,900)	-	(7,275)
Balance as at 31/12/2022	2,208,913	619,055	183,700	366,792	3,378,460
<b>Accumulated depreciation &amp; impairment</b>					
Balance as at 1/1/2022	462,097	548,109	167,656	286,118	1,463,980
Depreciation	32,957	20,775	2,547	30,263	86,542
Disposal	-	(1,276)	(4,918)	-	(6,194)
Balance as at 31/12/2022	495,054	567,608	165,285	316,381	1,544,328
<b>Net book value as at 31/12/2022</b>	<b>1,713,859</b>	<b>51,447</b>	<b>18,415</b>	<b>50,411</b>	<b>1,834,132</b>

Property & equipment fully depreciated amounted JD 1,011,457 as at 31/12/2023.

## 13. Intangible Assets - net

	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>Software</u>	<u>Software</u>
Balance at 1 January 2023	19,818	7,342
Additions	138,717	39,405
Amortization	(148,958)	(26,929)
<b>Balance at 31 December 2023</b>	<b>9,577</b>	<b>19,818</b>

## 14. Other Assets

	<u>31 December 2023 (Audited)</u>		<u>31 December 2022 (Audited)</u>	
	<u>Policyholders</u>	<u>Shareholders</u>	<u>Policyholders</u>	<u>Shareholders</u>
Prepaid expenses	-	62,717	-	61,689
Refundable deposit	-	13,001	-	12,296
Accrued revenues	-	-	-	150,000
Advance payments for updating and developing the company website	-	1,750	-	72,500
	<u>-</u>	<u>77,468</u>	<u>-</u>	<u>296,485</u>

## 15. Accounts Payable

	31 December 2023 (Audited)	31 December 2022 (Audited)
Other payables	26,745	14,055
<b>Total</b>	<b>26,745</b>	<b>14,055</b>

## 16. Other Provisions

	31 December 2023 (Audited)	31 December 2022 (Audited)
Employees vacation provision	231,020	218,870
Provision for end of service indemnity	325,012	279,478
Unallocated loss adjustment expense (ULAE)	505,814	373,681
<b>Total</b>	<b>1,061,846</b>	<b>872,029</b>

	Balance at beginning of the year	Addition during the year	Paid during the year	Balance at end of the year
Employees vacation provision	218,870	165,059	152,909	231,020
Provision for end of service indemnity	279,478	45,534	-	325,012
Unallocated loss adjustment expense (ULAE)	373,681	132,133	-	505,814
<b>Total</b>	<b>872,029</b>	<b>342,726</b>	<b>152,909</b>	<b>1,061,846</b>

## 17. Other liabilities

	31 December 2023		31 December 2022	
	Policyholders	Shareholders	Policyholders	Shareholders
Collectors' commissions	3,965	-	-	-
Ministry of finance deposits	49,740	158	58,487	15,103
Other dues	-	8,236	-	7,897
Health insurance fund	-	112,644	-	134,618
Shareholders dues	-	10,274	-	7,900
Board of directors' remunerations	-	56,450	-	55,000
Central bank dues	28,076	-	23,494	-
Unearned rent revenues	-	50,000	-	75,000
	<b>81,781</b>	<b>237,762</b>	<b>81,981</b>	<b>295,518</b>

#### 18. Deficiency Cover Reserve (Emergency Provision)

The accumulated amounts in this account represent what has been transferred from the policyholders' surplus and the policyholders' share of the profit from the sale of financial assets at fair value through other comprehensive income at a rate of 20% during the current period and previous years.

	31 December 2023	31 December 2022
Balance at beginning of the year	580,515	1,300,837
The impact of initial application of IFRS 17	-	(737,059)
Add: Transfer to deficiency cover reserve	-	16,737
Less: Transfer from deficiency cover reserve to cover the deficit	(90,413)	
<b>Balance at end of the year</b>	<b>490,102</b>	<b>580,515</b>

#### 19. Non-Demanded Surplus

	31 December 2023 (Audited)	31 December 2022 (Audited)
Balance at beginning of the year	56,180	89,617
Less: Distributions to charity	(38,387)	(33,437)
<b>Balance at end of the year</b>	<b>17,793</b>	<b>56,180</b>

#### 20. Accumulated Surplus

	31 December 2023	31 December 2022
Balance at beginning of the year	66,950	11,180
The impact of initial application of IFRS 17	-	(11,180)
Add: Surplus (deficit) for the year for policyholders	(157,363)	83,687
Less: Transfer to deficiency cover reserve	-	(16,737)
Add: Transfer from deficiency cover reserve to cover the deficit	90,413	-
<b>Balance at end of the year</b>	<b>-</b>	<b>66,950</b>



## 21. Paid-in Capital

The Company's authorized, subscribed and paid-in capital is JOD (15,000,000) divided equally into (15,000,000) shares with a par value of JOD (1) each as at 31 December 2023 and 2022.

## 22. Reserves

### Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

### Voluntary Reserve

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of net income. This reserve is available for distribution to shareholders.

## 23. Cumulative Change in Fair Value

This item represents the increase (decrease) in fair value of financial assets measured at fair value through other comprehensive income, as follow:

	31 December 2023	31 December 2022
<b><u>Shareholders</u></b>		
Balance at beginning of the year	(42,962)	(258,051)
Realized losses transferred to retained earnings	-	18,878
Change in fair value during the year	(396,358)	196,211
<b>Balance at end of the year</b>	<b>(439,320)</b>	<b>(42,962)</b>
<b><u>Policyholders</u></b>		
Balance at beginning of the year	(14,321)	(86,017)
Change in fair value during the year	(132,119)	71,696
<b>Balance at end of the year</b>	<b>(146,440)</b>	<b>(14,321)</b>

The cumulative change in fair value as 31 December 2023 & 2022 amounted to JOD (585,760) and JOD (57,283) respectively.

## 24. Retained Earnings

	31 December 2023	31 December 2022
Balance at beginning of the year	3,079,718	3,492,782
The impact of initial application of IFRS 17	-	(373,681)
Less: Paid dividends	(1,200,000)	(1,200,000)
Add: Profit for the year	1,742,433	1,659,879
Less: Transferred from cumulative change in fair value	-	(18,878)
Less: Transferred to reserves	(520,872)	(480,384)
<b>Balance at end of the year</b>	<b>3,101,279</b>	<b>3,079,718</b>

## 25. Proposed Dividends

The proposed dividends to shareholders for the current year amounted to cash dividends by (10%), equivalent to JOD (1,500,000) and share dividends by (10%) equivalent to JOD (1,500,000). The percentage is subject to the approval of General Assembly of shareholders. Whereas the dividends paid to shareholders in 2022 amounted to (8%), equivalent to JOD (1,200,000).

## 26. Insurance Contracts Revenues

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other insurance		Takaful		Total	
	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Change in insurance contract liabilities against the remaining coverage	12,828,143	10,296,148	675,525	794,012	1,620,998	1,592,570	88,615	74,539	6,921,523	6,636,897	226,744	187,621	849,482	833,483	10,516,363	9,101,744	33,727,393	29,517,014
Policy insurance fees	395,284	341,976	21,260	20,875	40,673	39,153	2,234	1,882	141,847	135,443	3,545	2,470	25,862	24,769	109,558	91,155	740,263	657,723
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Insurance Contracts Revenues</b>	<b>13,223,427</b>	<b>10,638,124</b>	<b>696,785</b>	<b>814,887</b>	<b>1,661,671</b>	<b>1,631,723</b>	<b>90,849</b>	<b>76,421</b>	<b>7,063,370</b>	<b>6,772,340</b>	<b>230,289</b>	<b>190,091</b>	<b>875,344</b>	<b>858,252</b>	<b>10,625,921</b>	<b>9,192,899</b>	<b>34,467,656</b>	<b>30,174,737</b>

## 27. Insurance Contracts Expenses

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other Insurance		Takaful		Total	
	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Incurring claims net of recoveries	11,381,119	8,288,149	(13,917)	479,782	651,519	1,567,894	(90,241)	38,045	7,185,729	6,660,061	59,814	242,342	8,004	(80,853)	5,518,447	5,848,546	24,700,474	23,043,967
Amortization of insurance acquisition cost	381,247	374,206	7,353	8,272	17,691	18,752	462	322	14,775	17,209	5,029	3,010	300	385	-	-	426,857	422,156
Loss Component - New	612,983	777,277	-	-	-	-	-	-	477,586	145,780	-	-	-	-	-	-	1,090,569	923,057
Reversal of Loss component	(777,277)	(484,363)	-	-	-	-	-	-	(145,780)	(194,136)	-	-	-	-	-	-	(923,057)	(678,499)
Risk adjustment - New	447,165	303,068	3,429	21,513	241,016	44,497	18,538	8,855	119,630	78,371	21,320	11,093	1,920	843	200,080	392,485	1,053,098	860,725
Reversal of risk adjustment	(303,068)	(300,289)	(21,513)	(23,716)	(44,497)	(6,504)	(8,855)	(18,421)	(78,371)	(96,578)	(11,093)	(8,872)	(843)	(8,503)	(392,485)	(185,773)	(860,725)	(648,656)
Employee Exp. (Shareholders' share against Takaful Operation Management-distributed)	1,243,963	1,169,618	239,648	220,907	174,664	169,325	9,698	9,082	1,252,377	1,170,489	52,206	43,037	26,807	28,752	317,744	265,277	3,317,107	3,076,487
Management Exp. (Shareholders' share against Takaful Operation Management - distributed)	552,942	426,209	18,230	17,220	31,280	22,288	1,901	984	273,577	162,051	11,061	8,793	645	1,626	131,440	67,705	1,021,076	706,876
Other technical expenses	193,369	209,729	10,190	10,262	14,515	16,449	477	487	71,470	73,614	1,241	2,253	5,041	9,209	70,524	72,189	366,827	394,192
<b>Total insurance contracts expenses</b>	<b>13,732,443</b>	<b>10,763,604</b>	<b>243,420</b>	<b>734,240</b>	<b>1,086,188</b>	<b>1,832,701</b>	<b>(68,020)</b>	<b>39,354</b>	<b>9,170,993</b>	<b>8,016,861</b>	<b>139,578</b>	<b>301,656</b>	<b>41,874</b>	<b>(48,541)</b>	<b>5,845,750</b>	<b>6,460,429</b>	<b>30,192,226</b>	<b>28,100,305</b>

28. Reinsurance Contracts held Expenses

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other insurance		Takaful		Total	
	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Change in reinsurance contract liabilities against the remaining coverage and issuance fee	(898,532)	(768,832)	(415,338)	(418,660)	(1,199,972)	(1,056,359)	(62,906)	(52,705)	(4,084,324)	(3,793,282)	(83,255)	(65,959)	(487,513)	(454,600)	(5,169,170)	(5,028,455)	(12,401,010)	(11,638,852)
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts expenses	(898,532)	(768,832)	(415,338)	(418,660)	(1,199,972)	(1,056,359)	(62,906)	(52,705)	(4,084,324)	(3,793,282)	(83,255)	(65,959)	(487,513)	(454,600)	(5,169,170)	(5,028,455)	(12,401,010)	(11,638,852)

## 29. Reinsurance Contracts held Revenues

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other insurance		Takaful		Total	
	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12	31/12
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Recovered incurred claims from reinsurance	1,214,396	488,661	22,471	421,124	628,301	1,515,151	(73,116)	34,520	4,320,018	3,989,472	(107,477)	145,336	(186)	(46,991)	3,880,360	3,926,609	9,884,767	10,473,882
Loss Recovery Component - New	-	-	-	-	-	-	-	-	99,854	85,561	-	-	-	-	-	-	99,854	85,561
Reversal of Loss Recovery Component	-	-	-	-	-	-	-	-	(85,561)	-	-	-	-	-	-	-	(85,561)	-
Risk adjustment - New	63,982	38,656	3,031	20,566	233,761	59,016	18,031	12,116	69,884	75,736	7,323	8,403	957	132	122,447	230,267	519,416	444,892
Reversal of risk adjustment	(38,656)	(24,315)	(20,566)	(18,089)	(59,016)	(4,942)	(12,116)	(16,683)	(75,736)	(57,947)	(8,403)	(3,972)	(132)	(4,275)	(230,267)	(101,690)	(444,892)	(231,913)
Other revenues	-	-	112,157	161,014	83,121	77,815	8,115	17,514	-	-	62,511	102,881	11,031	18,156	-	-	276,935	377,380
<b>Total reinsurance contracts revenues</b>	<b>1,239,722</b>	<b>503,002</b>	<b>117,093</b>	<b>584,615</b>	<b>886,167</b>	<b>1,647,040</b>	<b>(59,086)</b>	<b>47,467</b>	<b>4,328,459</b>	<b>4,092,822</b>	<b>(46,046)</b>	<b>252,648</b>	<b>11,670</b>	<b>(32,978)</b>	<b>3,772,540</b>	<b>4,055,186</b>	<b>10,250,519</b>	<b>11,149,802</b>

### 30. Finance Revenues (Expenses) From Insurance Contracts

	31 December 2023	31 December 2022
Finance revenues (expenses)	(597,810)	399,420
<b>Total</b>	<b>(597,810)</b>	<b>399,420</b>

The bottom-up approach was used to derive the discount rate for cash flows. Under this approach, the discount rate is determined as the risk-adjusted risk-free in US Dollar (EIOPA) plus 1%. The company used discount rate from (4.65% - 6.23%) for the year of 2023, compared to (4.63 %- 6.59%) for the year of 2022.

### 31. Finance Revenues (Expenses) From Reinsurance Contracts

	31 December 2023	31 December 2022
Finance revenues (expenses)	237,406	(157,290)
<b>Total</b>	<b>237,406</b>	<b>(157,290)</b>

The bottom-up approach was used to derive the discount rate for cash flows. Under this approach, the discount rate is determined as the risk-adjusted risk-free in US Dollar (EIOPA) PLUS 1%. The company used discount rate from (4.65% - 6.23%) for the year of 2023, compared to (4.63 %- 6.59%) for the year of 2022.

### 32. Investment Returns

	31 December 2023		31 December 2022	
	Policyholders	Shareholders	Policyholders	Shareholders
Profits from deposits	385,711	558,061	232,552	486,672
Gain from financial assets at fair value through profit or loss	51,251	153,752	44,007	132,019
Gain from financial assets at amortized cost	10,984	32,952	10,215	30,646
<b>Total</b>	<b>447,946</b>	<b>744,765</b>	<b>286,774</b>	<b>649,337</b>

### 33. Net Profits from Financial Assets and Investments

	31 December 2023		31 December 2022	
	Policyholders	Shareholders	Policyholders	Shareholders
Dividends Income	94,932	285,569	79,472	239,889
Rent revenues	0	33,000	0	13,745
<b>Total</b>	<b>94,932</b>	<b>318,569</b>	<b>79,472</b>	<b>253,634</b>

#### 34. Shareholders' Share against Takaful Operation Management

Shareholders bear all administrative expenses and manage insurance operations on behalf of policyholders under an agency agreement (contract) based on a known Wakala fee.

The shareholders invest surplus fund from the policyholders account against known share from investment revenues as Mudaraba.

	31 December 2023	31 December 2022
Shareholders' share against Takaful Operation Management - allocated (Insurance Contracts Expenses)	4,243,034	3,756,181
Shareholders' share against Takaful Operation Management - not-allocated (Statement of Profit or Loss (Policyholders'))	2,150,493	2,018,511
	<b>6,393,527</b>	<b>5,774,692</b>

#### 35. Other Revenues

	31 December 2023	31 December 2022
Gain from sale of property and equipment	-	618
<b>Total</b>	<b>-</b>	<b>618</b>

#### 36. Employees Expenses

	31 December 2023	31 December 2022
Salaries and bonuses	2,839,294	2,637,033
End of services indemnity	45,534	51,592
Company's contribution in social security	298,111	266,127
Medical expenses	185,253	175,250
Employee training and development	1,503	1,681
Travel and transportation	6,001	8,924
Employee vacation	12,150	5,683
<b>Total</b>	<b>3,387,846</b>	<b>3,146,290</b>



### 37. Related Party Transactions

There are no contracts, projects, or engagements that the company has entered into with board members, the general manager, any employee of the company, or their relatives, except for issuing their insurance policies, which falls within the company's main activities.

The total contributions value of the underwritten insurance policies by the Jordan Islamic Bank (a major shareholder) during the years 2023 and 2022 amounted to JOD (5,157,357) and JOD (5,022,067), respectively and the contributions value underwritten for the Takaful insurance fund of the Jordan Islamic Bank during the years 2023 and 2022 amounted to JOD (7,449,523) and JOD (6,638,180), respectively.

The remunerations of key management (salaries, bonuses, and other benefits) are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Salaries and bonuses	432,349	421,131
Transportation expenses	1,260	1,260
<b>Total</b>	<b>433,609</b>	<b>422,391</b>

### 38. General and Administrative Expenses

	<b>31 December 2023</b>	<b>31 December 2022</b>
Rent	13,570	51,720
Stationery and printing	28,554	26,653
Advertisements	50,162	36,780
Water, electricity and heating	46,384	45,337
Maintenance	73,959	81,497
Postage and telecommunications	11,173	12,612
Hospitality	27,430	29,296
Lawyer and legal consultancy fees	111,064	101,230
Board of director transportation	81,198	76,668
Subscriptions	61,476	60,436
Governmental and other fees	52,260	30,837
Company classification expense	8,111	7,828
Virtual conference and meetings expense	29,939	21,389
Professional fee	28,500	18,000
Actuary expert fee	12,000	9,800
Media and Marketing consultancy fees	14,350	13,600
Cleaning	54,603	46,141
Insurance	5,919	4,955
Others	48,405	48,760
ISO certification expense	1,773	676
Expense for implementing (IFRS 17)	58,762	4,500
<b>Total</b>	<b>819,592</b>	<b>728,715</b>

### 39. Other Expenses

	31 December 2023	31 December 2022
Board of directors' remunerations	55,000	55,000
	<b>55,000</b>	<b>55,000</b>

### 40. Other Provisions

	31 December 2023 (Audited)	31 December 2022 (Audited)
Provision for expected credit loss – Cash at Al Baraka Bank - Lebanon	400,000	375,500
Un allocated loss adjustment expense (ULAE)	132,133	-
<b>Total</b>	<b>532,133</b>	<b>375,500</b>

### 41. Allocation of Expenses and Acquisition Costs

Audited 2023					Audited 2022				
Acquisition costs	Expenses attributed to contracts (Direct)	Expenses attributed to contracts (Indirect)	Expenses not attributed to contracts	Total	Acquisition costs	Expenses attributed to contracts (Direct)	Expenses attributed to contracts (Indirect)	Expenses not attributed to contracts	Total
1,269,425	2,720,198	622,536	989,811	5,601,970	1,249,629	2,510,036	434,875	881,508	5,076,048
<b>1,269,425</b>	<b>2,720,198</b>	<b>622,536</b>	<b>989,811</b>	<b>5,601,970</b>	<b>1,249,629</b>	<b>2,510,036</b>	<b>434,875</b>	<b>881,508</b>	<b>5,076,048</b>

The company allocates administrative expenses and direct employee-related costs to insurance contract groups and includes them in the profitability calculation of the contract through their direct relationship with insurance portfolios. In addition the company allocates administrative and general expenses, as well as indirect employee-related costs not associated with insurance contracts, based on a number of cost centers used for allocation. These include the total underwritten insurance premiums cost center for insurance portfolios, the paid claims and pending claims cost center, and the number of employees cost center.

### 42. Earnings Per Share

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

	31 December 2023	31 December 2022
Profit for the year after tax	1,742,433	1,659,879
Weighted average number of shares	15,000,000	15,000,000
<b>Basic and diluted earnings per share</b>	<b>0.116</b>	<b>0.111</b>

### 43. Cash and Cash Equivalents

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

	31 December 2023	31 December 2022
Cash on hand and at banks	3,216,038	1,551,815
Add: Deposits at banks mature within (3) months	2,405,930	107,370
<b>Net Cash and Cash Equivalents</b>	<b>5,621,968</b>	<b>1,659,185</b>

**44. The fair value of financial assets and liabilities that is not measured at fair value in the financial statement**

There are no significant differences between book value and fair value of financial assets and liabilities that is not measured at fair value.

**45. Onerous Contracts**

Motor TPL insurance contracts are underwritten at JIF and priced by the Government, such that the pricing of TPL insurance policies does not cover the technical and administrative expenses charged to those policies, these policies were therefore classified into a single group of contracts and assessed as having a high potential to become loss-making prior to acquisition.

**46. Fair Value Levels:**

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

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

Level 2: information other than the announced price included in the first level that is monitored for the asset or liability, whether directly (i.e. prices) or indirectly (i.e. derived from prices),

Level 3: Information about the asset or liability that is not based on that observed from the market (invisible information).

31/12/2023	Level One	Level Two	Level Three	Total
Financial assets at fair value through profit or loss	4,000,000	-	-	4,000,000
Financial assets at fair value through other comprehensive income	8,850,426	27,088	8,157	8,885,671
Total	12,850,426	27,088	8,157	12,885,671

31/12/2022	Level One	Level Two	Level Three	Total
Financial assets at fair value through profit or loss	4,000,000	-	-	4,000,000
Financial assets at fair value through other comprehensive income	9,351,404	46,438	8,157	9,405,999
Total	13,351,404	46,438	8,157	13,405,999

**47. Risks management**

**First: Descriptive Disclosures**

The risk management policy considered one of the most important policies which the company had set for mitigating risk surrounding its activities in order to safeguard the company's assets, shareholders equity and its financial position.

The company recognizes the importance of proactive risk management in achieving its strategic objectives. The company assumes responsibility for risk management to ensure the identification, assessment, and management of key risks. The risk management framework provides reasonable assurances for identifying and addressing significant risks.

The risk management process is designed to implement policies within the organizational hierarchy. It is viewed as an integrated, sequential process from the board of directors to the lowest management level. The primary responsibility for enterprise risk management lies with the board of directors. Accordingly, the board executes its responsibilities in overseeing the risk management policy by forming the necessary committees and delegating them to take on risk management responsibilities, preparing appropriate reports, and presenting them to the board.

### **Enterprise Risk Management (ERM) Process**

The Enterprise Risk Management (ERM) process involves identifying uncertainties and risks that may adversely affect the company's ability to achieve its strategic objectives, evaluating these risks, managing them, and continuously reviewing risks. Periodic risk assessments are conducted in all areas in which the company operates. In addition to many other risks mentioned in the risk management policy, the following risks are considered highly significant to the company's operations, as follows:

- 1- Insurance Risks: Insurance risks represent the most significant risks faced by the company. Additionally, the company accepts risks associated with insurance and various activities arising from them, including various technical insurance coverages such as property insurance, vehicle insurance, marine insurance, and others. Based on this, insurance-related risks can be identified, including risks related to business mix, risks related to the development of insurance products, pricing risks, estimation risks of loss provisions, claims settlement risks, accumulation risks, credit risks, and others.
- 2- Investment Risks: The investments made by the company for both policy holders and shareholders are subject to regulatory constraints imposed by regulatory authorities and are based on the investment guidelines issued by the Central Bank of Jordan - Insurance Supervision Department. These guidelines require the distribution of investments across various asset classes. Moreover, there is a specific investment policy approved by the Board of Directors, outlining the investment mechanism, instruments, and methods. This policy serves as a reference for managing the company's investments. There are risks associated with investments for the cash surplus held by the company, including credit risks from the parties investing in it, market risks, and liquidity risks.
- 3- Operational and Other Risks: This category encompasses operational risks, legal and regulatory risks, governance risks, information technology risks, and others.

## **Second: Quantitative Disclosures**

### **1 - Takaful Insurance Risks**

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

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

The Company has developed its insurance placement plan to ensure that insurance risks are diversified and distributed to different types of insurance, thus reducing the losses that may result from insurance claims if a particular insurance category is focused.

The Company manages risk through an insurance subscription plan, adequate reinsurance coverage and efficient handling of claims. The IPO plan aims to diversify in terms of the quality of the insurance coverage, the expected loss, the type of activity, and the geographical location. The IPO plan also depends on the existence of certain limits when accepting the insurance in accordance with the appropriate choices of the Company.

## 2 - Claims Development

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

<b>Gross-Motors</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	<b>Total</b>
At the end of the year	792,717,656	6,319,633	7,092,447	8,868,263	11,620,257	<b>826,618,256</b>
After one year	94,810,026	5,525,853	6,784,916	9,098,886	-	<b>116,219,681</b>
After two years	94,683,595	5,792,217	7,286,637	-	-	<b>107,762,449</b>
After three years	94,409,569	5,830,171	-	-	-	<b>100,239,740</b>
After four years	94,450,556	-	-	-	-	<b>94,450,556</b>
Gross estimates of maximum undiscounting claims	<b>94,450,556</b>	<b>5,830,171</b>	<b>7,286,637</b>	<b>9,098,886</b>	<b>11,620,257</b>	<b>128,286,507</b>
Cumulative gross claims paid	92,840,888	5,277,075	6,466,841	7,946,261	7,180,026	<b>119,711,091</b>
<b>Gross liabilities against years of accidents</b>	<b>1,609,668</b>	<b>553,096</b>	<b>819,796</b>	<b>1,152,625</b>	<b>4,440,231</b>	<b>8,575,416</b>
Effect of discounting	(141,886)	(47,438)	(59,889)	(129,252)	(216,634)	<b>(595,099)</b>
<b>Gross liabilities for incurred claims</b>	<b>1,467,782</b>	<b>505,658</b>	<b>759,907</b>	<b>1,023,373</b>	<b>4,223,597</b>	<b>7,980,317</b>

<b>Gross-Takaful</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	<b>Total</b>
At the end of the year	114,953,968	2,546,993	4,456,384	5,379,147	5,437,381	<b>132,773,873</b>
After one year	20,685,097	3,084,287	5,263,266	5,923,281	-	<b>34,955,931</b>
After two years	20,733,267	3,130,768	5,205,284	-	-	<b>29,069,319</b>
After three years	20,408,197	2,740,910	-	-	-	<b>23,149,107</b>
After four years	20,005,067	-	-	-	-	<b>20,005,067</b>
Gross estimates of maximum undiscounting claims	<b>20,005,067</b>	<b>2,740,910</b>	<b>5,205,284</b>	<b>5,923,281</b>	<b>5,437,381</b>	<b>39,311,923</b>
Cumulative gross claims paid	19,953,751	2,509,955	4,594,643	4,877,001	3,022,055	<b>34,957,405</b>
<b>Gross liabilities against years of accidents</b>	<b>51,316</b>	<b>230,955</b>	<b>610,641</b>	<b>1,046,280</b>	<b>2,415,326</b>	<b>4,354,518</b>
Effect of discounting	(16,990)	(10,369)	(27,414)	(51,994)	(127,654)	<b>(234,422)</b>
<b>Gross liabilities for incurred claims</b>	<b>34,326</b>	<b>220,586</b>	<b>583,227</b>	<b>994,286</b>	<b>2,287,672</b>	<b>4,120,096</b>

<b>Gross-Medical</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	<b>Total</b>
At the end of the year	392,901,518	3,661,592	4,275,730	4,776,642	5,220,789	<b>410,836,271</b>
After one year	58,135,381	4,999,841	6,142,149	6,711,606	-	<b>75,988,977</b>
After two years	58,100,617	5,027,825	6,202,439	-	-	<b>69,330,881</b>
After three years	58,100,617	5,027,825	-	-	-	<b>63,128,442</b>
After four years	58,100,617	-	-	-	-	<b>58,100,617</b>
Gross estimates of maximum undiscounting claims	<b>58,100,617</b>	<b>5,027,825</b>	<b>6,202,439</b>	<b>6,711,606</b>	<b>5,220,789</b>	<b>81,263,276</b>
Cumulative gross claims paid	58,100,617	5,027,825	6,202,439	6,605,113	3,324,774	<b>79,260,768</b>
<b>Gross liabilities against years of accidents</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,493</b>	<b>1,896,015</b>	<b>2,002,508</b>
Effect of discounting	-	-	-	(1,794)	(30,918)	<b>(32,712)</b>
<b>Gross liabilities for incurred claims</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,699</b>	<b>1,865,097</b>	<b>1,969,796</b>

<b>Gross-Marine</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	<b>Total</b>
At the end of the year	28,251,191	20,380	330,165	690,074	68,384	<b>29,360,194</b>
After one year	2,293,127	19,265	156,265	674,820	-	<b>3,143,477</b>
After two years	2,292,486	19,265	76,015	-	-	<b>2,387,766</b>
After three years	2,292,536	19,265	-	-	-	<b>2,311,801</b>
After four years	2,294,179	-	-	-	-	<b>2,294,179</b>
Gross estimates of maximum undiscounting claims	<b>2,294,179</b>	<b>19,265</b>	<b>76,015</b>	<b>674,820</b>	<b>68,384</b>	<b>3,132,663</b>
Cumulative gross claims paid	2,290,893	19,265	76,015	672,277	32,995	<b>3,091,445</b>
<b>Gross liabilities against years of accidents</b>	<b>3,286</b>	<b>-</b>	<b>-</b>	<b>2,543</b>	<b>35,389</b>	<b>41,218</b>
Effect of discounting	(351)	-	-	(178)	(1,533)	<b>(2,062)</b>
<b>Gross liabilities for incurred claims</b>	<b>2,935</b>	<b>-</b>	<b>-</b>	<b>2,365</b>	<b>33,856</b>	<b>39,156</b>

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**31 December 2023**

<b>Gross- Fire</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	Total
At the end of the year	71,679,504	320,492	67,884	1,622,860	363,354	<b>74,054,094</b>
After one year	10,088,210	259,319	46,009	2,027,815	-	<b>12,421,353</b>
After two years	10,085,140	253,739	45,641	-	-	<b>10,384,520</b>
After three years	10,084,501	253,249	-	-	-	<b>10,337,750</b>
After four years	10,084,340	-	-	-	-	<b>10,084,340</b>
Gross estimates of maximum undiscounting claims	<b>10,084,340</b>	<b>253,249</b>	<b>45,641</b>	<b>2,027,815</b>	<b>363,354</b>	<b>12,774,399</b>
Cumulative gross claims paid	10,069,513	252,334	44,299	519,862	26,243	<b>10,912,251</b>
<b>Gross liabilities against years of accidents</b>	<b>14,827</b>	<b>915</b>	<b>1,342</b>	<b>1,507,953</b>	<b>337,111</b>	<b>1,862,148</b>
Effect of discounting	(556)	(82)	(124)	(71,167)	(9,705)	<b>(81,634)</b>
<b>Gross liabilities for incurred claims</b>	<b>14,271</b>	<b>833</b>	<b>1,218</b>	<b>1,436,786</b>	<b>327,406</b>	<b>1,780,514</b>

<b>Gross- Engineering</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	Total
At the end of the year	7,552,702	32,840	38,571	65,856	65,850	<b>7,755,819</b>
After one year	1,049,796	10,493	15,002	17,896	-	<b>1,093,187</b>
After two years	1,122,433	8,843	15,002	-	-	<b>1,146,278</b>
After three years	1,122,432	7,618	-	-	-	<b>1,130,050</b>
After four years	1,029,468	-	-	-	-	<b>1,029,468</b>
Gross estimates of maximum undiscounting claims	<b>1,029,468</b>	<b>7,618</b>	<b>15,002</b>	<b>17,896</b>	<b>65,850</b>	<b>1,135,834</b>
Cumulative gross claims paid	928,267	7,418	15,002	16,946	12,550	<b>980,183</b>
<b>Gross liabilities against years of accidents</b>	<b>101,201</b>	<b>200</b>	<b>-</b>	<b>950</b>	<b>53,300</b>	<b>155,651</b>
Effect of discounting	(4,579)	(39)	-	(17)	(1,522)	<b>(6,158)</b>
<b>Gross liabilities for incurred claims</b>	<b>96,622</b>	<b>161</b>	<b>-</b>	<b>933</b>	<b>51,778</b>	<b>149,493</b>

<b>Gross- Others</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	Total
At the end of the year	7,628,759	44,117	22,455	81,625	118,243	<b>7,895,199</b>
After one year	1,097,283	33,634	48,477	122,211	-	<b>1,301,605</b>
After two years	1,098,304	32,766	50,338	-	-	<b>1,181,408</b>
After three years	1,158,695	32,766	-	-	-	<b>1,191,461</b>
After four years	973,259	-	-	-	-	<b>973,259</b>
Gross estimates of maximum undiscounting claims	<b>973,259</b>	<b>32,766</b>	<b>50,338</b>	<b>122,211</b>	<b>118,243</b>	<b>1,296,817</b>
Cumulative gross claims paid	950,557	27,842	46,823	101,551	68,040	<b>1,194,813</b>
<b>Gross liabilities against years of accidents</b>	<b>22,702</b>	<b>4,924</b>	<b>3,515</b>	<b>20,660</b>	<b>50,203</b>	<b>102,004</b>
Effect of discounting	(2,480)	(627)	(1,477)	(1,191)	(11,515)	<b>(17,290)</b>
<b>Gross liabilities for incurred claims</b>	<b>20,222</b>	<b>4,297</b>	<b>2,038</b>	<b>19,469</b>	<b>38,688</b>	<b>84,714</b>

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<b>Net Motors</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	<b>Total</b>
At the end of the year	789,788,315	6,301,397	7,042,005	8,784,128	11,307,077	<b>823,222,922</b>
After one year	91,694,350	5,421,060	6,543,007	8,382,479	-	<b>112,040,896</b>
After two years	91,567,919	5,636,851	6,793,179	-	-	<b>103,997,949</b>
After three years	90,945,351	5,416,533	-	-	-	<b>96,361,884</b>
After four years	89,757,805	-	-	-	-	<b>89,757,805</b>
Net estimates of maximum undiscounting claims	<b>89,757,805</b>	<b>5,416,533</b>	<b>6,793,179</b>	<b>8,382,479</b>	<b>11,307,077</b>	<b>121,657,073</b>
Cumulative net claims paid	88,895,878	5,004,103	6,170,585	7,667,569	7,097,544	<b>114,835,679</b>
<b>Net liabilities against years of accidents</b>	<b>861,927</b>	<b>412,430</b>	<b>622,594</b>	<b>714,910</b>	<b>4,209,533</b>	<b>6,821,394</b>
Effect of discounting	(80,291)	(36,989)	(45,983)	(98,889)	(201,325)	<b>(463,477)</b>
<b>Net liabilities for incurred claims</b>	<b>781,636</b>	<b>375,441</b>	<b>576,612</b>	<b>616,021</b>	<b>4,008,208</b>	<b>6,357,918</b>

<b>Net Takaful</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	<b>Total</b>
At the end of the year	103,079,207	1,874,775	2,395,587	3,522,947	2,646,280	<b>113,518,796</b>
After one year	8,477,692	1,667,823	1,909,245	1,826,654	-	<b>13,881,414</b>
After two years	8,495,762	1,671,102	1,383,917	-	-	<b>11,550,781</b>
After three years	8,143,855	1,150,100	-	-	-	<b>9,293,955</b>
After four years	7,712,372	-	-	-	-	<b>7,712,372</b>
Net estimates of maximum undiscounting claims	<b>7,712,372</b>	<b>1,150,100</b>	<b>1,383,917</b>	<b>1,826,654</b>	<b>2,646,280</b>	<b>14,719,323</b>
Cumulative net claims paid	7,689,409	1,046,079	1,132,940	1,452,220	1,478,914	<b>12,799,562</b>
<b>Net liabilities against years of accidents</b>	<b>22,963</b>	<b>104,021</b>	<b>250,977</b>	<b>374,434</b>	<b>1,167,366</b>	<b>1,919,761</b>
Effect of discounting	(6,879)	(4,670)	(11,267)	(18,802)	(50,415)	<b>(92,034)</b>
<b>Net liabilities for incurred claims</b>	<b>16,084</b>	<b>99,351</b>	<b>239,710</b>	<b>355,632</b>	<b>1,116,951</b>	<b>1,827,727</b>

<b>Net Medical</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	<b>Total</b>
At the end of the year	353,367,800	2,126,499	2,471,445	2,866,232	2,055,394	<b>362,887,370</b>
After one year	17,322,781	2,044,200	2,518,913	2,713,849	-	<b>24,599,743</b>
After two years	17,245,449	2,027,148	2,497,685	-	-	<b>21,770,282</b>
After three years	17,245,449	2,027,148	-	-	-	<b>19,272,597</b>
After four years	17,245,449	-	-	-	-	<b>17,245,449</b>
Net estimates of maximum undiscounting claims	<b>17,245,449</b>	<b>2,027,148</b>	<b>2,497,685</b>	<b>2,713,849</b>	<b>2,055,394</b>	<b>26,539,525</b>
Cumulative net claims paid	17,245,449	2,027,148	2,497,685	2,671,997	1,310,253	<b>25,752,532</b>
<b>Net liabilities against years of accidents</b>	-	-	-	<b>41,852</b>	<b>745,141</b>	<b>786,993</b>
Effect of discounting	-	-	-	(947)	(12,138)	<b>(13,085)</b>
<b>Net liabilities for incurred claims</b>	-	-	-	<b>40,905</b>	<b>733,003</b>	<b>773,907</b>

<b>Net Marine</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	<b>Total</b>
At the end of the year	26,332,474	11,769	307,621	663,491	12,741	<b>27,328,096</b>
After one year	319,372	4,723	121,350	84,088	-	<b>529,533</b>
After two years	318,731	4,723	38,722	-	-	<b>362,176</b>
After three years	318,781	4,723	-	-	-	<b>323,504</b>
After four years	267,680	-	-	-	-	<b>267,680</b>
Net estimates of maximum undiscounting claims	<b>267,680</b>	<b>4,723</b>	<b>38,722</b>	<b>84,088</b>	<b>12,741</b>	<b>407,954</b>
Cumulative net claims paid	266,251	4,723	38,722	84,083	7,905	<b>401,684</b>
<b>Net liabilities against years of accidents</b>	<b>1,429</b>	-	-	<b>5</b>	<b>4,836</b>	<b>6,270</b>
Effect of discounting	-	-	-	(64)	(155)	<b>(219)</b>
<b>Net liabilities for incurred claims</b>	<b>1,429</b>	-	-	<b>(59)</b>	<b>4,681</b>	<b>6,051</b>

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<b>Net Fire</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	Total
At the end of the year	63,830,026	311,513	52,745	1,576,611	162,935	<b>65,933,830</b>
After one year	908,667	161,920	(53,853)	53,804	-	<b>1,070,538</b>
After two years	770,289	133,590	(54,628)	-	-	<b>849,251</b>
After three years	769,650	131,267	-	-	-	<b>900,917</b>
After four years	756,095	-	-	-	-	<b>756,095</b>
Net estimates of maximum undiscounting claims	<b>756,095</b>	<b>131,267</b>	<b>(54,628)</b>	<b>53,804</b>	<b>162,935</b>	<b>1,049,473</b>
Cumulative net claims paid	754,608	131,985	(55,970)	82,732	1,728	<b>915,083</b>
<b>Net liabilities against years of accidents</b>	<b>1,487</b>	<b>(718)</b>	<b>1,342</b>	<b>(28,928)</b>	<b>161,207</b>	<b>134,390</b>
Effect of discounting	(119)	(82)	(63)	1,279	(3,130)	<b>(2,115)</b>
<b>Net liabilities for incurred claims</b>	<b>1,368</b>	<b>(800)</b>	<b>1,279</b>	<b>(27,649)</b>	<b>158,077</b>	<b>132,275</b>

<b>Net Engineering</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	Total
At the end of the year	7,351,433	32,087	28,482	62,878	4,412	<b>7,479,292</b>
After one year	815,719	9,479	750	1,085	-	<b>827,033</b>
After two years	858,809	1,796	85	-	-	<b>860,690</b>
After three years	858,808	381	-	-	-	<b>859,189</b>
After four years	657,879	-	-	-	-	<b>657,879</b>
Net estimates of maximum undiscounting claims	<b>656,905</b>	<b>381</b>	<b>85</b>	<b>1,085</b>	<b>16,335</b>	<b>674,791</b>
Cumulative net claims paid	656,595	371	750	848	627	<b>659,191</b>
<b>Net liabilities against years of accidents</b>	<b>310</b>	<b>10</b>	<b>(665)</b>	<b>237</b>	<b>15,708</b>	<b>15,600</b>
Effect of discounting	(67)	(2)	-	(1)	(33)	<b>(104)</b>
<b>Net liabilities for incurred claims</b>	<b>243</b>	<b>8</b>	<b>(665)</b>	<b>236</b>	<b>15,675</b>	<b>15,496</b>

<b>Net Others</b>						
<b>The accident year</b>	2019& before	2020	2021	2022	2023	Total
At the end of the year	7,386,296	44,117	22,403	77,168	94,355	<b>7,624,339</b>
After one year	832,097	32,398	28,794	82,646	-	<b>975,935</b>
After two years	822,696	30,863	28,928	-	-	<b>882,487</b>
After three years	880,877	30,300	-	-	-	<b>911,177</b>
After four years	670,154	-	-	-	-	<b>670,154</b>
Net estimates of maximum undiscounting claims	<b>670,154</b>	<b>30,300</b>	<b>28,928</b>	<b>82,646</b>	<b>94,355</b>	<b>906,383</b>
Cumulative net claims paid	660,188	25,939	25,434	63,560	65,821	<b>840,942</b>
<b>Net liabilities against years of accidents</b>	<b>9,966</b>	<b>4,361</b>	<b>3,494</b>	<b>19,086</b>	<b>28,534</b>	<b>65,441</b>
Effect of discounting	(175)	(578)	(1,475)	(1,054)	(7,624)	<b>(10,906)</b>
<b>Net liabilities for incurred claims</b>	<b>9,791</b>	<b>3,783</b>	<b>2,019</b>	<b>18,032</b>	<b>20,910</b>	<b>54,535</b>



### 3 - Insurance Risk Concentrations

Below are schedules demonstrate gross and net risk concentration based on insurance type:

Insurance portfolio	2023		2022	
	Gross Provision	Net Provision	Gross Provision	Net Provision
	(Thousands of Dinars)	(Thousands of Dinars)	(Thousands of Dinars)	(Thousands of Dinars)
<b>Motors</b>	13,945	12,521	12,114	10,670
<b>Marine</b>	5	5	627	34
<b>Fire</b>	1,707	(201)	1,425	(383)
<b>Engineering</b>	155	15	253	5
<b>Others</b>	65	56	275	132
<b>Medical</b>	2,303	983	1,962	719
<b>Takaful</b>	4,835	4,703	3,992	2,616
<b>Total</b>	<b>23,015</b>	<b>18,083</b>	<b>20,647</b>	<b>13,793</b>

Below are schedules demonstrate the distribution of the insurance contracts assets and liabilities based on geographical area and sector:

	2023					2022				
	Assets	Liabilities	Reinsurance Assets	Reinsurance Liabilities	Off-balance sheet items	Assets	Liabilities	Reinsurance Assets	Reinsurance Liabilities	Off-balance sheet items
<b>A- According to geographical area:</b>										
Inside Jordan	-	23,014,697	986,362	4,778	-	-	20,668,271	1,370,681	-	-
Other middle east countries	-	-	493,181	2,389	-	-	-	685,340	-	-
Europe	-	-	3,452,268	16,724	-	-	-	4,797,382	-	-
Asia *	-	-	-	-	-	-	-	-	-	-
Africa*	-	-	-	-	-	-	-	-	-	-
America	-	-	-	-	-	-	-	-	-	-
Other countries	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>23,014,697</b>	<b>4,931,811</b>	<b>23,891</b>	<b>-</b>	<b>-</b>	<b>20,668,271</b>	<b>6,853,403</b>	<b>-</b>	<b>-</b>

Except Middle East countries

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
<b>B- According to sector</b>				
Public sector	-	-	-	-
Private sector	-	-	-	-
Companies and institutions	-	23,014,697	-	20,668,271
Individual	-	-	-	-
<b>Total</b>	<b>-</b>	<b>23,014,697</b>	<b>-</b>	<b>20,668,271</b>

### 4 - Reinsurance Risk

As other insurance Companies, and for the purpose of reducing the exposure to financial risks that may arise from major insurance claims, the Company, within the normal course of its operations, enters into reinsurance contracts with other parties.

In order to reduce its exposure to major losses arising from the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies it deals with while monitoring credit risks concentrations coming from geographic areas and activities or economic components similar to those companies. Moreover, the reinsurance policies issued do not exempt the Company from its obligations towards policy holders. As a result, the Company remains committed to the reinsured claims balance in case the reinsurers are unable to meet their obligations according to the reinsurance contracts.

## 5 - Sensitivity of Takaful Insurance risk

2023	Change rate	Profit / Loss		Impact on policy holder equity		Impact on shareholder equity	
		Gross	Net	Gross	Net	Gross	Net
Death rate	5%+	-	-	361,456	361,455	23,122,821	23,122,821
Death rate	5%-	-	-	361,456	361,455	23,122,821	23,122,821
Morbidity	5%+	-	-	361,456	361,455	23,122,821	23,122,821
Morbidity	5%-	-	-	361,456	361,455	23,122,821	23,122,821
Longevity rate	5%+	-	-	361,456	361,455	23,122,821	23,122,821
Longevity rate	5%-	-	-	361,456	361,455	23,122,821	23,122,821
Expense	5%+	(39,687)	(35,896)	321,769	325,559	23,122,821	23,122,821
Expense	5%-	39,687	35,896	401,143	397,351	23,122,821	23,122,821
Lapse rate	5%+	(84,083)	(84,083)	277,373	277,372	23,122,821	23,122,821
Lapse rate	5%-	-	-	361,456	361,455	23,122,821	23,122,821
Total loss rate	5%+	(407,843)	(383,748)	(46,387)	(22,293)	23,122,821	23,122,821
Total loss rate	5%-	376,392	352,297	737,848	713,752	23,122,821	23,122,821

2022	Change rate	Profit / Loss		Impact on policy holder equity		Impact on shareholder equity	
		Gross	Net	Gross	Net	Gross	Net
Death rate	5%+	-	-	689,324	689,324	22,976,746	22,976,746
Death rate	5%-	-	-	689,324	689,324	22,976,746	22,976,746
Morbidity	5%+	-	-	689,324	689,324	22,976,746	22,976,746
Morbidity	5%-	-	-	689,324	689,324	22,976,746	22,976,746
Longevity rate	5%+	-	-	689,324	689,324	22,976,746	22,976,746
Longevity rate	5%-	-	-	689,324	689,324	22,976,746	22,976,746
Expense	5%+	(36,220)	(32,479)	653,104	656,845	22,976,746	22,976,746
Expense	5%-	36,220	32,479	725,544	721,803	22,976,746	22,976,746
Lapse rate	5%+	(97,633)	(97,633)	591,691	591,691	22,976,746	22,976,746
Lapse rate	5%-	-	-	689,324	689,324	22,976,746	22,976,746
Total loss rate	5%+	(513,840)	(454,744)	175,484	234,580	22,976,746	22,976,746
Total loss rate	5%-	236,080	179,262	925,404	868,586	22,976,746	22,976,746

## B- Financial Risks

The Company follows financial policies to manage several risks within a specified strategy. The Company's management observes and controls the risk and determines the most suitable strategic risk distribution procedures for each of the financial assets and liabilities. This risk includes market risk, credit risk and foreign currencies risk.

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

### Rate of return risk

The yield rate risk relates to the risks associated with changes in the return on fixed deposits held in banks.

There is no fixed yield rate on balances of fixed deposits at Islamic banks, as returns are tied to the results of the banks' investments based on Sharia-Compliant Principles and Rules of Islamic Finance. The realized yield at Islamic banks ranged between 3% to 5.5% annually during the period ended 31 December 2023.

In order to mitigate the risk of fluctuations in the yield rate on fixed deposits, such as a decrease in the deposit yield prompting the company to withdraw deposits and reduce its investments, which could have a negative impact on the company's future cash flows. The company maintains fixed deposits with multiple Islamic banking institutions that have good financial solvency and appropriate credit within the Kingdom and abroad. This is aimed at diversifying investments in bank deposits and reducing exposure to the risk of changes in the return rate on fixed deposits in the event of a rate change (return decrease) on fixed deposits with a specific bank.

The company also follows a policy of retaining deposits with Islamic banking institutions with a maturity date not exceeding one year, providing adequate liquidity for the company to meet short-term obligations.

The table below illustrates the sensitivity analysis of interest rates on the liabilities/assets of insurance contracts and reinsurance contracts, and how it affects profit or loss, as well as the rights of insurance policy holders and shareholders in the event of a change in the related risk variable that was reasonably possible at the financial statement date, while keeping all other influencing variables constant, as follows:

2023	Change rate	Impact on gross insurance contract liabilities	Impact on gross insurance contract liabilities	Impact on policyholders' equity	Impact on shareholders' equity
		Gross	Gross	Net	Net
Discount rate	0.5%+	159,774	(59,863)	461,367	23,122,821
Discount rate	0.5% -	(164,977)	61,649	258,128	23,122,821

### Foreign Currencies Risk

The foreign currencies risks are the risks relating to the change in the value of the financial instruments due to the change in the foreign currencies exchange rates. Moreover, the Jordanian Dinar is considered the Company's functional currency. Additionally, the foreign currencies positions are monitored daily. Strategies are adopted to ensure that the positions of foreign currencies are maintained within the approved limits.

Most of the Company's assets and liabilities are funded in Jordanian Dinar or US Dollar. The exchange rate of the US Dollar to Jordanian Dinar is fixed at (0.709) and the probability of this risk is very minimal.

The following is the net position of the Company's major foreign currencies:

Currency type	Foreign Currency		Equivalent in Jordanian dinar	
	2023	2022	2023	2022
US Dollar	3,112,162	3,826,883	2,209,635	2,717,087
Yemeni Rial	2,500,000	2,500,000	8,157	8,157

### - Credit Risk

These are the risks that may arise from the failure of one party to a financial instrument to meet a certain obligation, causing the other party to incur a financial loss. In order to mitigate such risks, the company can:

1. The company retains balances and deposits with banking institutions that have appropriate credit ratings, such as the Jordan Islamic Bank, the International Arab Islamic Bank, and Al Baraka Bank in Bahrain, all of which are banking institutions with a good credit standing.
2. Scheduling some debts involves immediate repayment upon issuance of insurance documents, with the policy being cancelled if the remaining instalments are not paid, subject to the client's approval.
3. Monthly monitoring of customer debts, especially those exceeding three months, is conducted.
4. Requesting approval from the Jordan Islamic Bank for the repayment of pledged installments for the bank's clients.

### - Market Risks

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices such as interest rates, currency prices and stock prices.

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**Financial risk sensitivity**

The following sensitivity analysis show the impact on profit /loss and equity in event of change in the relevant risk factor that was reasonably possible at financial statement date.

Following is the sensitivity analysis table for both risk (10% decrease in market price, 5% decrease in deposit interest rate).

**Statement of Profit or Loss (Policyholders') for the year ended 31 December 2023**

	Base Year	Reducing deposit interest rate by 5%	Reducing market price by 10%
	2023	2023	2023
<b>Revenues</b>			
Insurance contracts revenues	34,467,656	34,467,656	34,467,656
Insurance contracts expenses	(30,192,226)	(30,192,226)	(30,192,226)
<b>Insurance Contract service results</b>	<b>4,275,430</b>	<b>4,275,430</b>	<b>4,275,430</b>
Reinsurance contracts held expenses	(12,401,010)	(12,401,010)	(12,401,010)
Reinsurance contracts held revenues	10,250,519	10,250,519	10,250,519
<b>Reinsurance contracts service results</b>	<b>(2,150,491)</b>	<b>(2,150,491)</b>	<b>(2,150,491)</b>
<b>Net insurance Contract service results</b>	<b>2,124,939</b>	<b>2,124,939</b>	<b>2,124,939</b>
Finance (expenses) revenues from insurance contracts	(597,810)	(597,810)	(597,810)
Finance revenues (expenses) from reinsurance contracts	237,406	237,406	237,406
<b>Net insurance business financing results</b>	<b>(360,404)</b>	<b>(360,404)</b>	<b>(360,404)</b>
Policyholders' share of investment returns	447,946	425,549	447,946
Policyholders' share of net profits from financial assets and investments	94,932	94,932	85,439
Less: Shareholders' share against managing the investment portfolio	(135,720)	(130,120)	(133,346)
<b>Total revenues</b>	<b>2,171,693</b>	<b>2,154,895</b>	<b>2,164,573</b>
Shareholders' share against takaful operation management	2,150,493	2,150,493	2,150,493
Provision for expected credit losses (cheques under collection)	367	367	367
Provision for expected credit losses (deposits)	(5,781)	(5,781)	(5,781)
<b>Total expenses</b>	<b>2,145,079</b>	<b>2,145,079</b>	<b>2,145,079</b>
Policyholders' surplus(deficit) before income tax	26,614	9,816	19,494
Income tax provision	(183,977)	(179,610)	(182,126)
<b>Policyholders' provision (deficit)</b>	<b>(157,363)</b>	<b>(169,794)</b>	<b>(162,632)</b>
Shareholders' share against takaful operation management	6,393,527	6,393,527	6,393,527
Shareholders' share against managing the investment portfolio	135,720	130,120	133,346
Shareholders' share of investment returns	744,765	707,527	744,765
Shareholders' share of net profits from financial assets and investments	318,569	318,569	286,712
<b>Total revenues</b>	<b>7,592,581</b>	<b>7,549,743</b>	<b>7,558,350</b>
Employees expenses	3,387,846	3,387,846	3,387,846
Administrative and general expenses	819,592	819,592	819,592
Impairment on intangible assets	125,000	125,000	125,000
Other expenses	55,000	55,000	55,000
Other provisions	532,133	532,133	532,133
Depreciation & amortization	141,078	141,078	141,078
provision for expected credit losses	(17,429)	(17,429)	(17,429)
<b>Total expenses</b>	<b>5,043,220</b>	<b>5,043,220</b>	<b>5,043,220</b>
<b>Profit for the year before income tax</b>	<b>2,549,361</b>	<b>2,506,523</b>	<b>2,515,130</b>
Income tax for the year	(806,928)	(795,790)	(798,028)
<b>Profit for the year</b>	<b>1,742,433</b>	<b>1,710,733</b>	<b>1,717,102</b>
<b>Total Shareholder Equity</b>	<b>23,122,821</b>	<b>23,091,121</b>	<b>23,097,490</b>

**Currency exchange risk**

Currency exchange refer to the risk arising from the fluctuation in the value of financial instruments due to changes in exchange rates. The risks associated with financial instruments denominated in the US dollar are low due to the stability of the exchange rate of the Jordanian Dinar against the US dollar. It is worth noting that all insurance documents are in Jordanian Dinar, and agreements with reinsurers are also in Jordanian Dinar.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. To limit this risk, management has arranged diversified funding sources, manages assets and liabilities, and monitors liquidity on a daily basis and maintains sufficient amount of cash and cash equivalents and quoted securities.

The Company applies a suitable system to manage its short-term and long-term funding risk and maintains sufficient reserves through monitoring the expected cash flows and comparing the maturities of assets with to the maturities of liabilities and technical obligations.

The table below summarizes the maturity profile of the Company's financial liabilities based on remaining period profits maturity from the financial statements date:

2023								
	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Without due date	Total
<b>Assets:</b>								
<b>Total assets</b>	<b>5,291,920</b>	<b>6,565,645</b>	<b>330,048</b>	<b>29,940,415</b>	<b>-</b>	<b>-</b>	<b>6,533,649</b>	<b>48,661,677</b>
<b>Liabilities:</b>								
Insurance contract liabilities	2,761,764	4,142,645	6,904,409	2,301,470	4,142,645	2,761,764	-	23,014,697
Reinsurance contract liabilities	2,389	4,778	9,556	7,167	-	-	-	23,891
Accounts payable	26,745	-	-	-	-	-	-	26,745
Income tax provision	-	730,680	-	-	-	-	-	730,680
Other provisions	-	-	-	556,032	-	-	505,814	1,061,846
Other liabilities	62,216	51,790	168,037	12,500	25,000	-	-	319,543
<b>Total Liabilities</b>	<b>2,853,114</b>	<b>4,929,894</b>	<b>7,082,002</b>	<b>2,877,169</b>	<b>4,167,645</b>	<b>2,761,764</b>	<b>505,814</b>	<b>25,177,401</b>
<b>Net</b>	<b>2,438,806</b>	<b>1,635,751</b>	<b>(6,751,954)</b>	<b>27,063,246</b>	<b>(4,167,645)</b>	<b>(2,761,764)</b>	<b>6,027,835</b>	<b>23,484,276</b>

2022								
	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Without due date	Total
<b>Assets:</b>								
<b>Total assets</b>	<b>1,809,185</b>	<b>9,990,074</b>	<b>1,063,387</b>	<b>26,181,150</b>	<b>801,594</b>	<b>-</b>	<b>6,262,301</b>	<b>46,107,691</b>
<b>Liabilities:</b>								
Insurance contract liabilities	2,480,192	3,720,289	6,200,481	2,066,827	3,720,289	2,480,192	-	20,668,271
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
Accounts payable	14,055	-	-	-	-	-	-	14,055
Income tax provision	-	509,767	-	-	-	-	-	509,767
Other provisions	-	-	-	498,348	-	-	373,681	872,029
Other liabilities	99,721	89,737	125,541	12,500	50,000	-	-	377,499
<b>Total Liabilities</b>	<b>2,593,968</b>	<b>4,319,793</b>	<b>6,326,022</b>	<b>2,577,675</b>	<b>3,770,289</b>	<b>2,480,192</b>	<b>373,681</b>	<b>22,441,621</b>
<b>Net</b>	<b>(784,783)</b>	<b>5,670,281</b>	<b>(5,262,635)</b>	<b>23,603,475</b>	<b>(2,968,695)</b>	<b>(2,480,192)</b>	<b>5,888,620</b>	<b>23,666,070</b>

### **C- Operational risks:**

Include system failures and human error, whether intentional or unintentional. These risks can affect the company's reputation and result in financial losses. The company takes measures to avoid these risks, such as defining responsibilities and implementing necessary procedures to obtain information from the systems used in the company, in addition to raising awareness and training employees.

### **D- Legal Risk:**

This type of risk arises from legal actions against the company. To mitigate these risks, the company has established an independent legal department to oversee the company's operations in compliance with the Insurance Business Regulation Law and the instructions of the Central Bank of Jordan's/Insurance Supervision Department.

#### 48. Analysis of Main Sectors

##### A – Background information on the Company's business segments

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

##### B – Geographical distribution

The following disclosure demonstrates geographical distribution of the Company's operations; the Company mainly conducts its operations in Jordan.

The following table shows the distribution of total revenues and capital expenditures based on their pertaining geographical distribution:

	Inside Jordan		Outside Jordan		Total	
	2023	2022	2023	2022	2023	2022
Total revenues	36,073,868	31,444,572	-	-	36,073,868	31,444,572
Total assets	46,784,006	43,392,931	1,877,671	2,714,760	48,661,677	46,107,691
Capital expenditures	536,721	1,751,021	-	-	536,721	1,751,021

#### 49. Capital Management

The subscribed and paid-up capital at the end of the year is (15) million dinars, distributed over (15) million shares with a nominal value of one Jordanian dinar per share. On March 21, 2007, the company's capital was increased from (3,600,000) dinars / shares as of December 31, 2005, by capitalizing (400) thousand dinars / shares from retained earnings and offering (4) million dinars / shares for public subscription. This was in accordance with the minimum capital requirement regulation for insurance companies issued by the Central Bank of Jordan / Insurance Supervision Department. On April 26, 2008, the company's capital was increased by capitalizing (2) million dinars / shares from the additional paid-in-capital, optional reserve, and retained earnings. On April 8, 2009, the company's capital was further increased by capitalizing (2) million dinars / shares from the optional reserve and retained earnings. Additionally, on April 4, 2017, the company's capital was raised by capitalizing (3) million dinars / shares from retained earnings. Consequently, the subscribed and paid-up capital became (15) million dinars / shares. In the opinion of the Board of Directors, the above-mentioned regulatory capital is considered sufficient.

	31 December 2023	31 December 2022
<b>Core capital items</b>		
Paid in Capital	15,000,000	15,000,000
Statutory reserve	3,954,946	3,694,510
Voluntary reserve	1,505,916	1,245,480
Retained earnings	3,101,279	3,079,718
Policyholders' equity	361,455	689,324
<b>Additional capital items</b>		
Cumulative change in fair value	(439,320)	(42,962)
Solvency margin (According to the financial statements prepared in accordance with international accounting standard (IAS 4))	312%	346%

**50. Maturity Analysis of Assets and Liabilities:**

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

2023	Up to one year	More than one year	Total
<b>Assets</b>			
Bank deposits	25,030,041	-	25,030,041
Financial assets at fair value through other comprehensive income	8,885,671	-	8,885,671
Financial assets at fair value through profit or loss	-	4,000,000	4,000,000
Financial assets at amortized cost	-	-	-
Investment property	-	388,055	388,055
Cash on hand and at banks	3,216,038	-	3,216,038
Insurance contract assets - net	-	-	-
Reinsurance contract assets - net	4,931,811	-	4,931,811
Property and equipment - net	-	2,123,016	2,123,016
Intangible assets	-	9,577	9,577
Other assets	64,467	13,001	77,468
<b>Total assets</b>	<b>42,128,028</b>	<b>6,533,649</b>	<b>48,661,677</b>
<b>Liabilities</b>			
Insurance contract liabilities	23,014,697	-	23,014,697
Reinsurance contract liabilities	23,891	-	23,891
Accounts payable	26,745	-	26,745
Income tax provision	730,680	-	730,680
Other provisions	556,032	505,814	1,061,846
Other liabilities	294,543	25,000	319,543
<b>Total Liabilities</b>	<b>24,646,588</b>	<b>530,814</b>	<b>25,177,401</b>
<b>Net</b>	<b>17,481,440</b>	<b>6,002,835</b>	<b>23,484,276</b>

2022	Up to one year	More than one year	Total
<b>Assets</b>			
Bank deposits	21,002,984	-	21,002,984
Financial assets at fair value through other comprehensive income	9,351,405	54,594	9,405,999
Financial assets at fair value through profit or loss	-	4,000,000	4,000,000
Financial assets at amortized cost	-	747,000	747,000
Investment properties	-	396,055	396,055
Cash on hand and at banks	1,551,815	-	1,551,815
Insurance contract assets - net	-	-	-
Reinsurance contract assets - net	6,853,403	-	6,853,403
Property and equipment - net	-	1,834,132	1,834,132
Intangible assets	-	19,818	19,818
Other assets	284,189	12,296	296,485
<b>Total assets</b>	<b>39,043,796</b>	<b>7,063,895</b>	<b>46,107,691</b>
<b>Liabilities</b>			
Insurance contract liabilities	20,668,271	-	20,668,271
Reinsurance contract liabilities	-	-	-
Accounts payable	14,055	-	14,055
Income tax provision	509,767	-	509,767
Other provisions	498,348	373,681	872,029
Other liabilities	327,499	50,000	377,499
<b>Total Liabilities</b>	<b>22,017,940</b>	<b>423,681</b>	<b>22,441,621</b>
<b>Net</b>	<b>17,025,856</b>	<b>6,640,214</b>	<b>23,666,070</b>

#### 51. Lawsuits against the Company

There are lawsuits filed against the Company mainly pertaining motor accidents, for which a full reserve has been taken against in the outstanding claims reserve amounting to JOD (2,886,940) compared to JOD (2,375,399) as at 31 December 2022.

#### 52. Contingent Liabilities

There are no contingent liabilities that could arise after the date of financial statement.

#### 53. Subsequent Events

No subsequent events have a material impact on the financial statement as at 31 December 2023.

#### 54. Comparative Figures

Some comparative figures for the year 2022 have been reclassified to match the classification figures for the year 2023, the reclassification had no effect on comprehensive income nor equity. Where the opening balances have been impacted as of 1/1/2022 due to the adoption of International Financial Reporting Standard (IFRS) 17 - Insurance Contracts.

Description	Balance before adjustment	The impact of initial application of IFRS 17	Adjusted balance
<b>Shareholders' Equity and Policyholders' Equity</b>			
Retained earnings	3,492,782	(373,681)	3,119,101
Accumulated surplus	11,180	(11,180)	-
Deficiency cover reserve	1,300,837	(737,059)	563,778
<b>Assets</b>			
Cash on hand and at bank	2,265,349	427,530	2,692,879
Cheques under collection, accounts receivable-net and reinsurers receivables	4,822,726	(4,822,726)	-
Reinsurance contract assets	-	4,371,460	4,371,460
Other assets	813,275	(635,000)	178,275
<b>Liabilities</b>			
Total Insurance Contract Liabilities	12,584,211	2,932,588	15,516,799
Reinsurance contract liabilities	-	158,328	158,328
Reinsurers payables	2,578,780	(2,578,780)	-
Accounts payable	359,724	(316,576)	43,148
Other provisions	441,073	373,681	814,754
Other liabilities	418,547	(106,057)	312,490

#### 55. Transaction that don't comply with the principle of Islamic sharia

There is no transaction don't comply with the principle of Islamic sharia



56 – Financial statements segmented by product type

A - Statement of financial position

2023	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	Total
Investments	5,432,580	286,260	682,664	37,323	2,901,844	94,610	359,618	4,365,447	14,160,346
Cash on hand and at banks	686,953	36,198	86,323	4,720	366,940	11,963	45,474	552,013	1,790,584
Insurance contract assets - net	-	-	-	-	-	-	-	-	-
Reinsurance contract assets - net	1,423,836	-	1,907,651	139,641	1,319,814	7,447	1,669	131,753	4,931,811
Other assets	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>7,543,369</b>	<b>322,458</b>	<b>2,676,639</b>	<b>181,684</b>	<b>4,588,598</b>	<b>114,020</b>	<b>406,760</b>	<b>5,049,213</b>	<b>20,882,741</b>
Insurance contract liabilities	13,944,682	5,045	1,706,647	154,920	2,303,025	61,625	3,737	4,835,016	23,014,697
Reinsurance contract liabilities	-	23,891	-	-	-	-	-	-	23,891
Accounts payable	-	-	-	-	-	-	-	-	-
Income tax provision	56,395	2,972	7,087	387	30,124	982	3,733	45,317	146,997
Other provisions	-	-	-	-	-	-	-	-	-
Other liabilities	31,375	1,653	3,943	216	16,759	546	2,077	25,212	81,781
<b>Total Liabilities</b>	<b>14,032,452</b>	<b>33,561</b>	<b>1,717,676</b>	<b>155,523</b>	<b>2,349,908</b>	<b>63,154</b>	<b>9,547</b>	<b>4,905,545</b>	<b>23,267,366</b>

2022	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	Total
Investments	3,569,530	273,428	547,510	25,642	2,272,400	63,783	287,979	3,084,597	10,124,870
Cash on hand and at banks	475,658	36,436	72,959	3,417	302,809	8,499	38,375	411,038	1,349,190
Insurance contract assets - net	-	-	-	-	-	-	-	-	-
Reinsurance contract assets - net	1,443,057	592,467	1,807,359	248,269	1,243,255	142,350	445	1,376,201	6,853,403
Other assets	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>5,488,245</b>	<b>902,331</b>	<b>2,427,828</b>	<b>277,328</b>	<b>3,818,463</b>	<b>214,633</b>	<b>326,799</b>	<b>4,871,836</b>	<b>18,327,463</b>
Insurance contract liabilities	12,123,181	626,883	1,430,476	253,487	1,964,777	269,898	7,587	3,991,982	20,668,271
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-	-	-
Income tax provision	-	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-	-
Other liabilities	28,902	2,214	4,433	208	18,400	516	2,332	24,976	81,981
<b>Total Liabilities</b>	<b>12,152,083</b>	<b>629,097</b>	<b>1,434,909</b>	<b>253,695</b>	<b>1,983,177</b>	<b>270,414</b>	<b>9,919</b>	<b>4,016,958</b>	<b>20,750,252</b>

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**B – Income Statement**

2023	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	Total
<b>Revenues</b>									
Insurance contracts revenues	13,223,427	696,785	1,661,671	90,849	7,063,370	230,289	875,344	10,625,921	<b>34,467,656</b>
Insurance contracts expenses	13,732,443	243,420	1,086,188	(68,020)	9,170,993	139,578	41,874	5,845,750	<b>30,192,226</b>
<b>Insurance contract service results</b>	<b>(509,016)</b>	<b>453,365</b>	<b>575,483</b>	<b>158,869</b>	<b>(2,107,623)</b>	<b>90,711</b>	<b>833,470</b>	<b>4,780,171</b>	<b>4,275,430</b>
Reinsurance contracts held expenses	(898,532)	(415,338)	(1,199,972)	(62,906)	(4,084,324)	(83,255)	(487,513)	(5,169,170)	<b>(12,401,010)</b>
Reinsurance contracts held revenues	1,239,722	117,093	886,167	(59,086)	4,328,459	(46,046)	11,670	3,772,540	<b>10,250,519</b>
<b>Reinsurance contracts service results</b>	<b>341,190</b>	<b>(298,245)</b>	<b>(313,805)</b>	<b>(121,992)</b>	<b>244,135</b>	<b>(129,301)</b>	<b>(475,843)</b>	<b>(1,396,630)</b>	<b>(2,150,491)</b>
<b>Net insurance contract service results</b>	<b>(167,826)</b>	<b>155,120</b>	<b>261,678</b>	<b>36,877</b>	<b>(1,863,488)</b>	<b>(38,590)</b>	<b>357,627</b>	<b>3,383,541</b>	<b>2,124,939</b>
Finance (expenses) revenues from insurance contracts	(330,144)	(1,926)	(54,860)	(5,864)	(31,589)	(11,502)	(183)	(161,742)	<b>(597,810)</b>
Finance (expenses) revenues from reinsurance contracts	53,906	(1,711)	53,838	5,170	20,830	8,490	214	96,669	<b>237,406</b>
<b>Net insurance business financing results</b>	<b>(276,238)</b>	<b>(3,637)</b>	<b>(1,022)</b>	<b>(694)</b>	<b>(10,759)</b>	<b>(3,012)</b>	<b>31</b>	<b>(65,073)</b>	<b>(360,404)</b>
Policyholders' share of investment returns	171,853	9,056	21,595	1,181	91,796	2,993	11,376	138,096	<b>447,946</b>
Policyholders' share of net Profits from financial assets and investments	43,178	765	3,415	(214)	28,836	439	132	18,381	<b>94,932</b>
Less: Shareholders' share against managing the investment portfolio	(53,759)	(2,455)	(6,253)	(242)	(30,158)	(858)	(2,877)	(39,118)	<b>(135,720)</b>
<b>Total revenues</b>	<b>(282,791)</b>	<b>158,848</b>	<b>279,414</b>	<b>36,908</b>	<b>(1,783,773)</b>	<b>(39,028)</b>	<b>366,289</b>	<b>3,435,826</b>	<b>2,171,693</b>
Shareholders' share against takaful operation management	(825,031)	(43,474)	(103,674)	(5,668)	(440,695)	(14,368)	(54,614)	(662,968)	<b>(2,150,493)</b>
Expected credit losses provision (cheques under collection)	(367)	-	-	-	-	-	-	-	<b>(367)</b>
Expected credit losses provision (deposits)	2,218	117	279	15	1,185	39	147	1,782	<b>5,781</b>
<b>Total expenses</b>	<b>(823,180)</b>	<b>(43,357)</b>	<b>(103,396)</b>	<b>(5,653)</b>	<b>(439,510)</b>	<b>(14,329)</b>	<b>(54,467)</b>	<b>(661,186)</b>	<b>(2,145,079)</b>
<b>Policyholder's surplus(deficit) before income tax</b>	<b>(1,105,971)</b>	<b>115,492</b>	<b>176,018</b>	<b>31,255</b>	<b>(2,223,283)</b>	<b>(53,358)</b>	<b>311,822</b>	<b>2,774,640</b>	<b>26,614</b>
Income tax for the year	-	(3,719)	(8,869)	(485)	-	(1229)	(4,672)	(165,002)	<b>(183,977)</b>
<b>Policyholder's surplus(deficit) After income tax</b>	<b>(1,105,971)</b>	<b>111,773</b>	<b>167,149</b>	<b>30,770</b>	<b>(2,223,283)</b>	<b>(54,587)</b>	<b>307,149</b>	<b>2,609,638</b>	<b>(157,363)</b>

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2022	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	Total
<b>Revenues</b>									
Insurance contracts revenues	10,638,124	814,887	1,631,723	76,421	6,772,340	190,091	858,252	9,192,899	30,174,737
Insurance contracts expenses	10,763,604	734,240	1,832,701	39,354	8,016,861	301,656	(48,541)	6,460,429	28,100,305
<b>Insurance contract service results</b>	<b>(125,480)</b>	<b>80,647</b>	<b>(200,978)</b>	<b>37,067</b>	<b>(1,244,521)</b>	<b>(111,565)</b>	<b>906,793</b>	<b>2,732,470</b>	<b>2,074,432</b>
Reinsurance contracts held expenses	(768,832)	(418,660)	(1,056,359)	(52,705)	(3,793,282)	(65,959)	(454,600)	(5,028,455)	(11,638,852)
Reinsurance contracts held revenues	503,002	584,615	1,647,040	47,467	4,092,822	252,648	(32,978)	4,055,186	11,149,802
<b>Reinsurance contracts service results</b>	<b>(265,830)</b>	<b>165,955</b>	<b>590,681</b>	<b>(5,238)</b>	<b>299,540</b>	<b>186,689</b>	<b>(487,578)</b>	<b>(973,269)</b>	<b>(489,050)</b>
<b>Net insurance contract service results</b>	<b>(391,311)</b>	<b>246,602</b>	<b>389,703</b>	<b>31,829</b>	<b>(944,981)</b>	<b>75,124</b>	<b>419,215</b>	<b>1,759,201</b>	<b>1,585,382</b>
Finance (expenses) revenues from insurance contracts	225,428	21,102	41,768	4,919	10,517	11,788	29	83,869	399,420
Finance (expenses) revenues from reinsurance contracts	(29,075)	(18,137)	(40,354)	(4,416)	(6,339)	(9,034)	368	(50,303)	(157,290)
<b>Net insurance business financing results</b>	<b>196,353</b>	<b>2,965</b>	<b>1,414</b>	<b>503</b>	<b>4,178</b>	<b>2,754</b>	<b>397</b>	<b>33,566</b>	<b>242,130</b>
Policyholders' share of investment returns	101,102	7,745	15,508	726	64,363	1,807	8,157	87,367	286,774
Policyholders' share of net profits from financial assets and investments	28,018	2,146	4,298	201	17,836	501	2,260	24,212	79,472
Less: Shareholders' share against managing the investment portfolio	(32,280)	(2,473)	(4,951)	(232)	(20,550)	(577)	(2,604)	(27,895)	(91,561)
<b>Total revenues</b>	<b>(98,117)</b>	<b>256,985</b>	<b>405,970</b>	<b>33,027</b>	<b>(879,154)</b>	<b>79,609</b>	<b>427,424</b>	<b>1,876,451</b>	<b>2,102,197</b>
Shareholders' share against takaful operation management	(711,627)	(54,511)	(109,153)	(5,112)	(453,029)	(12,716)	(57,412)	(614,950)	(2,018,511)
Expected credit losses provision (cheques under collection)	-	-	-	-	-	-	-	-	-
Expected credit losses provision (deposits)	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>(711,627)</b>	<b>(54,511)</b>	<b>(109,153)</b>	<b>(5,112)</b>	<b>(453,029)</b>	<b>(12,716)</b>	<b>(57,412)</b>	<b>(614,950)</b>	<b>(2,018,511)</b>
<b>Policyholder's surplus(deficit) before income tax</b>	<b>(809,745)</b>	<b>202,474</b>	<b>296,818</b>	<b>27,915</b>	<b>(1,332,183)</b>	<b>66,893</b>	<b>370,012</b>	<b>1,261,501</b>	<b>83,686</b>
Income tax for the year	-	-	-	-	-	-	-	-	-
<b>Policyholder's surplus(deficit) After income tax</b>	<b>(809,745)</b>	<b>202,474</b>	<b>296,818</b>	<b>27,915</b>	<b>(1,332,183)</b>	<b>66,893</b>	<b>370,012</b>	<b>1,261,501</b>	<b>83,686</b>

The Islamic Insurance Company PLC  
Notes to the Financial Statements (Continued)  
31 December 2023

57 – Written Premiums Based on Insurance Type:

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other insurance		Takaful		Total	
	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Written Premiums:</b>																		
Direct premiums	12,286,115	10,678,793	743,359	801,241	1,546,914	1,522,942	84,696	76,476	6,914,611	6,752,993	209,344	203,655	851,481	834,979	10,623,094	9,192,382	33,259,614	30,063,461
Facultative inward reinsurance	1,235,708	1,077,630	-	-	58,572	68,282	4,438	3,438	-	-	495	825	781	914	-	-	1,299,994	1,151,089
<b>Total written premiums</b>	<b>13,521,823</b>	<b>11,756,423</b>	<b>743,359</b>	<b>801,241</b>	<b>1,605,486</b>	<b>1,591,224</b>	<b>89,134</b>	<b>79,914</b>	<b>6,914,611</b>	<b>6,752,993</b>	<b>209,839</b>	<b>204,480</b>	<b>852,262</b>	<b>835,893</b>	<b>10,623,094</b>	<b>9,192,382</b>	<b>34,559,608</b>	<b>31,214,550</b>
Less:																		
Local reinsurers' share	(386,842)	(392,745)	(1,029)	(324)	(83,333)	(107,535)	(2,530)	(6,662)	-	-	-	-	(3,781)	(10,937)	-	-	(477,515)	(518,203)
Foreign reinsurers' share	(165,535)	(131,284)	(339,330)	(242,028)	(959,333)	(814,840)	(52,084)	(32,227)	(4,203,081)	(3,887,978)	(147,649)	(84,555)	(371,713)	(308,394)	(5,217,877)	(5,045,670)	(11,456,602)	(10,546,976)
<b>Net written premiums:</b>	<b>12,969,446</b>	<b>11,232,394</b>	<b>403,000</b>	<b>558,889</b>	<b>562,820</b>	<b>668,849</b>	<b>34,520</b>	<b>41,025</b>	<b>2,711,530</b>	<b>2,865,015</b>	<b>62,190</b>	<b>119,925</b>	<b>476,768</b>	<b>516,562</b>	<b>5,405,217</b>	<b>4,146,712</b>	<b>22,625,491</b>	<b>20,149,371</b>

58 – Amortization of Acquisition Costs for Insurance Contract Assets

31 December 2023	Issued insurance policy								Total
	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	
The number of years expected to amortize deferred acquisition costs									
Year	194,913	385	9,280	355	-	3,784	183	-	208,900
Two years	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>194,913</b>	<b>385</b>	<b>9,280</b>	<b>355</b>	<b>-</b>	<b>3,784</b>	<b>183</b>	<b>-</b>	<b>208,900</b>

31 December 2022	Issued insurance policy								Total
	Motors	Marine	Fire	Engineering	Medical	Responsibility Insurance	Other insurance	Takaful	
The number of years expected to amortize deferred acquisition costs									
Year	126,850	981	8,687	315	8,348	2,977	178	-	148,336
Two years	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>126,850</b>	<b>981</b>	<b>8,687</b>	<b>315</b>	<b>8,348</b>	<b>2,977</b>	<b>178</b>	<b>-</b>	<b>148,336</b>

59 – Account Receivables Analysis

	31/12/2023			31/12/2022		
	Accounts receivables	Provision for expected credit losses	Net	Accounts receivables	Provision for expected credit losses	Net
	JOD			JOD		
Motors	1,216,497	(205,544)	1,010,953	1,174,488	(190,545)	983,943
Marine	166,355	(5,337)	161,018	219,096	(5,837)	213,259
Fire	486,486	(36,586)	449,900	305,168	(24,587)	280,581
Engineering	19,127	(1,419)	17,708	28,491	(1,419)	27,072
Medical	1,659,097	(355,512)	1,303,585	1,775,572	(320,691)	1,454,881
Responsibility Insurance	171,295	(4,174)	167,121	51,031	(4,174)	46,857
Other insurance	22,480	(548)	21,932	4,792	(548)	4,244
Takaful	379,491	(45,770)	333,721	328,550	(40,214)	288,336
<b>Total</b>	<b>4,120,828</b>	<b>(654,890)</b>	<b>3,465,938</b>	<b>3,887,188</b>	<b>(588,015)</b>	<b>3,299,173</b>