



# شركة التأمين الإسلامية

المساهمة العامة المحدودة

إشارتنا : ت إ/ن/٥٦/٢٠٢٣

التاريخ : ٢٠٢٣/٠٢/١٢

To: Jordan Securities Commission

To: Amman Stock Exchange

السادة / هيئة الأوراق المالية المحترمين

السادة / بورصة عمان المحترمين

Subject:

Financial Statements as at  
31/12/2022

الموضوع: البيانات المالية المنتهية في

٢٠٢٢/١٢/٣١

Attached the Financial Statements of  
The Islamic Insurance Co. as at  
31/12/2022, subject to the approval  
of the central bank of Jordan.

مرفق طياً نسخة من البيانات المالية  
السنية لشركة التأمين الإسلامية كما هي  
بتاريخ ٢٠٢٢/١٢/٣١، وهي خاضعة  
لموافقة البنك المركزي الاردني.

Kindly accept our highly  
appreciation and respect

وتفضلوا بقبول فائق الاحترام،،،

The Islamic Insurance Co. Plc.

A. Al- Natsheh  
First Deputy. G. Manager

عن / شركة التأمين الإسلامية م.ع.م.

عبد السميع النتشه  
نائب المدير العام الأول

٥٤/٤١

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**The Islamic Insurance Co.  
Amman - Jordan  
Financial Statements  
AS AT Year Ended 31 December 2022**

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An independent member of  
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 **MOORE Global**

**The Islamic Insurance Co.  
Amman - Jordan**

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## Independent Auditor's Report

**To, The Shareholders**  
**The Islamic Insurance Company**  
(Public Shareholding Limited Company)  
**Amman - The Hashemite Kingdom of Jordan**

### Opinion:

We have audited the financial statements of **The Islamic Insurance Company (the "Company")** which comprises statement of financial position as at December 31, 2022 and the related statements profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and explanatory notes from 1 to 48.

In our opinion, the financial statements referred to above in whole present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and the results of its operations, its cash flows and changes in shareholders' equity for the year then ended are in accordance with the financial accounting standards as issued by Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

### Basis for Opinion:

We conducted our audit in accordance with the International Auditing Standards. 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 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 IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 considered in the context of our audit of the financial statements as a whole, and in forming our opinion on the financial statements as a whole, and not for the purpose of expressing a separate opinion on these matters. Such as:

Significant Audit Matter	Audit scope to meet the Significant audit matter:
<b>1- Insurance and reinsurance receivables</b>  As of December 31, 2022, the company had net insurance receivables of 3,299,173 JD, net reinsurance receivables of 1,356,534 JD, a provision for impairment of insurance receivables of 588,015 JD, and a provision for impairment of reinsurance receivables of 211,985 JD.	<b>The following are the main procedures for our audit of this matter:</b> <ul style="list-style-type: none"> <li>We reviewed the methodology and judgment used and challenged management's key assumptions used in assessing impairment.</li> <li>On sample basis checked the completeness and accuracy of the insurance and reinsurance aging reports by tracing the balances to the source documents.</li> </ul>



### Independent Auditor's Report (continued)

#### Key Audit Matters: (continued)

Significant Audit Matter (continued)	Audit scope to meet the Significant audit matter: (continued)
<p><b>1- Insurance and reinsurance receivables (continued)</b></p> <p>We considered this as a key audit matter as the assessment of impairment requires subjective judgments with respect to the estimation of the amount and timing of future cash flows. In making this judgment, the Company evaluates credit risk characteristics that consider past-due status being indicative of the ability to pay all amounts due as per contractual terms. For individually significant receivables, the Company also assesses the impairment individually on a regular basis.</p> <p>Refer to Note No. 2.5 of the financial statements for the accounting policy relating to the impairment of insurance and reinsurance receivables, and Note No. 2.3 for the critical accounting estimates and judgments, and Note 10 about insurance receivables balances and Note 11 about reinsurance receivables balances.</p>	<p><b>The following are the main procedures for our audit of this matter: (continued)</b></p> <ul style="list-style-type: none"> <li>• On sample basis, requested external confirmations of the outstanding amount from counterparties and where responses were poor, we performed alternative tests to ensure existence and accuracy of those receivables.</li> <li>• Challenged management's key assumptions over credit risk and the calculation methodology, including correspondence with the insurer and re-insurers to assess recoverability.</li> <li>• Considered the consistency of the approach with the prior years, and enquired about any major variations and changes in key assumptions and its basis.</li> <li>• Considered adequacy of disclosures in the financial statements in accordance with the requirements of International Financial Reporting Standards.</li> </ul>
<p><b>2- Valuation of ultimate claim liabilities arising from insurance contracts</b></p> <p>As of December 31, 2022, outstanding claims, claims incurred but not reported (IBNR) amounted to 8,549,271 Jordanian dinars, as shown in the list of compensation costs for the general insurance and takaful branches around the financial statements.</p> <p>The estimation of ultimate insurance contract liabilities involves a significant degree of judgment. The liabilities are based on the best-estimate of ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs.</p>	<p><b>The following are the main procedures for our audit of this matter:</b></p> <p>We understood and evaluated key controls around the claims handling and technical reserve setting processes of the Company including completeness and accuracy of claims data used in the actuarial reserving process.</p> <p>We evaluated the competence, capabilities and objectivity of the management's expert by examining their professional qualifications and experiences and assessing their relationship with the entity.</p>



### Independent Auditor's Report (continued)

#### Key Audit Matters (continued)

Significant Audit Matter (continued)	Audit scope to meet the Significant audit matter: (continued)
<p><b>2- Evaluation of final claims liabilities arising from insurance contracts (continued)</b></p> <p>In particular, estimates of IBNR and the use of actuarial and statistical projections involve significant judgment. A range of actuarial methods are used by the actuary to determine these technical reserves. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.</p> <p>We considered this as a key audit matter since use of management assumptions and judgements could result in material over / understatement of the Company's profitability.</p> <p>The Company's policies for claims and related judgments and estimates are disclosed in note 2.5 in the financial statements. Liabilities for outstanding claims including IBNR and claims incurred have been disclosed in the statement of compensation cost for the general insurance and takaful branches in the financial statements. Segment wise disclosure of claim related liabilities and expense have been disclosed in note 42 second in the financial statements</p>	<p><b>The following are the main procedures for our audit of this matter: (continued)</b></p> <p>In obtaining sufficient audit evidence to assess the integrity of data used as inputs into the actuarial valuations, we tested on sample basis, the completeness and accuracy of underlying claims data utilized by the Company's actuary in estimating the IBNR by comparing it to accounting records.</p> <p>In order to assess management's methodologies and assumptions, we were assisted by our actuarial expert to understand and evaluate the Company's actuarial practices and the technical reserves established. In order to obtain comfort over the Company's actuarial report, our expert actuarial performed the following:</p> <ul style="list-style-type: none"> <li>- Evaluated whether the Company's actuarial methodologies were consistent with those used in the industry and with prior periods. We sought sufficient justification for any significant differences.</li> <li>- Assessed key actuarial assumptions including claims ratios, and expected frequency and severity of claims. We assessed these assumptions by comparing them with our expectations based on the Company's historical experience, current trends and our own industry knowledge.</li> <li>- Reviewed the appropriateness of the calculation methods and approach along with the assumptions used and sensitivities to the key assumptions.</li> </ul>

#### Others Information

Management is responsible for the other information. The other information includes the information in the Company's 2022 annual report but does not include the financial statements and our report there on.

Our opinion on the financial statements does not include the other information and we do not express any form of assurance thereon, and Our responsibility is to read the other information, and consider whether the other information is materially inconsistent with the financial statements or information obtained through our audit, If there is a material misstatement in that other information, and if we conclude that there is a material misstatement in this other information, based on the work we have done, We have to report on that fact, and there are no matters related to this issue that we must report about.



### **Independent Auditor's Report (continued)**

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements:**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), 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.

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

#### **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 guarantee that an audit conducted in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") 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 those financial statements.

As part of an audit in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), 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, Representations, 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.



## Independent Auditor's Report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued):

- 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 compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought bear on our independence, and where applicable, related safeguards.

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.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of 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

### Report on Other Legal and Regulatory Requirements:

Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Company is not in compliance, in all material respects, with the applicable requirements of the Regulations for companies and in so far as they affect the preparation and presentation of the financial statements.

Date: February 08, 2023

Abbasi Group International  
(Independent Member of Moore Global)



Hassan A. Othman  
(License No. 674)



**The Islamic Insurance Co.  
Amman - Jordan  
Financial Position Statement  
as at 31 December 2022**

<b>Assets</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
Investment Deposits	21,002,984	18,458,548
Fair Value Assets through Profit or Loss - FVTPL	4,000,000	4,000,000
Fair Value Assets through other Comprehensive Income - FVTOCI	9,405,999	9,182,554
Amortized Cost Assets	747,000	747,000
Property Investments	396,055	0
<b>Total Investment</b>	<b>35,552,038</b>	<b>32,388,102</b>
Cash on Hand and at Banks	830,483	2,265,349
Receipt Papers and Cheques under Collection	1,420,078	1,377,358
Accounts Receivable - net	3,299,173	2,928,063
Receivable from Reinsurance Companies	1,356,534	517,305
Property Plant & Equipment - net	1,834,132	610,139
Intangible Assets	19,818	7,342
Other Assets	981,485	813,275
<b>Total Assets</b>	<b>45,293,741</b>	<b>40,906,933</b>



**The Islamic Insurance Co.  
Amman - Jordan  
Financial Position Statement  
as at 31 December 2022**

<b>Liabilites, Shareholder &amp; Policyholders Equity's</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
<b><u>Liabilites</u></b>		
Unearned Contributions - Net	6,623,578	4,937,185
Premium Deficiency Reserve - Net	105,000	0
Outstanding Claims Reserve - Net	8,549,271	7,573,416
Mathematical Reserve - Net	86,018	73,610
<b>Total of Insurance Contract Liabilities</b>	<b>15,363,867</b>	<b>12,584,211</b>
Accounts Payable	412,500	359,724
Payable to Reinsurance Companies	3,639,454	2,578,780
Other Provisions	498,348	441,073
Income Tax Provisions	509,767	561,459
Other Liabilites	475,213	418,547
<b>Total Liabilites</b>	<b>20,899,149</b>	<b>16,943,794</b>
<b><u>Policyholders Equity</u></b>		
Deficiency Cover Reserve (Emergency Allowance)	1,002,306	1,300,837
Accumulative Changes in Fair Value of Securities	(14,321)	(86,017)
Non Demanded Surplus	56,180	89,617
Accumulated Surplus (Deficiency)	0	11,180
<b>Total Policyholders' Equity</b>	<b>1,044,165</b>	<b>1,315,617</b>
<b><u>Shareholder's Equity</u></b>		
Paid in Capital	15,000,000	15,000,000
Compulsory Reserve	3,694,510	3,454,318
Voluntary Reserve	1,245,480	1,005,288
Foreign exchange differences	0	(46,815)
Accumulative Changes in Fair Value of Securities	(42,962)	(258,051)
Retained Earnings	3,453,399	3,492,782
<b>Total Shareholder's Equity</b>	<b>23,350,427</b>	<b>22,647,522</b>
<b>Total Shareholder &amp; Policyholders Equity's</b>	<b>24,394,592</b>	<b>23,963,139</b>
<b>Total Liabilites, Shareholder &amp; Policyholders Equity's</b>	<b>45,293,741</b>	<b>40,906,933</b>



**The Islamic Insurance Co.**  
**Amman - Jordan**  
**Policyholders Revenues & Expenses Statement**  
**for the Year Ended 31 December 2022**

	31-Dec-2022	31-Dec-2021
<b><u>Revenues</u></b>		
Total Underwriting Contributions	31,214,550	25,188,341
Less: Reinsurance's Share	(11,065,179)	(8,645,332)
<b>Net Underwriting Contributions</b>	<b>20,149,371</b>	<b>16,543,009</b>
Net Change in Unearned contributions Reserve	(1,686,393)	(50,121)
Net Change in Premium Deficiency Reserve	(105,000)	-
Net Change in Mathematical Reserve	(12,408)	6,880
<b>Net Earned contributions</b>	<b>18,345,570</b>	<b>16,499,768</b>
Policy and Survey Fees	662,650	514,676
Policyholder's Share in the Investment Returns	286,774	289,421
Policyholder's Share in the Financial Assets Profit	79,472	76,677
Shareholder's Share against Investment Portfolio Management	(91,561)	(91,524)
<b>Total Revenues</b>	<b>19,282,905</b>	<b>17,289,018</b>
<b><u>Expenses</u></b>		
Paid Claims	20,696,773	18,572,528
Less : Recoveries	(1,487,768)	(1,215,503)
Less : Reinsurance's Share	(7,520,481)	(6,558,493)
<b>Net Paid Claims</b>	<b>11,688,524</b>	<b>10,798,532</b>
Net Change in Outstanding Claims Reserve	975,855	(686,330)
Shareholder's Share against Takaful Operation Management	5,774,692	5,793,318
Excess of Loss Contributions	336,860	433,842
Policies Acquisition Cost	395,527	308,436
Other Underwriting Expenses	421,158	416,687
<b>Net Claims</b>	<b>19,592,616</b>	<b>17,064,485</b>
Less: Unexpected Credit Loss Allowance (Accounts receivable)	0	0
Less: Unexpected Credit Loss Allowance (Deposits)	0	12,071
Less : Unexpected Credit Loss Allowance (Cheques under collection)	0	(2,241)
Less: Allowance for doubtful debts	0	0
<b>Policyholders Surplus Befor Tax</b>	<b>(309,711)</b>	<b>234,363</b>
Income Tax Provision	-	(158,106)
<b>Policyholders Surplus</b>	<b>(309,711)</b>	<b>76,257</b>



**The Islamic Insurance Co. plc**  
**Amman - Jordan**  
**Income Statement**  
**for the Year Ended 31 December 2022**

	31-Dec-2022	31-Dec-2021
Shareholder's Share against Takaful Operation Management	5,774,692	5,793,318
Shareholder's Share against Investment Portfolio Management	91,561	91,524
Shareholder's Share in the Investment Returns	649,337	684,689
Shareholder's Share in the Financial Assets Profit	239,889	230,031
Other Revenues	14,363	17,598
<b>Total Revenues</b>	<b>6,769,842</b>	<b>6,817,160</b>
Employees Expenditures	3,146,290	2,817,964
General & Administrative Expenses	728,715	697,325
Other Expenses	55,000	55,000
Addition Provision	375,500	510,000
Depreciation and Amortization	117,416	116,383
Unexpected Credit Loss Allowance (Deposits)	-	(10,655)
<b>Total Expenses</b>	<b>4,422,921</b>	<b>4,186,017</b>
<b>Net Profit before Tax</b>	<b>2,346,921</b>	<b>2,631,143</b>
<b>Less :</b>		
Income Tax Provision	(687,042)	(738,998)
<b>Net Profit</b>	<b>1,659,879</b>	<b>1,892,145</b>
<b>Earnings Per Share</b>	<b>0.110</b>	<b>0.126</b>

**The Islamic Insurance Co.  
Amman - Jordan  
Comprehensive Income Statement - Shareholders  
for the year Ended 31 December 2022**

	31-Dec-2022	31-Dec-2021
<b><u>Profit for the year</u></b>	1,659,879	1,892,145
<b><u>Add : Other Comprehensive Income Items</u></b>		
Foreign exchange differences	46,815	(46,815)
Shareholders' share from Change in fair Value	215,089	853,047
Shareholders' share from Loss sale of Financial Assets through	(18,878)	(42,310)
Other Comprehensive Income	0	0
Shareholders' share from Loss decrease in Financial Assets through	0	0
Other Comprehensive Income	0	0
Total of Other Comprehensive income items	243,026	763,922
<b>Total of Comprehensive Income for the year</b>	<b>1,902,905</b>	<b>2,656,067</b>



**The Islamic Insurance Co.**  
**Amman - Jordan**  
**Statement of changes of Shareholders equity**  
**for the year Ended 31 December 2022**

	Paid in Capital	Compulsory Reserve	Voluntary Reserve	Foreign exchange differences	Accumulative changes in Fair value	Retained Earning	Total Shareholders Equity
<b>2021</b>							
Balance at Beginning of the year 1/1/2021	15,000,000	3,185,704	736,674	0	(1,111,098)	3,380,175	21,191,455
Profit for the year	0	0	0	0	0	1,892,145	1,892,145
Shareholders Share from Foreign exchange differences	0	0	0	(46,815)	0	0	(46,815)
Shareholders Share from Net Change in fair Value	0	0	0	0	853,047	0	853,047
Shareholders share from Loss sale of financial assets through other comprehensive income	0	0	0	0	0	(42,310)	(42,310)
Shareholders share from loss decrease in financial assets through other comprehensive income	0	0	0	0	0	0	0
Total of Comprehensive income for the year	0	0	0	(46,815)	853,047	1,849,835	2,656,067
Transferred to reserves	0	268,614	268,614	0	0	(537,228)	0
Cash dividends	0	0	0	0	0	(1,200,000)	(1,200,000)
Balance at the ending of the year 31/12/2021	15,000,000	3,454,318	1,005,288	(46,815)	(258,051)	3,492,782	22,647,522
<b>2022</b>							
Balance at Beginning of the year 1/1/2022	15,000,000	3,454,318	1,005,288	(46,815)	(258,051)	3,492,782	22,647,522
Profit for the year	0	0	0	0	0	1,659,879	1,659,879
Shareholders Share from Foreign exchange differences	0	0	0	46,815	0	0	46,815
Shareholders Share from Net Change in fair Value	0	0	0	0	215,089	0	215,089
Shareholders share from loss sale of financial assets through other comprehensive income	0	0	0	0	0	(18,878)	(18,878)
Shareholders share from loss decrease in financial assets through other comprehensive income	0	0	0	0	0	0	0
Total of Comprehensive income for the year	0	0	0	46,815	215,089	1,641,001	1,902,905
Transferred to reserves	0	240,192	240,192	0	0	(480,384)	0
Cash dividends	0	0	0	0	0	(1,200,000)	(1,200,000)
Balance at the ending of the period 31/12/2022	15,000,000	3,694,510	1,245,480	0	(42,962)	3,453,399	23,350,427

**The Islamic Insurance Co.  
Amman - Jordan**  
**Statement of changes of policyholders equity  
for the year Ended 31 December 2022**

	<b>Deficiency coverage reserve (Emergency Allowance)</b>	<b>Accumulative changes in fair Value</b>	<b>Non Demand Surplus</b>	<b>Accumulated Surplus</b>	<b>Total Policyholders Equity</b>
<b>2021</b>					
<b>Balance at the beginning of the year 1/1/2021</b>	<b>1,258,516</b>	<b>(400,205)</b>	<b>0</b>	<b>369,821</b>	<b>1,228,132</b>
Distribution to policy holders (from Accumulated Surplus)	0	0	0	(270,610)	(270,610)
Change in non Demand Surplus)	0	0	89,617	(99,211)	(9,594)
policy holders surplus for the current year	0	0	0	76,257	76,257
Transferred from Deficiency Coverage Reserve to cover the deficit	0	0	0	0	0
policy holders share from net change of fair value	0	314,188	0	0	314,188
transferred to Deficiency coverage reserve from non Demand Surplus	0	0	0		0
policy holders share from Loss sale of financial assets through other comprehensive income				(22,756)	(22,756)
policy holders share from loss decrease in financial assets through other comprehensive income	0	0	0	0	0
transferred to Deficiency coverage reserve	42,321	0	0	(42,321)	0
transferred to No Demand Surplus	0	0	0	0	0
<b>Balance at the ending of the year 31/12/2021</b>	<b>1,300,837</b>	<b>(86,017)</b>	<b>89,617</b>	<b>11,180</b>	<b>1,315,617</b>
<b>2022</b>					
<b>Balance at the beginning of the year 1/1/2022</b>	<b>1,300,837</b>	<b>(86,017)</b>	<b>89,617</b>	<b>11,180</b>	<b>1,315,617</b>
Distribution to policy holders (from Accumulated Surplus)	0	0	0	0	0
Distribution to charity acts (from non Demand Surplus)	0	0	(33,437)	0	(33,437)
policy holders Deficit for the current year	0	0	0	(309,711)	(309,711)
Transferred from Deficiency Coverage Reserve to cover the deficit	(298,531)	0	0	298,531	0
policy holders share from net change of fair value	0	71,696	0	0	71,696
policy holders share from loss sale of financial assets through other comprehensive income	0	0	0	0	0
policy holders share from loss decrease in financial assets through other comprehensive income	0	0	0	0	0
transferred to Deficiency coverage reserve from non Demand Surplus	0	0	0	0	0
transferred to Deficiency coverage reserve	0	0	0	0	0
transferred to No Demand Surplus	0	0	0	0	0
<b>Balance at the ending of the year 31/12/2022</b>	<b>1,002,306</b>	<b>(14,321)</b>	<b>56,180</b>	<b>0</b>	<b>1,044,165</b>

The Deficiency coverage reserve is calculated as 20% from policyholder surplus for the period and policyholders share from profit sale of financial assets through other comprehensive income.



**The Islamic Insurance Co.  
Amman - Jordan  
Cash Flow Statements  
for the Year Ended 31 December 2022**

	31-Dec-2022	31-Dec-2021
<b><u>Cash Flows From Operating Activities</u></b>		
Net Profit Before Tax	2,037,210	2,865,506
(Gains) on Fixed Assets	(618)	(17,598)
<b><u>Adjustments for non-cash Items</u></b>		
Depreciation & Amortization	117,416	116,383
Changes in Unearned Contributions Reserve	1,686,393	50,121
Changes in Premium Deficiency Reserve	105,000	0
Changes in Mathematical Reserve	12,408	(6,880)
Changes in Outstanding Claims Reserve	975,855	(686,330)
Provision for end of service indemnity	51,592	36,320
Addition Provision	375,500	510,000
Unexpected Credit Loss (Deposits)	0	(27,231)
Unexpected Credit Loss (Cheques under Collection)	0	2,241
Unexpected Credit Loss (Accounts receivable)	0	0
Allowance for doubtful debts	0	0
Net Cash Flows from Operating Activities before The Changes in Working Capital Items	<b>5,360,756</b>	<b>2,842,532</b>
Decrease (Increase) in Cheques Under Collection	(42,720)	141,860
Decrease (Increase) in Accounts Receivable	(371,110)	122,903
Decrease (Increase) in Receivable from Insurance Companies	(839,229)	231,188
Decrease (Increase) in Other Assets	(168,210)	(36,745)
Increase (Decrease) in Accounts Payable	52,776	(39,551)
Increase (Decrease) in Other Provisions	5,683	(26,025)
Increase (Decrease) in Payable To Reinsurance Companies	1,060,674	249,871
Increase (Decrease) in Other Liabilities	56,666	(68,949)
Increase (Decrease) in non-demanded Surplus	(33,437)	89,617
Net Cash Flows from Operating Activities before Tax	<b>5,081,849</b>	<b>3,506,701</b>
Income Tax Paid	(738,734)	(969,807)
Net Cash Flows from Operating Activities	<b>4,343,115</b>	<b>2,536,894</b>
<b><u>Cash Flows From Investing Activities</u></b>		
Decrease(Increase) in Investment Deposits	(3,410,145)	(141,974)
(Purchase) Fair Value Assets through other Comprehensive Income - FVTOCI	0	(200,638)
Sale Fair Value Assets through other Comprehensive Income - FVTOCI	91,278	1,264,615
Decrease of Fair Value Assets through other Comprehensive Income - FVTOCI	0	0
(Purchase) Fair Value Assets through Profit or Loss - FVTPL	0	0
Sale Fair Value Assets through Profit or Loss - FVTPL	0	0
Property Investments	(400,000)	0
Purchases of Property, Plant & Equipment	(1,311,616)	(46,357)
Sale of Property, Plant & Equipment	1,700	17,600
(Purchase) of Intangible Assets	(39,405)	0
(Purchase) of Amortized Cost Assets	0	0
Net Cash Flows used in Investing Activities	<b>(5,068,188)</b>	<b>893,246</b>
<b><u>Cash Flows used in Financing Activities</u></b>		
Cash Dividened Paid	(1,200,000)	(1,200,000)
Surplus distributed to policyholders	0	(270,610)
Surplus distributed to non demand surplus	0	(99,211)
Cash Flows used in Financing Activities	<b>(1,200,000)</b>	<b>(1,569,821)</b>
Net increase (Decrease) in Cash	<b>(1,925,073)</b>	<b>1,860,319</b>
Cash on Hand and at Bank - at the Beginning of the Year	2,862,926	1,002,607
Cash on Hand and at Bank - at the End of the Year	937,853	2,862,926

**The Islamic Insurance Co.**  
**Amman - Jordan**  
**Underwriting Revenue Account for Family Takaful Business (Life)**  
**for the Year Ended 31 December 2022**

	Current Year	Prior Year
Written Contributions		
Direct Contributions	9,192,382	7,284,036
<b>Gross Written Contributions</b>	<b>9,192,382</b>	<b>7,284,036</b>
<u>Less:</u>		
Foreign Reinsurance Contributions	(5,045,670)	(2,987,040)
<b>Net Written Contributions</b>	<b>4,146,712</b>	<b>4,296,996</b>
<u>Add:</u>		
<b>Beg Balance</b>		
Unearned Contributions Reserve	87,515	78,644
Less: Reinsurance's Share	(44,333)	(39,670)
<b>Unearned Contributions Reserve - Net</b>	<b>43,182</b>	<b>38,974</b>
Mathematical Reserve	83,473	89,961
Less: Reinsurance's Share	(9,863)	(9,471)
<b>Mathematical Reserve - Net</b>	<b>73,610</b>	<b>80,490</b>
<u>Less:</u>		
<b>End Balance</b>		
Unearned Contributions Reserve	112,037	87,515
Less: Reinsurance's Share	(75,184)	(44,333)
<b>Unearned Contributions Reserve - Net</b>	<b>36,853</b>	<b>43,182</b>
Mathematical Reserve	99,714	83,473
Less: Reinsurance's Share	(13,696)	(9,863)
<b>Mathematical Reserve - Net</b>	<b>86,018</b>	<b>73,610</b>
<b>Net Earned revenues from underwriting Contributions</b>	<b>4,140,633</b>	<b>4,299,668</b>



**The Islamic Insurance Co.**  
**Amman - Jordan**  
**Claim Expenses Account for Family Takaful Business (Life)**  
**for the Year Ended 31 December 2022**

	Current Year	Prior Year
Gross Paid Claims	4,820,885	4,447,757
<b><u>Less:</u></b>		
Foreign Reinsurance Share	(3,219,463)	(2,835,143)
<b>Net Paid Claims</b>	<b>1,601,422</b>	<b>1,612,614</b>
<b><u>Add:</u></b>		
Outstanding Claims Reserve - End		
Reported	3,506,659	2,531,104
Not Reported	311,000	200,000
Less: Reinsurance's Share	(2,238,634)	(1,495,839)
<b>Net Outstanding Claims Reserve - End</b>	<b>1,579,025</b>	<b>1,235,265</b>
<b><u>Less:</u></b>		
Outstanding Claims Reserve - Beg		
Reported	2,531,104	1,987,013
Not Reported	200,000	150,000
Less: Reinsurance's Share	(1,495,839)	(1,184,993)
<b>Net Outstanding Claims Reserve - Beg</b>	<b>1,235,265</b>	<b>952,020</b>
<b>Net Cost of Claims</b>	<b>1,945,182</b>	<b>1,895,859</b>

**The Islamic Insurance Co.**  
**Amman - Jordan**  
**Underwriting Profit (Loss) Account for Family Takaful Business (Life)**  
**for the Year Ended 31 December 2022**

	Current Year	Prior Year
Net Earned revenues from underwriting Contributions	4,140,633	4,299,668
<u>Less:</u>		
Net Cost of Claims	(1,945,182)	(1,895,859)
<u>Add:</u>		
Policy and Survey Fees	93,077	73,361
<b>Total Revenues</b>	<b>93,077</b>	<b>73,361</b>
 Less:		
Excess of Loss Contributions	12,500	12,843
Shareholder's Share Against Takaful Operation Management	1,700,591	1,675,328
Other Expenses	29,399	42,443
<b>Total Expenses</b>	<b>1,742,490</b>	<b>1,730,614</b>
<b>Underwriting Profit</b>	<b>546,038</b>	<b>746,556</b>



**The Islamic Insurance Co.**  
**Amman - Jordan**  
**Underwriting Revenue Account for General Takaful Business**  
**for the Year Ended 31 December 2022**

	Motor		Marine & Transportation		Fire & Engineering		Medical		Others		Total	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Gross Written Contributions												
Direct Contributions	10,678,793	7,948,691	801,241	733,715	1,599,418	1,389,566	6,752,993	6,358,592	1,038,634	806,751	20,871,079	17,237,315
Facultative Incoming Reinsurance	1,077,630	605,861	0	0	71,720	60,009	0	0	1,739	1,120	1,151,089	666,990
<b>Gross Contributions</b>	<b>11,756,423</b>	<b>8,554,552</b>	<b>801,241</b>	<b>733,715</b>	<b>1,671,138</b>	<b>1,449,575</b>	<b>6,752,993</b>	<b>6,358,592</b>	<b>1,040,373</b>	<b>807,871</b>	<b>22,022,168</b>	<b>17,904,305</b>
Less:												
Domestic Reinsurance Contributions	(392,745)	(420,978)	(324)	(212)	(114,197)	(76,239)	0	0	(10,937)	(6,819)	(518,203)	(504,248)
Foreign Reinsurance Contributions	(131,284)	(98,612)	(242,028)	(164,794)	(847,067)	(801,481)	(3,887,978)	(3,716,878)	(392,949)	(372,279)	(5,501,306)	(5,154,044)
<b>Net Contributions</b>	<b>11,232,394</b>	<b>8,034,962</b>	<b>558,889</b>	<b>568,709</b>	<b>709,874</b>	<b>571,855</b>	<b>2,865,015</b>	<b>2,641,714</b>	<b>636,487</b>	<b>428,773</b>	<b>16,002,659</b>	<b>12,246,013</b>
Add:												
Beg. Balance												
Unearned Contributions Reserve	4,334,626	4,234,882	188,923	166,415	290,733	421,311	1,627,190	1,428,937	71,736	72,346	6,513,208	6,323,891
Less: Reinsurance's Share	(332,262)	(263,924)	(94,447)	(83,597)	(205,142)	(271,981)	(973,729)	(846,366)	(13,625)	(9,933)	(1,619,205)	(1,475,801)
<b>Unearned Contributions - Net</b>	<b>4,002,364</b>	<b>3,970,958</b>	<b>94,476</b>	<b>82,818</b>	<b>85,591</b>	<b>149,330</b>	<b>653,461</b>	<b>582,571</b>	<b>58,111</b>	<b>62,413</b>	<b>4,894,003</b>	<b>4,848,090</b>
Less:												
End. Balance												
Unearned Contributions Reserve	5,932,418	4,334,626	195,852	188,923	314,455	290,733	1,776,587	1,627,190	96,964	71,736	8,316,276	6,513,208
Less: Reinsurance's Share	(323,907)	(332,262)	(98,154)	(94,447)	(220,192)	(205,142)	(1,068,274)	(973,729)	(19,024)	(13,625)	(1,729,551)	(1,619,205)
<b>Unearned Contributions - Net</b>	<b>5,608,511</b>	<b>4,002,364</b>	<b>97,698</b>	<b>94,476</b>	<b>94,263</b>	<b>85,591</b>	<b>708,313</b>	<b>653,461</b>	<b>77,940</b>	<b>58,111</b>	<b>6,586,725</b>	<b>4,894,003</b>
Premium Deficiency Reserve		0	0	0	0	0	(105,000)	0	0	0	(105,000)	0
<b>Net Earned revenues from Und. Cont.</b>	<b>9,626,247</b>	<b>8,003,556</b>	<b>555,667</b>	<b>557,051</b>	<b>701,202</b>	<b>635,594</b>	<b>2,705,163</b>	<b>2,570,824</b>	<b>616,658</b>	<b>433,075</b>	<b>14,204,937</b>	<b>12,200,100</b>

**The Islamic Insurance Co.**  
**Amman - Jordan**  
**Claim Expenses Account for General Takaful Business**  
**for the Year Ended 31 December 2022**

	Motor		Marine & Transportation		Fire & Engineering		Medical		Others		Total	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Gross Paid Claims	9,172,134	8,248,662	83,707	47,262	183,722	324,491	6,301,671	5,464,597	134,654	39,759	15,875,888	14,124,771
Less:												
Recoveries	(1,455,541)	(1,209,339)	(23,167)	(5,268)	(2,053)	(876)	0	0	(7,007)	(20)	(1,487,768)	(1,215,503)
Domestic Reinsurance's Share	0	0	0	0	(28,823)	(39,496)	0	0	0	2,144	(28,823)	(37,352)
Foreign Reinsurance's Share	(293,806)	(136,999)	(38,954)	(28,475)	(138,073)	(239,268)	(3,774,397)	(3,267,401)	(26,965)	(13,855)	(4,272,195)	(3,685,998)
<b>Net Paid Claims</b>	<b>7,422,787</b>	<b>6,902,324</b>	<b>21,586</b>	<b>13,519</b>	<b>14,773</b>	<b>44,851</b>	<b>2,527,274</b>	<b>2,197,196</b>	<b>100,682</b>	<b>28,028</b>	<b>10,087,102</b>	<b>9,185,918</b>
Add:												
Outstanding Claims Reserve - End.												
Reported	6,190,522	5,826,274	721,318	300,982	1,716,270	292,707	455,834	490,712	256,297	218,774	9,340,241	7,129,449
Not Reported	1,342,781	1,442,787	20,000	7,000	65,771	35,601	1,208,282	804,030	13,000	11,000	2,649,834	2,300,418
Less:												
Reinsurance's Share	(1,395,725)	(1,573,033)	(629,530)	(234,912)	(1,695,001)	(282,868)	(998,470)	(776,845)	(186,103)	(109,058)	(4,904,829)	(2,976,716)
Recoveries	(115,000)	(115,000)	0	0	0	0	0	0	0	0	(115,000)	(115,000)
<b>Outstanding Claims Reserve - Net</b>	<b>4,679,797</b>	<b>4,138,241</b>	<b>91,788</b>	<b>66,070</b>	<b>21,269</b>	<b>9,839</b>	<b>182,334</b>	<b>196,285</b>	<b>70,194</b>	<b>109,716</b>	<b>5,045,382</b>	<b>4,520,151</b>
Reported	1,342,781	1,442,787	20,000	7,000	65,771	35,601	483,312	321,612	13,000	11,000	1,924,864	1,818,000
less:												
Outstanding Claims Reserve - Beg.												
Reported	5,826,274	6,536,712	300,982	9,520	292,707	501,874	490,712	600,906	218,774	243,520	7,129,449	7,892,532
Not Reported	1,442,787	1,716,490	7,000	1,000	35,601	57,547	804,030	579,218	11,000	13,000	2,300,418	2,367,255
Less:												
Reinsurance's Share	(1,573,033)	(1,576,803)	(234,912)	(5,821)	(282,868)	(469,998)	(776,845)	(708,275)	(109,058)	(116,164)	(2,976,716)	(2,877,061)
Recoveries	(115,000)	(75,000)	0	0	0	0	0	0	0	0	(115,000)	(75,000)
<b>Outstanding Claims Reserve - Net</b>	<b>5,581,028</b>	<b>6,601,399</b>	<b>73,070</b>	<b>4,699</b>	<b>45,440</b>	<b>89,423</b>	<b>517,897</b>	<b>471,849</b>	<b>120,716</b>	<b>140,356</b>	<b>6,338,151</b>	<b>7,307,726</b>
<b>Net Cost of Claims</b>	<b>7,864,337</b>	<b>5,881,953</b>	<b>60,304</b>	<b>81,890</b>	<b>56,373</b>	<b>868</b>	<b>2,675,023</b>	<b>2,243,244</b>	<b>63,160</b>	<b>8,388</b>	<b>10,719,197</b>	<b>8,216,343</b>



**The Islamic Insurance Co.**  
**Amman - Jordan**  
**Underwriting Profit (Loss) Account of General Takaful Business**  
**for the Year Ended 31 December 2022**

	Motor		Marine & Transportation		Fire & Engineering		Medical		Others		Total	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Net Earned revenues from underwriting Cont.	9,626,247	8,003,556	555,667	557,051	701,202	635,594	2,705,163	2,570,824	616,658	433,075	14,204,937	12,200,100
Less:												
Net Cost OF Claims	(7,864,337)	(5,881,953)	(60,304)	(81,890)	(56,373)	(868)	(2,675,023)	(2,243,244)	(63,160)	(8,388)	(10,719,197)	(8,216,343)
Add:												
Policy and Survey Fees	343,398	229,885	21,099	20,252	41,130	37,226	135,725	131,954	28,221	21,998	569,573	441,315
<b>Total Revenues</b>	<b>343,398</b>	<b>229,885</b>	<b>21,099</b>	<b>20,252</b>	<b>41,130</b>	<b>37,226</b>	<b>135,725</b>	<b>131,954</b>	<b>28,221</b>	<b>21,998</b>	<b>569,573</b>	<b>441,315</b>
Less:												
Policies Acquisition Cost	(349,729)	(261,687)	(8,237)	(6,980)	(18,983)	(18,945)	(13,800)	(19,424)	(4,778)	(1,400)	(395,527)	(308,436)
Excess of Loss Contributions	(240,860)	(337,499)	(16,500)	(16,500)	(67,000)	(67,000)	0	0	0	0	(324,360)	(420,999)
Shareholder's Share Against Takaful Operation Man	(2,174,938)	(1,967,547)	(148,230)	(168,754)	(309,160)	(333,402)	(1,249,304)	(1,462,476)	(192,469)	(185,811)	(4,074,101)	(4,117,990)
Other Expenses	(295,911)	(253,050)	(5,982)	(4,511)	(17,132)	(20,812)	(67,481)	(83,128)	(5,253)	(12,743)	(391,759)	(374,244)
<b>Total Expenses</b>	<b>(3,061,438)</b>	<b>(2,819,783)</b>	<b>(178,949)</b>	<b>(196,745)</b>	<b>(412,275)</b>	<b>(440,159)</b>	<b>(1,330,585)</b>	<b>(1,565,028)</b>	<b>(202,500)</b>	<b>(199,954)</b>	<b>(5,185,747)</b>	<b>(5,221,669)</b>
<b>Underwriting Profit (Loss)</b>	<b>(956,130)</b>	<b>(468,295)</b>	<b>337,513</b>	<b>298,668</b>	<b>273,684</b>	<b>231,793</b>	<b>(1,164,720)</b>	<b>(1,105,494)</b>	<b>379,219</b>	<b>246,731</b>	<b>(1,130,434)</b>	<b>(796,597)</b>

**THE ISLAMIC INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**Amman - Jordan**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022**

**1- GENERAL**

- The Islamic Insurance Company (the "Company") was established on 1996 and registered as a public shareholding company under license No. (306) with an authorized paid in capital of 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 hazard, 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), and all Investment business with means free of usury any illegitimate, and with accordance with Sharia' Islamic principles and Insurance Administration Instructions.,
- The financial statements were approved by the Board of Directors during their meeting on 8 February 2023 and are subject to the approval of the ordinary General Assembly Meeting.

**2- BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- The financial statements were prepared in accordance with Accounting and auditing standards issued by accounting and auditing organization for Islamic Financial Institutions (AAOIFI) and according to International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and in conformity with applicable local laws.
- The financial statements have been prepared according to the historical cost convention except for the financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income which are stated at fair value at the date of the financial statements.
- The financial statement have been presented in Jordanian Dinar (JD) which is the functional currency of the company.
- The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021 .

**THE ISLAMIC INSURANCE COMPANY  
PUBLIC SHAREHOLDING COMPANY  
Amman - Jordan  
NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022**

**The application of New & Revised IFRS**

The company applying during the year New & Revised IFRS, as Follow:

- 1 The standards Issued by International Accounting Standards Board.
  - 2 International Financial Reporting standards that follow to the International accounting standard board that effective from first of January 2005
  - 3 IFRS (9): Financial Instruments
- The company have applied IFRS (9) that focus on impairment measure of value at 1 Jan. 2018 without amending comparable figures.
  - The Application of New and Revised IFRS didn't result in a substantial impact on the financial amounts for the current and prior periods .

**New International Financial Reporting Standards**

- The company have applied the new effective International Financial Reporting Standards

**COVID(19)**

The company made plan to meet any risks relating to COVID(19) that affect the result of the company and its financial position and the company solvency. The company have strong financial position and solvency margin so can meet the economic effects of COVID(19).

**IFRS (17)**

All Insurance companies must use Estimations that depend on current assumptions according to the market informations, to reflect time, amount and Uncertain of cash flows to settle the insurance contracts.

The standard focus on accumulation of the same insurance contracts at initial recognition according to its expected profits or losses without making offsetting between the profits and losses, so the company can accumulate the insurance contracts for measurement, presentation and declaration in form that reflect the profit with will not be recognized immediately but it will be recognized over the period not the expected losses which will be recognized immediately, so the company can take the proper economic decisions.



**THE ISLAMIC INSURANCE COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**Amman - Jordan**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022**

The standard also require using current discount rates to reflect the current cash flows.

The standard present policies Acquisiton costs in insurance obligations measurment.

The standard also require presenting the effect of the time value of money as separate item in income statement through insurance financing.

The company carried out the first stage of IFRS(17) GAP Analysis during 2020 by providing central bank of Jordan with the results of this stage through report show the expected operational and financial effect of IFRS (17).

The Company carried the second and third stage of IFRS (17) during the first half of 2022:

Second Stage: The Company prepared and designed Accounting and actuarial policies and procedures.

Third Stage: The Company carried out Dry Run Testing on Company data and carried out all accounting transactions and estimations according to IFRS (17), which enable the preparation of First Quarter Financial statements draft by IFRS (17) on target date.

**The Effect of applying IFRS (17) on the balances as at 1/1/2022 is as follows:**

<b>Description</b>	<b>Balance before Amendment</b>	<b>Amendment Effect</b>	<b>Amended Balance</b>
<b>Total shareholders &amp; policy hadders equity</b>			
Retained Earnings	3,492,782	(2,199,410)	<b>1,293,372</b>
Accumulated Surplus	11,180	(2,210,590)	<b>(2,199,410)</b>
Deficiency Cover Reserve	1,300,837	(1,300,837)	<b>0</b>
Hassan Qard	0	2,199,410	<b>2,199,410</b>
<b>Assets</b>			
Cheques under Collection and Accounts Receivable and Receivable from Reinsurance Companies	4,822,726	660,079	<b>5,482,805</b>
Other Assets	813,275	(635,000)	<b>178,275</b>
<b>Liabilities</b>			
Total of Insurance Contracts Liabilities	12,584,211	6,115,286	<b>18,699,497</b>
Accounts Payable	2,578,780	(2,578,780)	<b>0</b>

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**Accounting policies:**

**Segments information**

Business sectors represent group of assets and activities which cooperate together in providing products and services subject to risks and returns different from those related to other sectors which are measured based on the reports used by the chief executive officer and the decision maker in the company .

Geographical sector is associated with providing products and services in specified economical environment subject to risks and returns different from those related to other sectors in the economical environment.

**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 lives 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 income.

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 lives of 2 years.

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is computed for property and equipment (except land) when it is ready for use on a straight-line basis using annual depreciation rates as follows:

	<u>%</u>
<b>Buildings / Improvements</b>	2
<b>Equipment, furniture &amp; fixture</b>	20
<b>Vehicles</b>	15
<b>Computers</b>	35

Depreciation is calculated for property and equipment when these assets are ready for their intended use.

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Property and equipment at progress (for the Company's intended use or lease or undetermined purposes) are stated at cost less accumulated impairment loss.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the income statement.

Useful life of property and equipment is reviewed annually, and changes in the expected useful life are treated as changes in accounting estimates.

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 income statement.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

**Amortized Cost Assets:**

**The Financial Assets Should be measured at Amortized cost:**

- The purpose from holding according to its business model having contract cash flows.
- Meet principle and profit on the outstanding principal amount.

The amortized cost assets are measured at purchase cost plus transaction expenses.

The impairment of amortized cost is recorded in income statement and/or policyholders revenues & expenses statement.

The impairment amount represent the difference between booked value and present value of future cash flows.

**Financial assets at Fair Value Through Profit Or Loss:**

Financial assets (which is not meet the financial assets conditions for measuring at amortized cost) are measured at fair value, such as Jordan Islamic Bank mukarada bonds which hold according to its business model and cash flows, but it is not meet principal and profit on the outstanding principal amounts

The Financial assets at fair value through profit or Loss represent equity instruments investments, and the objective from holding it is, profit generating from short term market prices changes or trading profits margin.

The Financial assets at fair value through profit or Loss is recorded at Fair Value on purchase time, and evaluated at fair value at each financial statement preparation

The changes in fair value is recorded in income statement and / or policy holders Revenues & Expenses statement.

The dividends received from financial assets are recorded in income statement and / or policyholders Revenues & Expenses statement.



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**Financial assets at fair value through other comprehensive income**

- Equity investments that are not held for sale in the near future.

These financial instruments are initially measured at their fair value plus transaction costs.

- Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the statement of changes in equity. The gain or loss on disposal of the asset is reclassified from fair value through other comprehensive income reserve to retained earnings.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.
- These financial assets are not subject to impairment testing.
- Dividend income is recognized in the statement of income.

**Impairment of financial assets**

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. If such evidence exists, the recoverable amount is estimated in order to determine the amount of impairment loss to be recognized in the income statement.

**Offsetting**

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

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**Date of recognition of financial assets**

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

**Fair value**

Fair value represents the closing exchange price of financial assets and derivatives on the date of the financial statements.

In case declared exchange prices do not exist, active trading of some financial assets and derivatives is not available, or the exchange is inactive, fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.

The valuation methods aim at providing a fair value reflecting the expectations of the exchange, expected risks and expected benefits.

**Property Investments**

Property Investments are stated at cost less accumulated depreciation. Depreciation is computed for property Investments using 2% annual depreciation rate. The amount of impairment loss is recognize in the income statement, Also the revenues or expenses relating to property investments is recognize in the income statement.

**Reinsurers' accounts**

Reinsures' shares of insurance contributions, paid claims, technical provisions, and all other rights and obligations resulting from reinsurance based on contracts concluded between the Company and reinsures are accounted for on the accrual basis.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances with banks and financial institutions maturing within three months, less restricted funds.

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**Income tax**

Tax expense comprises of current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the financial statements. Accounting profits may include non-taxable profits or tax non-deductible expenses which may be exempted in the current or subsequent financial years, or accumulated losses that are tax acceptable or items not subject to deduction for tax purposes.

Tax is calculated based on tax rates and laws that are applicable in the country of operation.

Deferred tax is the tax expected to be paid or recovered due to temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period when the asset is realized or the liability is settled, based on the laws enacted or substantially enacted at the date of the statement of financial position.

The carrying values of deferred tax assets are reviewed at the date of the financial statement and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

**Foreign currencies**

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.

Financial assets and financial liabilities denominated in foreign currencies are translated at the average rates prevailing on the date of the statement of financial position and declared by the Central Bank of Jordan.

Non-monetary assets and liabilities denominated in foreign currencies and recorded at fair value are translated on the date when their fair value is determined.

Gains or losses resulting from foreign currency translation are charged to the statement of income.

Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as equity securities) are recorded as part of the change in fair value.



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**Provisions**

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet 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.

**Insurance policies issuance cost**

Insurance policies issuance cost represents commissions paid to intermediaries and other direct costs incurred in relation to the issuance and renewal of insurance contracts. These costs are recorded in the Policyholder's Revenue & Expenses Statement

**A- Technical reserves**

Technical reserves are recognised in accordance with the instructions of the Ministry of Industry, Trade and Supply- Insurance Administration, as follows:

- 1- Unearned contributions reserves are recognized when contracts are entered into and are brought to account as provision income over the term of the contract (presumably 360 days). This measurement excludes Marine and Transportation Insurance as recognition of their premium income is based on the value of written contributions and premiums as at the date of the financial statements prepared in accordance with the prevailing laws and regulations.
- 2- The outstanding claims reserve is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date.
- 3- Measurement of provision for the ultimate cost of claims incurred but not yet reported (IBNR) and unexpired risk, is based on estimates from the Company's past experience.
- 4- Unearned contributions reserve for the Family Takaful Business (Life) is measured based on the Company's experience and estimations.
- 5- Mathematical reserve is measured in accordance with the instruction and decisions issued by The Central bank of Jordan - Insurance companies supervision

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**Allowance for doubtful debts and Unexpected Credit Loss**

The receivables impairment is booked when there is objective evidence that the company will not be able to collect all or part of the due amounts. This allowance is calculated based on the difference between book value of and recoverable amount. The allowance is measured after monitoring the receivables in details and all receivables ages above one year are provided for, except receivables which recoverability is probable based on the Company's experience.

the company Calculate allowance for any uncollectible amount as follow:

100%	aging debt more than 360 day
50%	aging debt more than 180 day
25%	aging debt more than 90 day
6.4%	aging debt 90 day or less

**End-of-Service Indemnity**

Provision for end-of-service indemnity is booked by the Company for any legal or contractual obligations at the end of the employees' services according to the accumulated service terms at the date of the statement of financial position and in conformity with the Jordanian Labor Law.

**Revenue recognition**

**A- Takaful and general insurance policies**

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

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

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**B- Dividends and profit**

Investment income is recognized when the deposit revenue recorded in the company Bank accounts.

Dividends income is recognized when the Company's right to receive the payment is established, which is generally when shareholders General Assembly approve the dividends Rent revenues which come from property investments is recognize using astraight - line basis over the period of rent contracts (Accural basis)

**Cost recognition**

Acquisition costs arising from the acquisition and renewal of insurance contracts are recognized in the statement of policyholders' revenues and expenses in the year they were incurred. All other costs are recognized as they accrue.

**Takaful and general insurance costs**

Takaful and General Insurance costs represent claims paid during the year, in addition to changes in outstanding claims reserves.

Takaful Insurance costs include all payments during the year, whether it concerns the current year or prior periods. Outstanding claims represent the highest estimated amount to settle the claims occurred before the date of financials. Outstanding claims provision is calculated based on the best available information at the date of financial statements and includes the provision for the reported claims.

**Salvage and subrogation reimbursements**

Estimates of salvage and subrogation reimbursements reserves are established when measuring the insurance liability for claims.

**General and administrative expenses**

General and administrative expenses are assumed by the shareholders of the company and should not be allocated to their pertaining lines of business. Consequently, Policyholder's underwriting accounts are charged with a fixed annual rate (wakala fee) approved by the Company's supervisory Sharia committee.

**Employees Expenditure**

Employees' expenditure are assumed by the shareholder's of the Company and should not be allocated to their lines of business.



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**Takaful policies issuance costs**

Takaful policies issuance fees represent costs incurred by the Company for the sale, underwriting, or insurance of a new Takaful insurance contract. Issuance costs are recognized in the statement of policyholders revenues and expenses.

**Deficiency coverage reserve (Emergency Allowance)**

20% of all policyholders surplus and policyholders' gain from sale of financial assets at fair value through other comprehensive income recognized during the year 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 Allowance) is distributed to after the settlement of any outstanding non-profitable loans if present.

**Basis for determining the insurance surplus**

Insurance surplus is the excess of the total contributions collected investment profit of their 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.

**Basis for Distributing the insurance surplus**

The insurance surplus is limited to the policyholders' and can only allocated to be 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.

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**Methods of covering policyholder's 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 the company creates full allowance against this loan.

**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 a separate account which is presented in the financial statements within other credit balances (shareholders' liabilities) and are recorded in the income statement. This account is used for charity based on the Sharia' committee decision.

**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 managed Takaful Business for Policyholder's interest in accordance with contract on the basis of known wakala Fees.

The shareholder's 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 follows:

18.5% Company share from Gross written Contributions as Wakala Fees against managed Takaful business to cover administrative expenditures for 2022

25% Company share from Investment revenue as mudhareb for 2022

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3- Investment Deposits

This Item Consist of The Following:

Details	2022								2021	
	Deposits maturing within one month		Deposits maturing After a month till three months		Deposits maturing after three months till one year		Total		Total	
	JOD		JOD		JOD		JOD		JOD	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
Inside Jordan	110,806	2,587	0	0	6,500,000	13,144,739	6,610,806	13,147,326	5,892,302	10,945,894
Outside Jordan	0	0	0	0	0	3,848,023	0	3,848,023	0	3,848,023
Total	110,806	2,587	0	0	6,500,000	16,992,762	6,610,806	16,995,349	5,892,302	14,793,917
Expected Credit Loss Allowance	(4,009)	(2,014)	0	0	(18,138)	(2,579,010)	(22,147)	(2,581,024)	(34,099)	(2,193,572)
Net	106,797	573	0	0	6,481,862	14,413,752	6,588,659	14,414,325	5,858,203	12,600,345

- There is no steady prefit rate for the Band Deposits , because the profit associated with the result of bank Investments that relay on Sharia Mudaraba principles . The annual profit rate ranged from 2% to 5% for bank deposits for the period ended 31.12.2022

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\* **This Item Consist of The Following**

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders</b>	<b>Shareholders</b>	<b>Policyholders</b>	<b>Shareholders</b>
	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>
Balance at 1 January	34,099	2,193,572	46,170	69,227
Additions	0	387,452	0	2,135,000
Written off	(11,952)	0	(12,071)	(10,655)
<b>Balance at 31 December</b>	<b><u>22,147</u></b>	<b><u>2,581,024</u></b>	<b><u>34,099</u></b>	<b><u>2,193,572</u></b>

**(4) Financial Assets At Fair Value Through Profit or Loss**

:This Item Consist of The Following

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders</b>	<b>Shareholders</b>	<b>Policyholders</b>	<b>Shareholders</b>
	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>
Inside Jordan				
Al Wakala Bi Al Istithamar investment Portfolio*	1,000,000	3,000,000	1,000,000	3,000,000
<b>Total</b>	<b><u>1,000,000</u></b>	<b><u>3,000,000</u></b>	<b><u>1,000,000</u></b>	<b><u>3,000,000</u></b>

\* Investment Portfolio represent Bonds Issued from Jordan Islamic Bank , and Subscribed with it during the year, and this bonds don't have Maturity date and it is not listed in the Financial Market whereas the management can Liquid the Bondin any time during the year, and finally the bond valuated in cost as the best measurement for the fair value.



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**(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

This Item Consist of The Following:

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>
<b>Inside Jordan</b>				
Shares quoted in Amman stock exchange	2,337,851	7,013,553	2,261,801	6,785,403
Unquoted shares	11,610	34,828	15,963	47,889
<b>TOTAL</b>	<b>2,349,461</b>	<b>7,048,381</b>	<b>2,277,764</b>	<b>6,833,292</b>
<b>Outside Jordan</b>				
Quoted shares	0	0	0	0
Unquoted shares *	0	8,157	0	71,498
<b>TOTAL</b>	<b>0</b>	<b>8,157</b>	<b>0</b>	<b>71,498</b>
<b>TOTAL</b>	<b>2,349,461</b>	<b>7,056,538</b>	<b>2,277,764</b>	<b>6,904,790</b>

\* This item represents financial assets with no publicly traded prices Outside Jordan and appear in cost

**(6) Amortized Cost Assets:**

**This Item Consist of The Following:**

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>
Islamic Finance Soukok - National Electricity Co.*	186,750	560,250	186,750	560,250
<b>Total</b>	<b>186,750</b>	<b>560,250</b>	<b>186,750</b>	<b>560,250</b>

\* Islamic Finance Soukok represents Soukok Issued from National Electricity co. and Subscribed with during the year and this Soukok have maturity date and valuated in cost as the best measurement for the fair value

**(7) Property Investments**

**This Item Consist of The Following:**

	<b>2022 JOD</b>	<b>2021 JOD</b>
Buildings	400,000	0
Accumulated depreciation	(3,945)	0
<b>Net</b>	<b>396,055</b>	<b>0</b>

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**(8) CASH ON HAND AND AT BANKS**

**This Item Consist of The Following:**

	2022		2021	
	Policyholders	Shareholders	Policyholders	Shareholders
	JOD	JOD	JOD	JOD
Cash on hand	8,764	0	5,274	0
Current accounts	619,094	202,625	(326,163)	2,586,238
<b>Total</b>	<b>627,858</b>	<b>202,625</b>	<b>(320,889)</b>	<b>2,586,238</b>

**(9) CHEQUES UNDER COLLECTION**

**This Item Consist of The Following:**

	2022	2021
	JOD	JOD
Cheques under Collection*	1,427,533	1,384,813
Less: Expected Credit loss Allowance**	(7,455)	(7,455)
<b>Net</b>	<b>1,420,078</b>	<b>1,377,358</b>

\* Cheques under collection maturity extend to December 2023

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**\*\* This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Balance at 1January	7,455	5,214
Additions	0	2,241
Written off	0	0
<b>Balance at 31 December</b>	<b><u>7,455</u></b>	<b><u>7,455</u></b>

**(10) ACCOUNTS RECEIVABLE. NET**

**This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Policyholders' receivable	3,882,284	3,532,684
Policies' receivable due to the merger	0	0
Brokers' receivable	0	0
Employees' receivable	4,904	9,800
Other	0	0
<b>Total</b>	<b><u>3,887,188</u></b>	<b><u>3,542,484</u></b>
Allownce for doubtful debts Allowance *	(201,067)	(215,317)
Expected Credit Loss Allowance**	<u>(386,948)</u>	<u>(399,104)</u>
<b>Accounts receivable, net</b>	<b><u>3,299,173</u></b>	<b><u>2,928,063</u></b>

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

	<b>2022</b>	<b>2021</b>
	<b>JOD</b>	<b>JOD</b>
Balance at the beginning of the year	215,317	190,892
Additions	0	24,425
Written off	(14,250)	0
<b>Balance at year end</b>	<b>201,067</b>	<b>215,317</b>

\*\* The movement on Expected Credit Loss Allowance is as Follows:

	<b>2022</b>	<b>2021</b>
	<b>JOD</b>	<b>JOD</b>
Balance at the beginning of the year	399,104	374,184
Additions	0	24,920
Written off	(12,156)	0
<b>Balance at year end</b>	<b>386,948</b>	<b>399,104</b>

**(11) REINSURERS RECEIVABLES, NET**

**This Item Consist of The Following:**

	<b>2022</b>	<b>2021</b>
	<b>JOD</b>	<b>JOD</b>
Local reinsurance companies	141,075	110,613
Foreign reinsurance companies	1,427,444	592,271
<b>Total</b>	<b>1,568,519</b>	<b>702,884</b>
Allowance for the reinsurance receivables*	(163,565)	(61,694)
Expected Credit Loss Allowance**	(48,420)	(123,885)
<b>Reinsurance receivables, net</b>	<b>1,356,534</b>	<b>517,305</b>



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\* The movement on the allowance for the reinsurance receivables is as follows:

	<u><b>2022</b></u>	<u><b>2021</b></u>
	<u><b>JOD</b></u>	<u><b>JOD</b></u>
Balance at the beginning of the year	61,694	66,421
Additions	101,871	0
written off	0	(4,727)
<b>Balance at year end</b>	<u><b>163,565</b></u>	<u><b>61,694</b></u>

\*\* The movement on Expected Credit Loss Allowance is as Follows:

	<u><b>2022</b></u>	<u><b>2021</b></u>
	<u><b>JOD</b></u>	<u><b>JOD</b></u>
Balance at the beginning of the year	123,885	168,503
Additions	0	0
written off	(75,465)	(44,618)
<b>Balance at year end</b>	<u><b>48,420</b></u>	<u><b>123,885</b></u>

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**(12) INCOME TAX**

**A- Income tax provision**

The movement on the income tax provision is as follows:

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>
Balance at beginning of the year	0	561,459	71,592	562,570
Income tax paid	0	(738,734)	(229,698)	(740,109)
<b>Income tax provision</b>	<b>0</b>	<b>687,042</b>	<b>158,106</b>	<b>738,998</b>
<b>Balance at end of the year</b>	<b>0</b>	<b>509,767</b>	<b>0</b>	<b>561,459</b>
Income Tax appear in the Incoms statement represet:				
Current year income tax	0	687,042	0	738,998
Prior Year income tax	0	0	158,106	0
<b>Total</b>	<b>0</b>	<b>687,042</b>	<b>158,106</b>	<b>738,998</b>

Summary of reconciliation of accounting profit with taxable profit:

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>
Accounting profit - statement B & C	(309,711)	2,346,921	234,363	2,631,143
Non-taxable income	(2,018,000)	(68,093)	(2,476,307)	(95,235)
non-deductible expenses	2,327,711	363,641	2,241,944	306,392
<b>Taxable profit</b>	<b>0</b>	<b>2,642,469</b>	<b>0</b>	<b>2,842,300</b>
<b>income tax</b>	<b>0</b>	<b>687,042</b>	<b>0</b>	<b>738,998</b>
<b>Income tax rat</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>

A- final Clearance was obtained for 2020 tax returns

B -The management and the tax consultant believe that the income tax provision is adequate as of 31 December 2022

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**(13) Property and Equipment**

This Item Consist of The Following:

	<b>2022</b>				
	<b>Buldings</b>	<b>Equipment&amp; Furniture</b>	<b>Vehicles</b>	<b>Computer Devices</b>	<b>TOTAL</b>
	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>
<b>2022</b>					
COST					
Balance at 1 January 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
Disposals	0	(1,375)	(5,900)	0	(7,275)
<b>Balance at 31 December 2022</b>	<b>2,208,913</b>	<b>619,055</b>	<b>183,700</b>	<b>366,792</b>	<b>3,378,460</b>
Accumulated depreciation					
Balance at 1 January 2022	462,097	548,109	167,656	286,118	1,463,980
Additions	32,957	20,775	2,547	30,263	86,542
Disposals	0	(1,276)	(4,918)	0	(6,194)
Balance at 31 December 2022	495,054	567,608	165,285	316,381	1,544,328
<b>Net Book value 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>
			<b>2021</b>		
	<b>Buldings</b>	<b>Equipment&amp; Furniture</b>	<b>Vehicles</b>	<b>Computer Devices</b>	<b>TOTAL</b>
	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>
<b>2021</b>					
COST					
Balance at 1 January 2021	978,468	578,186	210,700	343,727	2,111,081
Additions	0	16,653	13,800	15,904	46,357
Disposals	0	(1,177)	(42,600)	(39,542)	(83,319)
<b>Balance at 31 December 2021</b>	<b>978,468</b>	<b>593,662</b>	<b>181,900</b>	<b>320,089</b>	<b>2,074,119</b>
Accumulated depreciation					
Balance at 1 January 2021	441,366	506,732	196,227	300,321	1,444,646
Additions	20,731	42,554	14,029	25,339	102,653
Disposals	0	(1,177)	(42,600)	(39,542)	(83,319)
.Balance at 31 December 2021	462,097	548,109	167,656	286,118	1,463,980
<b>Net Book value at 31.12.2021</b>	<b>516,371</b>	<b>45,553</b>	<b>14,244</b>	<b>33,971</b>	<b>610,139</b>

Property & Equipment Fully depreciated amounted JD 939,795 as at 31.12.2022

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**(14) INTANGIBLE ASSETS**

**This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
	<b>Software and computer programs</b>	
Balance at 1 January	7,342	21,074
Additions	39,405	0
Amortization	(26,929)	(13,732)
<b>Balance at 31 December</b>	<b><u>19,818</u></b>	<b><u>7,342</u></b>

**(15) OTHER ASSETS**

**This Item Consist of The Following:**

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders</b>	<b>Shareholders</b>	<b>Policyholders</b>	<b>Shareholders</b>
	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>
Prepaid expenses	0	61,689	0	93,313
Outstandeng Recovery	685,000	0	635,000	0
Refundable insurance	0	12,296	0	12,462
Accrued and unreceived revenues	0	150,000	0	0
Software Under Construction	0	72,500	0	72,500
<b>Total</b>	<b><u>685,000</u></b>	<b><u>296,485</u></b>	<b><u>635,000</u></b>	<b><u>178,275</u></b>

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**(16) Mathematical Reserve - net.**  
**This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Mathematical Reserve - net	86,018	73,610
Mathematical Reserve - net	<u>86,018</u>	<u>73,610</u>

**(17) ACCOUNTS PAYABLE**  
**This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Agents payable	76	2,403
Brokers payable	21,338	23,826
Individual	111,540	116,861
companies payable	68,536	73,515
Institutions payable	1,702	1,257
Carag station & suppliers Co.	121,163	64,692
Other payables	88,145	77,170
<b>Total</b>	<u><b>412,500</b></u>	<u><b>359,724</b></u>

**(18) REINSURERS PAYABLE**  
**This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Local reinsurance companies	348,910	239,546
Foreign reinsurance companies	3,290,544	2,339,234
<b>Total</b>	<u><b>3,639,454</b></u>	<u><b>2,578,780</b></u>



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(19) OTHER PROVISIONS

This Item Consist of The Following:

	<u>2022</u> JOD	<u>2021</u> JOD		
Employee Vacations Provision	218,870	213,187		
End of service provision	279,478	227,886		
Other Previsions	0	0		
Addition Provision	0	0		
<b>Total</b>	<b><u>498,348</u></b>	<b><u>441,073</u></b>		
	<u>Ending Balance</u>	<u>Used during the year</u>	<u>Created during the year</u>	<u>Beginning Balance</u>
	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
Employee Vacations Provision	218,870	152,822	158,505	213,187
End of service provision	279,478	0	51,592	227,886
Other Provisions	0	0	0	0
Addition Provision	0	0	0	0
<b>Total</b>	<b><u>498,348</u></b>	<b><u>152,822</u></b>	<b><u>210,097</u></b>	<b><u>441,073</u></b>

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**(20) OTHER LIABILITIES**

**This Item Consist of The Following:**

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders</b>	<b>Shareholders</b>	<b>Policyholders</b>	<b>Shareholders</b>
	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>
Accrual & not paid Commission	63,553	0	73,288	0
Ministry of Finance Deposits	58,487	15,103	58,408	13,691
Deposits of the Others	34,161	7,897	32,769	7,848
Medical Insurance Fund	0	134,618	0	138,816
Shareholders' Deposits	0	7,900	0	38,727
General Provision	0	0	0	0
Board of directors remuneration	0	55,000	0	55,000
Central bank deposits	23,494	0	0	0
Rental income received in advance	0	75,000	0	0
Social Security Fund	0	0	0	0
<b>Total</b>	<b>179,695</b>	<b>295,518</b>	<b>164,465</b>	<b>254,082</b>

**(21) Deficiency coverage (Emergency Allowance)**

This account represents what has been transferred from the policyholders' fund surplus during this year and previous years at a percentage of 20%.

Movement on Deficiency Coverage (Emergency Alloxance)

	<b>2022</b>	<b>2021</b>
	<b>JOD</b>	<b>JOD</b>
Beginning Balance	1,300,837	1,258,516
Less: usage to cover policyholders fund deficit	(298,531)	0
Add: transferred from policyholders' surplus	0	42,321
Less: transferred to non demandsurplus	0	0
<b>Ending Balance</b>	<b>1,002,306</b>	<b>1,300,837</b>

**(22) Foreign exchange differences**

	<b>2022</b>	<b>2021</b>
	<b>JOD</b>	<b>JOD</b>
Beginning Balance	(46,815)	0
Change during the year	46,815	(46,815)
transferred to income statement	0	0
transferred to policyholders income statement	0	0
<b>Ending Balance</b>	<b>0</b>	<b>(46,815)</b>

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**(23) CUMULATIVE CHANGE IN FAIR VALUE of Securities**

	<b>2022</b>		<b>2021</b>	
	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>	<b>Policyholders JOD</b>	<b>Shareholders JOD</b>
<b>Balance at the beginning of the year</b>	<u>(86,017)</u>	<u>(258,051)</u>	<u>(400,205)</u>	<u>(1,111,098)</u>
Relized Loss transferred to Retfained Earning	0	18,878	0	42,310
Relized Loss transferred to Accumulated Surplus	0	0	22,756	0
Change during the year	<u>71,696</u>	<u>196,211</u>	<u>291,432</u>	<u>810,737</u>
Net change during the year statement	<u>71,696</u>	<u>215,089</u>	<u>314,188</u>	<u>853,047</u>
<b>Balance at the Ending of the year</b>	<u><b>(14,321)</b></u>	<u><b>(42,962)</b></u>	<u><b>(86,017)</b></u>	<u><b>(258,051)</b></u>

The cumulative change in fair value amounted JOD (57,283) for against JOD( 344,068) for the previous year.

**(24) Non demand surplus**

	<b>2022 JOD</b>	<b>2021 JOD</b>
Balance at the beginning of the year	89,617	0
Less: distributed to charity acts	(33,437)	(9,594)
Add: Non distributed surplus	0	99,211
Add: transfferd from Deficiency coverage	0	0
<b>Balance at the Ending of the year</b>	<u><b>56,180</b></u>	<u><b>89,617</b></u>

These accumulated amounts represent non demanded policyholders surplus distributions to date 31.12.2022

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**(25) Accumulated surplus**

**This Item Consist of The Following:**

	<u><b>2022</b></u>	<u><b>2021</b></u>
	<b>JOD</b>	<b>JOD</b>
Balance at the beginning of the year	11,180	369,821
Add: policyholders' (deficit) for the current year statement	(309,711)	76,257
Less: transferred from cumulative change in Fair value	0	(22,756)
Less: transferred to Defficiency coverage reserve	0	(42,321)
Less: Policyholders' surplus distributed	0	(270,610)
Less: Transferred to non- demand surplus	0	(99,211)
Add: Transferred from Defficiency Coverage reserve to cover defficiency	298,531	0
<b>Balance at the Ending of the year</b>	<u><b>0</b></u>	<u><b>11,180</b></u>

**(26) AUTHORIZED AND PAID IN CAPITAL**

Authorized and paid in capital amounted to JD 15,000,000 divided into 15,000,000 shares at 1 JD par value per share.

The paid in capital was increased by 3 million JD by Capitalizing Retained earning after approved by General Assembly in extraordinary meeting held on 4/4/2017

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**(27) RESERVES**

**Compulsory Reserve**

This item represent 10% of the net income before tax transferred during the years in accordance with the Companies Law. The Compulsory reserve is not available for distribution to shareholders.

**Voluntary Reserve**

This item represent %20 of the net income before tax transferred during the years. The voluntary Reserve used for the purposes established by the board of Directors and is available for distribution to shareholders as dividends by General Assembly approval.

**(28) RETAINED EARNINGS**

**This Item Consist of The Following:**

	<u><b>2022</b></u>	<u><b>2021</b></u>
	<b>JOD</b>	<b>JOD</b>
Balance at the beginning of the year	3,492,782	3,380,175
Less: Transferred to increase paid in capital	0	0
Less: cash dividends	(1,200,000)	(1,200,000)
Add: profit for the year	1,659,879	1,892,145
Less: transferred from cumulative change in fair value	(18,878)	(42,310)
Less: transferred to reserves	(480,384)	(537,228)
<b>Balance at the ending of the year</b>	<u><u><b>3,453,399</b></u></u>	<u><u><b>3,492,782</b></u></u>

**(29) Recommended Profit Distribution Current**

The cash dividends for the year amounted (8 %) and equivalent to JD (1,200,000)



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**(30) INVESTMENTS Returns**

**This Item Consist of The Following:**

	2022		2021	
	Policyholders JOD	Shareholders JOD	Policyholders JOD	Shareholders JOD
Income from deposits	232,552	486,672	235,322	522,391
Gain from Financial Assets Through Profit or Loss	44,007	132,019	43,115	129,346
Gain from Amortized Cost Assets	10,215	30,646	10,984	32,952
<b>Total</b>	<b>286,774</b>	<b>649,337</b>	<b>289,421</b>	<b>684,689</b>

**(31) Financial Assets Profit**

**This Item Consist of The Following:**

	2022		2021	
	Policyholders JOD	Shareholders JOD	Policyholders JOD	Shareholders JOD
Dividends received from financial assest at fair value through other comprehensive income	79,472	239,889	76,677	230,031
<b>Total</b>	<b>79,472</b>	<b>239,889</b>	<b>76,677</b>	<b>230,031</b>

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**(32) SHAREHOLDERS SHARE FOR TAKAFUL OPERATIONS MANAGEMENT**

- 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 fund from the policyholders account against known share from investment revenue as mudaraba

**(33) Other Revenues**

This Item Consist Of The Following

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Rental income	13,745	0
Profit From Sale Of Fixed Assets	618	17,598
<b>Total</b>	<b><u>14,363</u></b>	<b><u>17,598</u></b>

**(34) EMPLOYEES EXPENDITURES**

**This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Salaries & bonuses	2,637,033	2,403,210
End of service provision	51,592	36,320
Company's contribution in social security	266,127	242,047
medical expenses	175,250	160,608
Training and development of employees	1,681	500
Travel and transportation	8,924	1,304
Employee Vacations Provision	5,683	(26,025)
<b>Total</b>	<b><u>3,146,290</u></b>	<b><u>2,817,964</u></b>

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**(35) GENERAL AND ADMINISTRATIVE EXPENSES**

**This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Rent	51,720	74,711
Stationery and Publications	26,653	23,918
Advertisements	36,780	48,030
water, electric and heating	45,337	50,017
Maintenance	81,497	85,475
Post and telecommunications	12,612	13,407
Hospitality	29,296	17,328
Sharia' supervisory & Legal Fees	101,230	89,522
Board members expenses	76,668	69,000
Subscriptions	60,436	54,261
License Fees	30,837	21,475
Rating Expenses	7,828	7,118
conferences & seminars	21,389	12,909
Professional fees	18,000	16,200
actuarial fees	9,800	8,000
Marketing and Media Adviser Fees	13,600	13,600
Cleaning	46,141	47,462
Insurance Expenses	4,955	4,034
Others	48,760	39,374
ISO certification fees	676	0
IFRS (17) Expenses	4,500	1,484
<b>Total</b>	<b><u>728,715</u></b>	<b><u>697,325</u></b>

**(36) Other Expenses**

**This Item Consist of The Following:**

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Board of Dirctors Remuneration	55,000	55,000
<b>Total</b>	<b><u>55,000</u></b>	<b><u>55,000</u></b>

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**(37) Earnings per share**

Earnings per share is calculated by dividing profit for the year on the weighted average number of ordinary shares outstanding is as follows:

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Profit for the year after tax	1,659,879	1,892,145
Weighted average number of shares	15,000,000	15,000,000
<b>Earning Per share</b>	<b><u>0.110</u></b>	<b><u>0.126</u></b>

**(38) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents appearing in the statement of cash flows consist of the following statement of financial position items:

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Cash on hand and at banks	830,483	2,265,349
Add: Deposits at banks maturing within 3 months*	107,370	597,577
<b>Total</b>	<b><u>937,853</u></b>	<b><u>2,862,926</u></b>

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
* Deposits at banks maturing within 3 months	113,393	603,600
expected credit loss allowance	(6,023)	(6,023)
<b>The Amended Balance</b>	<b><u>107,370</u></b>	<b><u>597,577</u></b>

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**(39) Related Party Transactions**

- There is not any contracts or projects or conjection with the Board of Directors or general manager or any Employee in the company with the exception of normal activities of the compay through issuing Insurance policies

The remuneration of members of key management during the year was as follows

	<u>2022</u>	<u>2021</u>
	<u>JOD</u>	<u>JOD</u>
Salaries and other benefits	421,131	408,764
Transportation	1,260	1,260
Total	<u>422,391</u>	<u>410,024</u>

**(40) Transactions are not consistent with Islamic Sharia Principles**

There is not any transactions inconsistent with Islamic Sharia Principles

**(41) Fair Value of Financial Insrauments that not appear in fair value in the financial statements**

There are no any essential differences between book and fair value for assets and liabilities that not appear in fair value in the financial statements

**(42) RISK MANAGEMENT**

- The Company manages various types of risk through several ways through a comprehensive strategy that detemines the risks and the ways for facing it and mitigate its effects through the Board of Directors which evaluates the risks and determines the necessary procedures for decreasing its effects
- All departments determine the risks related to its operations and determine the suitable controls in the general framework within the determined risk strategy of the Company, and monitors its ongoing efficiency. The Company is exposed to insurance risk, credit risk, liquidity risk and market risk

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**A- INSURANCE RISKS**

**(1) General & Takaful (Insurance Risks)**

Risks of any insurance contract 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. With regards to 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 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 the insurance risks covered decreases the probability of the overall insurance loss.

**(2) Claims Development**

The schedule demonstrates the actual claims (based on management's estimates at year end). The schedule contains comparison for the previous four years, based on the year in which the accident occurred, as follows:

**Total - Motors Takaful Insurance**

The Year of the accident	2018 وما قبلها	2019	2020	2021	2022	المجموع
	دينار	دينار	دينار	دينار	دينار	دينار
As at year end	697,424,670	9,558,562	7,214,015	8,184,732	9,751,569	732,133,548
After one year	104,102,671	8,863,527	6,420,235	7,877,201	0	127,263,634
After two years	104,314,746	9,005,104	6,686,599	0	0	120,006,449
After three years	104,046,738	9,103,609	0	0	0	113,150,347
After four years	103,674,207	0	0	0	0	103,674,207
Current expectation for the accumulated claims	103,674,207	9,103,609	6,686,599	7,877,201	9,751,569	137,093,185
Accumulated payments	102,329,198	8,614,070	6,066,485	6,799,436	5,750,693	129,559,882
Liability as shown in the financial Statement	1,345,009	489,539	620,114	1,077,765	4,000,876	7,533,303
Surplus Deficit in the preliminary estimate for reserve	593,750,463	454,953	527,416	307,531	0	595,040,363



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**Total - Takaful Insurance**

The Year of the accident	2018 وما قبلها	2019	2020	2021	2022	المجموع
	دينار	دينار	دينار	دينار	دينار	دينار
As at year end	94,238,654	2,750,923	2,546,993	4,456,384	5,379,147	109,372,101
After one year	17,964,391	2,983,828	3,084,287	5,263,266	0	29,295,772
After two years	17,701,269	3,026,566	3,130,768	0	0	23,858,603
After three years	17,706,701	2,884,321	0	0	0	20,591,022
After four years	17,523,876	0	0	0	0	17,523,876
Current expectation for the accumulated claims	17,523,876	2,884,321	3,130,768	5,263,266	5,379,147	34,181,378
Accumulated payments	17,329,068	2,624,683	2,501,537	4,447,371	3,461,060	30,363,719
Liability as shown In the financial Statement	194,808	259,638	629,231	815,895	1,918,087	3,817,659
Surplus Deficit in the preliminary estimate for reserve	76,714,778	(133,398)	(583,775)	(806,882)	0	75,190,723

**Total - Medical Takaful Insurance**

The Year of the accident	2018 وما قبلها	2019	2020	2021	2022	المجموع
	دينار	دينار	دينار	دينار	دينار	دينار
As at year end	335,959,740	3,991,673	3,661,592	4,275,730	4,776,642	352,665,377
After one year	52,950,105	5,197,946	4,999,841	6,142,149	0	69,290,041
After two years	52,937,435	5,163,182	5,027,825	0	0	63,128,442
After three years	52,937,435	5,163,182	0	0	0	58,100,617
After four years	52,937,435	0	0	0	0	52,937,435
Current expectation for the accumulated claims	52,937,435	5,163,182	5,027,825	6,142,149	4,776,642	74,047,233
Accumulated payments	52,937,435	5,163,182	5,027,825	6,069,396	3,185,279	72,383,117
Liability as shown In the financial Statement	0	0	0	72,753	1,591,363	1,664,116
Surplus Deficit in the preliminary estimate for reserve	283,022,305	(1,171,509)	(1,366,233)	(1,866,419)	0	278,618,144

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**Total - Marine Takaful Insurance**

The Year of the accident	2018 وما قبلها	2019	2020	2021	2022	المجموع
	دينار	دينار	دينار	دينار	دينار	دينار
As at year end	25,938,731	89,124	21,080	346,480	690,893	27,086,308
After one year	2,284,817	77,895	19,965	172,580	0	2,555,257
After two years	2,276,713	77,195	19,965	0	0	2,373,873
After three years	2,276,772	77,195	0	0	0	2,353,967
After four years	2,276,822	0	0	0	0	2,276,822
Current expectation for the accumulated claims	2,276,822	77,195	19,965	172,580	690,893	3,237,455
Accumulated payments	2,274,261	75,971	19,965	89,580	36,360	2,496,137
Liability as shown In the financial Statement	2,561	1,224	0	83,000	654,533	741,318
Surplus Deficit in the preliminary estimate for reserve	23,661,909	11,929	1,115	173,900	0	23,848,853

**Total - Fire and Property Takaful Insurance**

The Year of the accident	2018 وما قبلها	2019	2020	2021	2022	المجموع
	دينار	دينار	دينار	دينار	دينار	دينار
As at year end	61,609,366	1,516,818	320,492	67,884	1,623,223	65,137,783
After one year	8,582,774	1,412,164	260,189	46,049	0	10,301,176
After two years	8,708,980	1,407,664	254,609	0	0	10,371,253
After three years	8,710,416	1,407,664	0	0	0	10,118,080
After four years	8,711,427	0	0	0	0	8,711,427
Current expectation for the accumulated claims	8,711,427	1,407,664	254,609	46,049	1,623,223	12,042,972
Accumulated payments	8,697,438	1,406,664	252,928	44,147	125,159	10,526,336
Liability as shown In the financial Statement	13,989	1,000	1,681	1,902	1,498,064	1,516,636
Surplus Deficit in the preliminary estimate for reserve	52,897,939	109,154	65,883	21,835	0	53,094,811

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**Total - Engenering Takaful Insurance**

The Year of the accident	2018 وما قبلها	2019	2020	2021	2022	المجموع
	دينار	دينار	دينار	دينار	دينار	دينار
As at year end	6,568,828	15,212	32,840	38,571	65,856	6,721,307
After one year	968,662	3,705	10,493	15,002	0	997,862
After two years	1,046,091	3,605	8,843	0	0	1,058,539
After three years	1,118,828	3,605	0	0	0	1,122,433
After four years	1,118,827	0	0	0	0	1,118,827
Current expectation for the accumulated claims	1,118,827	3,605	8,843	15,002	65,856	1,212,133
Accumulated payments	917,593	3,580	7,418	15,002	3,135	946,728
Liability as shown In the financial Statement	201,234	25	1,425	0	62,721	265,405
Surplus Deficit in the preliminary estimate for reserve	5,450,001	11,607	23,997	23,569	0	5,509,174

**Total - General Accidents Takaful Insurance**

The Year of the accident	2018 وما قبلها	2019	2020	2021	2022	المجموع
	دينار	دينار	دينار	دينار	دينار	دينار
As at year end	6,609,153	59,891	44,117	22,455	81,625	6,817,241
After one year	974,962	116,336	33,654	51,619	0	1,176,571
After two years	1,000,917	115,367	33,202	0	0	1,149,486
After three years	1,002,907	122,986	0	0	0	1,125,893
After four years	1,059,128	0	0	0	0	1,059,128
Current expectation for the accumulated claims	1,059,128	122,986	33,202	51,619	81,625	1,348,560
Accumulated payments	845,776	113,635	28,205	46,089	45,558	1,079,263
Liability as shown In the financial Statement	213,352	9,351	4,997	5,530	36,067	269,297
Surplus Deficit in the preliminary estimate for reserve	5,550,025	(63,095)	10,915	(29,164)	0	5,468,681

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**2 REINSURANCE RISKS**

As in all other Takaful insurance companies, and for the purpose of reducing the financial losses which might arise from large insurance claims, the Company enters into reinsurance agreements with other parties

To reduce the risks of large financial losses as a result of the insolvency of the reinsurance companies, the Company evaluates the financial position of the reinsurance companies, which it deals with and monitors credit risk concentration resulting from the geographical areas and the activities or the economic components which are identical to these firms. The issued takaful reinsurance agreements do not exempt the Company from its liabilities against the takaful policyholders, and as a result to that the Company remains liable for the balance of reinsured claims in the case of the reinsurance inability of meeting their commitment regarding to the reinsurance agreements

**3 -Financial Risks**

The Company follows financial policies to manage the variables risks with clear strategies; also the Company's management controls the risks and makes strategic distribution to both the financial assets and financial liabilities, including interest rate risks, credit risks, currency risks and exchange risks  
The Company uses hedging policy for financial assets and financial liabilities whenever it is needed

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss

The Company believe it is not exposed to significant credit risk as it sets credit limits to its customer and monitors the outstanding receivable regularly The company also deposits its cash balances with reputable financial institutions.

**Market Risks-**

The market risks include fair value or cash flow changes of the financial instruments as a result of changes in the market pricesuch as profit rates, currency prices and shares price. Market risks arise as a result of having opened positions of profit rates, currency and investing in shares

**Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations as they fall due. The company manages such sk by diversifying its financial resources, managing its assets and liabilities, and maintaining sufficient cash and cash equivalents and marketable securities

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**(43) ANALYSIS OF BUSINESS SECTORS**

**A• Background Information On The Company's Business Segments**

(Life)For management purposes, the company measures its insurance segments in accordance with the reports used by the Executive Manager and the Group's primary decision maker to include the Family Takaful Insurance and General Takaful insurance sector which compromised (motors, marine, fire, accidents, medical and General 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. Transactions between business sectors are based on estimated market prices with the same terms used with other market participants

**B• Geographical Distribution**

The company mainly conducts its operations in Jordan

**(44) CAPITAL MANAGEMENT**

The Company manages its capital in line with the regulations of the Central bank of Jordan-Insurance companies supervision. These requirements were designed to ensure a suitable margin. Additional targets have been assigned by the Company in order to support its business and maximize shareholder value

The Company authorized and Paid in capital amounted to JD 15000000 divided into 15000000 shares at 1 JD par value per share

The Company manages its capital structure and makes any necessary adjustments in light of changes in business conditions. The Board of Directors believe that the Company's capital structure is sufficient to cover the potential risks or liabilities that may arise

The amount regarded by the Company as capital below: and the solvency margin are shown in the table

	<b>2022</b>	<b>2021</b>
	<b>JOD</b>	<b>JOD</b>
<b>core capital Items</b>		
paid up capital	15,000,000	15,000,000
statutory Reserve	3,694,510	3,454,318
voluntary Reserve	1,245,480	1,005,288
Retained Earnings	3,453,399	3,492,782
Policy holders' Equity	1,044,165	1,315,617
<b>Supplementary capital Item</b>	<b>2022</b>	<b>2021</b>
	<b>JOD</b>	<b>JOD</b>
Accumulative change in Fair value for financial Assets through other comprehensive Income	(42,962)	(258,051)
Foreign exchange differences	0	(46,815)
(A)Total capital Available	24,394,592	23,963,139
(B)Total Capital Required	8,767,545	7,134,617
(A/B)Solvency Ratio	278%	336%

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**(45) LAWSUITS AGAINST COMPANY**

.The Company appears as a defendant in a number of lawsuits pertaining to accidents of JD(2,375,399) Consequently the Company established a provision of JD(1,966,160) under outstanding claims reserve  
The Company's management and its legal advisor believe that the recorded provisions are sufficient to meet its obligations

**(46) CONTINGENT LIABILITIES**

As my know there is no any contingent liabilities can appear after Financial Statements preparation

**(47) Subsequent Events**

There is no essential or important events other than those contained in financial statments

**(48) comparable Figures**

All financial statement figures for 2021 reclassified to comply with finincial statement figures for 2022