سوليدرتي
SOLIDARITY
FIRST INSURANCE الأولى للتأمين

Ref: INS /528/03/2023
Date: 16/03/2023

To: Jordan Securities Commission

Subject: Consolidated Financial Statements for The Year Ended December 31, 2022

With reference to the subject mentioned above, please find attached here with the audited financial statements for the year ended December 31, 2022, noting that the same is subject to the approval of the Central Bank of Jordan.

Best Regards,

First Insurance Co.

16 3 2023

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شركة الأولى للتأمين
هاتف ٥٧٧٧٥٥٥ ٦ ٩٦٢+ فاكس ٥٧٧٧٥٥٠ ٦ ٩٦٢+
ص.ب. ١٨٩ - عمان ١١٨٢٢ الأردن
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FIRST INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED FINANCIAL STATEMENTS FOR
THE YEAR ENDED DECEMBER 31, 2022
TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

FIRST INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
DECEMBER 31, 2022

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Independent Auditor's Report

AM/ 012534

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of First Insurance Company "the Company" and its subsidiaries "the Group", which comprise of the consolidated statement of financial position as of December 31, 2022, consolidated statements of policyholders' revenue and expenses, consolidated statement of profits or losses and consolidated statement of comprehensive income, consolidated statement of changes in owner's equity, consolidated statement of changes in policyholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements are presented fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities. 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 most significant to our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

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

A description was provided on how to examine the matter referred to below in the audit procedures:

Key Audit Matter	Scope of the Audit to Address the Risk
Technical Provisions As at 31 December 2022, the Group had technical reserves of JD 18.6 million which includes claims incurred but not reported (IBNR) and other technical reserves. The Company uses a range of actuarial methodologies to estimate these claims. This requires significant judgements to be applied and estimates to be made, for example inflation rates, claims development patterns and interpretations of regulatory requirements. The measurement of technical reserves is a key judgmental area for management given the level of subjectivity inherent in estimating the impact of claim events that have occurred for which the ultimate outcome remains uncertain. We have determined that this area is a key audit matter due to the significance of the amounts involved and of the level of significant judgements applied by management in the process for determination of gross outstanding claims. For more information about this key audit matter, refer to the appendices regarding the insurance operations in the financial statements.	We evaluated the design and tested the implementation and operating effectiveness of key controls over management's processes for claims processing, including controls over the completeness and accuracy of the claim estimates recorded. We performed substantive tests on the amounts recorded for a sample of claims notified and paid, including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claims. We assessed the competence, skills, independence and objectivity of management's expert and reviewed the terms of engagement between the expert and the Group to determine if the scope of their work was sufficient for audit purposes. We assessed the completeness and accuracy of the data used in calculating the technical provisions. We compared the actuary's current year report to the prior year to assess that there are no material differences in the estimates and assumptions adopted. We assessed any differences noted, where applicable, in the estimates and assumptions to determine if these differences were reasonable. We utilized our internal actuarial specialists to assess the valuation methodologies applied and estimates made by the Actuary in his calculation of the technical reserves. We performed test of details and analytical procedures on a selected sample to verify the completeness and accuracy of the technical provisions of the Group and the extent to which these provisions are consistent with the results reached by the actuaries of the Group. We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Other Matter
The accompanying consolidated financial statements are a translation of the statutory consolidated financial statements, which are in the Arabic language and to which reference should be made.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard procedures.

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

Report on Legal and Other Regulatory Requirements
The Company maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Deloitte & Touche

Amman – Jordan
February 28, 2023

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010105

FIRST INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	December 31, 2022	December 31, 2021
		JD	JD
Investments:			
Deposits at banks - net	5	15,724,155	14,357,318
Financial assets at fair value through other comprehensive income	6	2,760,877	1,481,398
Financial assets at amortized cost - net	7	5,193,110	4,044,134
Real estate investments - net	8	6,674,713	6,665,787
Total Investments		30,352,855	26,548,637
Cash on hand and at banks	9	3,820,279	1,735,700
Checks under collection - net	10	3,346,202	3,961,386
Receivables - net	11	11,088,339	11,133,877
Re-insurers' receivables - net	12	1,332,423	2,735,892
Deferred tax assets	20/c	1,256,317	942,636
Property and equipment - net	13	9,897,162	10,334,975
Intangible assets - net	14	777,458	856,118
Other assets	15	2,059,311	582,799
TOTAL ASSETS		63,930,346	58,832,020
LIABILITIES AND OWNERS' EQUITY AND POLICYHOLDERS' EQUITY			
Liabilities:			
Unearned contributions reserve - net		12,650,657	9,171,930
Premiums deficiency reserve		294,000	233,000
Outstanding claims reserve - net		5,196,168	4,803,151
Unallocated loss adjustment reserve		281,538	200,000
Mathematical reserve - net	16	148,717	130,032
Total Insurance Contracts Liabilities		18,571,080	14,538,113
Payables	17	2,704,159	2,215,577
Re-insurers' payables	18	5,954,390	7,050,586
Accrued expenses		113,316	23,419
Various provisions	19	45,000	45,000
Income tax provision	20/a	669,981	44,500
Deferred tax liabilities	20/c	23,470	11,431
Other liabilities	21	1,095,924	840,137
TOTAL LIABILITIES		29,177,320	24,768,763
POLICYHOLDERS' EQUITY:			
Accumulated surplus for policyholders' fund	22	-	-
Reserve to cover the deficit (contingency provision)	23	23,151	14,160
Total Policyholders' Equity		23,151	14,160
OWNERS' EQUITY:			
Authorized and paid-up capital	24	28,000,000	28,000,000
Statutory reserve	25	3,810,741	3,561,202
Financial assets valuation reserve net after tax	26	(66,719)	(239,071)
Retained earnings	27	2,985,853	2,726,966
Total Owners' Equity - Company's Shareholders		34,729,875	34,049,097
Total Policyholders' Equity and Owners' Equity		34,753,026	34,063,257
TOTAL LIABILITIES AND POLICYHOLDERS' EQUITY AND OWNERS' EQUITY		63,930,346	58,832,020

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDITOR'S REPORT.

Chairman of the Board of Directors

Chief Executive Officer

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF POLICYHOLDERS' REVENUES AND EXPENSES

	Note	For the Year Ended December 31, 2022	2021
		JD	JD
Takaful Insurance Revenue:			
Gross written contributions		56,107,691	46,604,556
Less: Re-insurers' share		(27,960,647)	(26,392,564)
Net Earned Contributions from Takaful Operations for Policyholders		28,147,044	20,211,992
Net change in unearned contributions reserve		(3,478,727)	(500,250)
Net change in mathematical reserve		(18,685)	(3,619)
Net Earned Contributions Revenue from Takaful Insurance Operations for Policyholders		24,649,632	19,708,123
Commissions' revenue		4,054,779	3,612,297
Takaful policies issuance fees		2,743,178	2,487,045
Policyholders' share of investments income	28	96,368	63,028
Policyholders' share of real estate investments income	29	65,875	63,675
Less: Owners' equity share for managing the investment portfolio	28 & 29	(56,785)	(44,346)
Total Revenue from Takaful Insurance operations for Policyholders		31,553,047	25,889,822
Claims, Losses and Expenses from Takaful Insurance Operations			
Paid claims		38,859,771	37,127,476
Less: Recoveries		(3,447,321)	(2,745,307)
Re-insurers' share		(14,614,458)	(15,206,706)
Net Paid Claims from Takaful Insurance Operations		20,797,992	19,175,463
Net change in claims reserve		393,017	(2,423,719)
Net change in unallocated loss adjustment reserve		7,103	-
Owners' equity share for managing the takaful insurance operations	30	7,307,545	6,578,357
Excess of loss contributions		251,658	241,500
Takaful policies acquisition costs		913,147	801,477
Other underwriting expenses		1,498,465	1,187,093
Net Claims Costs		31,168,927	25,560,171
Less: Policyholders’ share of Takaful Insurance:			
Expected Credit Losses	33	200,000	150,000
Depreciation and amortization	13 & 14	67,804	72,506
Other expenses		118,842	105,085
Total Policyholders Share From Takaful Insurance operations		386,646	327,591
Policyholders' (deficit) surplus before tax		(2,526)	2,060
Income tax benefits for the year	20/b	11,517	8,689
Policyholders’ Surplus from Takaful Insurance Operations		8,991	10,749

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Chairman of the Board of Directors

Chief Executive Officer

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31, 2022	2021
		JD	JD
Owners' equity revenue from takaful insurance operations			
Owners' equity share for managing takaful insurance operations	30	7,307,545	6,578,357
Owners' equity share of investments income	28	493,826	427,656
Owners' equity share of financial assets and investments income	29	238,469	408,073
Owners' equity share for managing the investments portfolio	28 & 29	56,785	44,346
Other revenues	29	177,934	103,268
Total Owners' Equity Revenue from Takaful Insurance Operations		8,274,559	7,561,700
Claims, Losses and Expenses from General Insurance Operations:			
Paid claims		333	76,695
Less: Recoveries		(4,723)	(10,575)
Reinsurers' share		(314)	(75,939)
Net paid claims		(4,704)	(9,819)
Net change in outstanding claims reserve		-	(14,840)
Net Claims Cost from General Insurance Operations		(4,704)	(24,659)
General and administrative expenses	31	1,403,260	1,272,067
Unallocated employees' expenses	32	3,786,485	3,644,963
Depreciation and amortization	13 & 14	460,568	475,094
Total Expenses		5,650,313	5,392,124
Profit for the year before income tax		2,628,950	2,194,235
Income tax expense for the year	20/b	(612,375)	(108,927)
Profit for the year		2,016,575	2,085,308
Earnings per share for the year - (Basic and Diluted)	34	0/072	0/075

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDITOR'S REPORT.

Chairman of the Board of Directors

Chief Executive Officer

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Profit for the year	2,016,575	2,085,308
Add: Other comprehensive income items after tax not to be transferred to the profit and loss statement in subsequent years		
Owners' equity share from the change in fair value of financial assets through other comprehensive income - net after tax	172,352	170,206
(Losses) on sale of financial assets at fair value through other comprehensive income	-	(4,748)
Total Comprehensive Income for the Year	2,188,927	2,250,766

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDITOR'S REPORT.

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

		Paid-up Capital	Statutory Reserve	Financial Assets Valuation Reserve - Net	Retained Earnings *	Net Owners' Equity
For the Year Ended December 31, 2022		JD	JD	JD	JD	JD
Balance at the beginning of the year		28,000,000	3,561,202	(239,071)	2,726,966	34,049,097
Prior Years adjustments	27/a	-	-	-	(388,149)	(388,149)
Total comprehensive income for the year		-	-	172,352	2,016,575	2,188,927
Transferred to statutory reserve		-	249,539	-	(249,539)	-
Distributed dividends **		-	-	-	(1,120,000)	(1,120,000)
Balance at the end of the year		28,000,000	3,810,741	(66,719)	2,985,853	34,729,875
For the Year Ended December 31, 2021						
Balance at the beginning of the year		28,000,000	3,494,290	(1,917,805)	3,522,266	33,098,751
Prior Years adjustments	27/a	-	-	-	(320,420)	(320,420)
Total comprehensive income for the year		-	-	170,206	2,080,560	2,250,766
Transferred to statutory reserve		-	66,912	-	(66,912)	-
Distributed Dividends **		-	-	-	(980,000)	(980,000)
Losses resulted from the sale of a subsidiary company***		-	-	1,508,528	(1,508,528)	-
Balance at the end of the year		28,000,000	3,561,202	(239,071)	2,726,966	34,049,097

* An amount from retained earnings equivalent to the negative financial assets valuation reserve is restricted according to the related instructions as of December 31, 2022 and 2021.

** According to the decision of the General Assembly in its meeting held on April 25, 2022, cash dividends were distributed to the shareholders with a rate 4% of paid-up capital for the year 2021, and with an amount of JD 1,120,000 (JD 980,000 with the rate of 3.5% of paid-up capital for the year 2020 profits).

***According to the decision of the General Assembly in its extraordinary meeting held on December 5, 2021, the sale of all shares in the subsidiary "Baden Co. for Trading and Investing L.L.C" was unanimously approved; the sale resulted in a realized loss of JD 1,508,528.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDITOR'S REPORT.

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN POLICYHOLDERS' EQUITY

	Reserve to cover deficit (Contingency provision)	Accumulated Surplus		Net Policyholders' Equity
		Realized	Unrealized	
For the Year Ended December 31, 2022	JD	JD	JD	JD
Balance at the beginning of the year	14,160	-	-	14,160
Policyholders' surplus for the year	-	8,991	-	8,991
Transferred from policyholders' surplus	8,991	(8,991)	-	-
Balance at the end of the year	23,151	-	-	23,151
For the Year Ended December 31, 2021				
Balance at the beginning of the year	3,411	-	-	3,411
Policyholders' surplus for the year	-	10,749	-	10,749
Transferred from policyholders' surplus	10,749	(10,749)	-	-
Balance at the end of the year	14,160	-	-	14,160

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDITOR'S REPORT.

FIRST INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the year before tax		2,626,424	2,196,295
Adjustments:			
Depreciation and amortization	13 & 14	528,372	547,600
Expected credit losses	33	200,000	150,000
Net change in unearned contributions reserve		3,478,727	500,250
Net change in outstanding claims reserve		393,017	(2,438,559)
Net change in mathematical reserve		18,685	3,619
Various provisions	19	45,000	45,000
Dividends income from financial assets at fair value through other comprehensive income	29	(33,080)	(28,760)
(Profit) on sale of financial assets at fair value through profit or loss	29	(55,126)	-
Change in fair value of financial assets at fair value through profit or loss	29	(50,342)	-
(Profit) on the sale of property and equipment	13	-	(130)
(Returns) from bank deposits	28	(590,194)	(490,684)
(Returns) from sukuk	29	(224,626)	(284,322)
Net Cash Flows from Operating Activities before Changes in Working Capital		6,336,857	200,309
Decrease (increase) in checks under collection		615,184	(941,703)
(Increase) decrease in accounts receivable		(221,462)	2,193,999
Decrease (increase) in re-insurers' receivables		1,403,469	(443,914)
(Increase) decrease in other assets		(1,215,005)	265,930
Increase in accounts payable		488,582	171,116
(Decrease) increase in re-insurance payable		(1,096,196)	139,144
Increase (decrease) in accrued expenses		89,887	(31,468)
Increase in other liabilities		255,787	695,576
Net Cash Flows from operating activities before payments of income tax and various provisions		6,657,103	2,248,989
Income tax paid	20/a	(151,858)	(577,560)
Paid from various provisions	19	(45,000)	(47,258)
Net Cash Flows from Operating Activities		6,460,245	1,624,171
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in deposits at banks		(1,598,359)	(2,886,838)
Proceeds of dividends from financial assets at fair value through other comprehensive income		33,080	28,760
Proceeds from sale of financial assets at fair value through other comprehensive income		-	17,448
(Purchase) of financial assets at fair value through profit or loss		(481,337)	-
Proceeds from sale of financial assets at fair value through profit or loss		214,248	-
(Purchase) of financial assets at fair value through other comprehensive income		(724,184)	-
(Purchase) of property and equipment	13	(19,196)	(49,809)
Proceeds from the sale of property and equipment	13	-	326
(Purchase) of intangible assets	14	(54,100)	(57,106)
(Purchase) of financial assets at amortized cost	7	(1,149,147)	(888,607)
Returns from Sukuk	7	224,636	230,191
Amortization of Sukuk	7	171	9,384
Proceeds from sale and maturity of Sukuk	7	-	3,256,605
Net Cash Flows (used in) Investing Activities		(3,554,188)	(339,646)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash dividends	27	(1,120,000)	(980,000)
Net Cash Flows (used in) Financing Activities		(1,120,000)	(980,000)
Net Increase in Cash and Cash Equivalents		1,786,057	304,525
Cash and cash equivalents at the beginning of the year		2,657,561	2,353,036
Cash and Cash Equivalents at the end of the year	35	4,443,618	2,657,561
NON-CASH ACTIVITIES:			
Transfer from financial assets at fair value through profit or loss to financial assets at fair value through other comprehensive income		372,557	-
Transfer from property and equipment to real estate investments - net	8	61,397	-

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FIRST INCURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF UNDERWITTING REVENUE FOR GENERAL TAKAFUL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022 and 2021

	Motor		Marine		Aviation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written Contributions:																
Direct operations	16,621,864	12,477,656	1,355,177	1,196,840	370,816	433,394	9,521,324	7,108,971	607,953	357,940	17,398,640	15,762,273	1,351,112	1,082,547	47,226,886	38,419,621
Inward voluntary re-insurers	1,409,602	1,813,411	17,834	18,600	730,659	879,942	722,303	749,643	648	23,188	-	-	119,170	26,492	3,000,216	3,511,276
Gross Contributions	18,031,466	14,291,067	1,373,011	1,215,440	1,101,475	1,313,336	10,243,627	7,858,614	608,601	381,128	17,398,640	15,762,273	1,470,282	1,109,039	50,227,102	41,930,897
Less: Local re-insurers' share contributions	1,564,362	2,025,227	20,677	7,925	-	-	928,021	780,983	5,829	23,124	275,895	-	92,083	2,773	2,886,867	2,840,032
Foreign re-insurers' share contributions	94,947	20,624	1,210,427	1,106,018	1,101,475	1,313,336	9,071,136	6,900,852	551,600	346,719	7,329,325	9,518,695	1,304,510	1,010,939	20,663,420	20,217,183
Net Contributions	16,372,157	12,245,216	141,907	101,497	-	-	244,470	176,779	51,172	11,285	9,793,420	6,243,578	73,689	95,327	26,676,815	18,873,682
Add: Balance at the beginning of the year																
Unearned contributions reserve	7,126,831	6,263,281	275,889	154,408	456,393	271,039	3,296,986	3,916,380	49,913	52,926	6,926,110	6,671,203	765,674	1,016,134	18,897,796	18,345,371
Less: Re-insurers share	996,506	733,098	248,902	134,922	456,393	271,039	3,223,767	3,861,856	47,948	51,000	4,025,250	3,652,967	727,100	968,809	9,725,866	9,673,691
Net Unearned Contributions Reserve - Beginning of the year	6,130,325	5,530,183	26,987	19,486	-	-	73,219	54,524	1,965	1,926	2,900,860	3,018,236	38,574	47,325	9,171,930	8,671,680
Premiums Deficiency Reserve - Beginning of the year	25,000	-	-	-	-	-	-	-	-	-	208,000	-	-	-	233,000	-
Net Premiums Deficiency - Beginning of the year	25,000	-	-	-	-	-	-	-	-	-	208,000	-	-	-	233,000	-
Less: Balance at the end of the year																
Unearned contributions reserve	8,730,875	7,126,831	294,705	275,889	454,705	456,393	4,411,379	3,296,986	197,025	49,913	7,780,855	6,926,110	804,867	765,674	22,674,411	18,897,796
Less: Re-insurers' share	614,953	996,506	266,978	248,902	454,705	456,393	4,309,824	3,223,767	180,135	47,948	3,423,030	4,025,250	774,129	727,100	10,023,754	9,725,866
Net Unearned Contributions Reserve - End of the year	8,115,922	6,130,325	27,727	26,987	-	-	101,555	73,219	16,890	1,965	4,357,825	2,900,860	30,738	38,574	12,650,657	9,171,930
Net Revenue Earned from Written Contributions	14,386,560	11,645,074	141,167	93,996	-	-	216,134	158,084	36,247	11,246	8,336,455	6,360,954	81,525	104,078	23,198,088	18,373,432
Premiums Deficiency Reserve	175,000	-	-	-	-	-	-	-	-	-	119,000	-	-	-	294,000	-
Net Premiums Deficiency - End of the year	175,000	-	-	-	-	-	-	-	-	-	119,000	-	-	-	294,000	-

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CLAIMS COST FOR GENERAL TAKAFUL INSURANCE ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	Motor		Marine		Aviation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	16,480,250	15,033,042	113,531	118,838	-	-	2,961,185	631,230	80,428	27,110	14,922,937	13,622,157	226,113	97,152	34,784,444	29,529,529
Less: Recoveries	3,195,102	2,493,598	6,088	3,054	-	-	11,048	9,484	231	492	234,167	238,380	685	299	3,447,321	2,745,307
Local re-insurers' share	519,656	429,337	30	-	-	-	49,930	10,065	665	1,570	166,973	-	11,606	10,335	748,860	451,307
Foreign re-insurers' share	121,766	12,990	100,514	97,385	-	-	2,857,020	598,312	65,977	24,193	7,281,759	7,702,368	151,309	28,258	10,578,345	8,463,506
Net Paid Claims	12,643,726	12,097,117	6,899	18,399	-	-	43,187	13,369	13,555	855	7,240,038	5,681,409	62,513	58,260	20,009,918	17,869,409
Add: Outstanding claims reserve at the end of the year																
Incurred and reported	5,468,481	5,620,894	36,278	47,006	-	-	297,799	2,640,161	673,634	564,733	1,078,462	938,824	170,483	386,007	7,725,137	10,197,625
Incurred but not reported (IBNR)	2,050,000	1,627,000	37,500	37,500	-	-	335,000	366,000	35,500	10,000	683,697	807,995	124,500	22,000	3,266,197	2,870,495
Less: Re-insurers share																
Incurred and reported	1,250,072	906,591	31,284	39,654	-	-	272,103	2,604,542	646,883	550,056	399,954	612,013	125,188	304,341	2,725,484	5,017,197
Incurred but not reported (IBNR)	50,000	27,000	30,000	30,000	-	-	317,500	348,500	28,000	2,500	331,465	525,105	116,000	13,500	872,965	946,605
Recoveries	2,446,895	2,493,756	-	-	-	-	-	-	-	-	-	-	-	-	2,446,895	2,493,756
Net claims reserve - end of the year	3,771,514	3,820,547	12,494	14,852	-	-	43,196	53,119	34,251	22,177	1,030,740	609,701	53,795	90,166	4,945,990	4,610,562
Add: Unallocated Loss Adjustment Reserve - end of the year	220,000	-	500	-	-	-	700	-	700	-	50,000	-	2,535	-	274,435	-
Unallocated Loss Adjustment Expenses - Net	220,000	-	500	-	-	-	700	-	700	-	50,000	-	2,535	-	274,435	-
Less: Outstanding claims reserve at the beginning of the year																
Incurred and reported	5,620,894	7,629,149	47,006	52,468	-	-	2,640,161	614,650	564,733	508,684	938,824	648,311	386,007	253,241	10,197,625	9,706,503
Incurred but not reported (IBNR)	1,627,000	1,750,000	37,500	37,500	-	-	366,000	366,000	10,000	10,000	807,995	687,975	22,000	22,000	2,870,495	2,873,475
Less: Re-insurers' share																
Incurred and reported	906,591	843,486	39,654	45,956	-	-	2,604,542	595,163	550,056	488,644	612,013	347,772	304,341	209,715	5,017,197	2,530,736
Incurred but not reported (IBNR)	27,000	35,000	30,000	30,000	-	-	348,500	348,500	2,500	2,500	525,105	401,077	13,500	13,500	946,605	830,577
Recoveries	2,493,756	2,370,746	-	-	-	-	-	-	-	-	-	-	-	179	2,493,756	2,370,925
Net Outstanding Claims Reserve at the beginning of the year	3,820,547	6,129,917	14,852	14,012	-	-	53,119	36,987	22,177	27,540	609,701	587,437	90,166	51,847	4,610,562	6,847,740
Net Cost of Claims	12,594,693	9,787,747	4,541	19,239	-	-	33,264	29,501	25,629	(4,508)	7,661,077	5,703,673	26,142	96,579	20,345,346	15,632,231
Less: Unallocated Loss Adjustment Reserve - Beginning of the year	166,750	-	250	-	-	-	600	-	500	-	31,000	-	900	-	200,000	-
Unallocated Loss Adjustment reserve - Net	166,750	-	250	-	-	-	600	-	500	-	31,000	-	900	-	200,000	-

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF UNDERWRITING PROFIT FOR GENERAL TAKAFUL INSURANCE ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	Motor		Marine		Aviation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue earned from underwriting contributions	14,386,560	11,645,074	141,167	93,996	-	-	216,134	158,084	36,247	11,246	8,336,455	6,360,954	81,525	104,078	23,198,088	18,373,432
Less: Net cost of claims	12,594,693	9,787,747	4,541	19,239	-	-	33,264	29,501	25,629	(4,508)	7,661,077	5,703,673	26,142	96,579	20,345,346	15,632,231
Add: Received commissions	29,028	17,635	540,097	512,779	25,616	25,439	1,919,229	1,429,112	162,437	163,013	1,164,301	1,366,514	169,204	89,602	4,009,912	3,604,094
Takaful policies issuance fees	1,461,869	1,265,078	34,800	30,386	10,059	14,210	176,347	143,743	12,306	6,885	847,906	733,643	42,963	71,052	2,586,250	2,264,997
Revenue from investments related to underwriting accounts	33,891	25,254	2,581	2,148	2,070	2,321	19,254	13,887	1,145	725	32,702	27,854	2,762	1,908	94,405	74,097
Total Revenue	3,316,655	3,165,294	714,104	620,070	37,745	41,970	2,297,700	1,715,325	186,506	186,377	2,720,287	2,785,292	270,312	170,061	9,543,309	8,684,389
Less: Takaful policies acquisition fees	552,219	483,016	45,037	33,064	-	-	95,961	72,464	17,185	17,412	147,157	135,760	9,123	7,846	866,682	749,562
Excess of loss contributions	132,700	135,000	-	-	-	-	118,958	106,500	-	-	-	-	-	-	251,658	241,500
Owners' equity share from management of Takaful operations	2,481,189	2,145,841	282,795	236,668	23,055	22,895	1,370,710	1,279,653	85,070	57,169	2,271,396	2,271,667	205,271	138,114	6,719,486	6,152,007
Other expenses related to underwriting	390,702	282,147	27,293	11,850	1,714	2,021	87,335	76,238	4,471	23,296	726,764	546,068	15,420	12,750	1,253,699	954,370
Total Expenses	3,556,810	3,046,004	355,125	281,582	24,769	24,916	1,672,964	1,534,855	106,726	97,877	3,145,317	2,953,495	229,814	158,710	9,091,525	8,097,439
Net Underwriting (Loss) Profit	(240,155)	119,290	358,979	338,488	12,976	17,054	624,736	180,470	79,780	88,500	(425,030)	(168,203)	40,498	11,351	451,784	586,950

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES - GENERAL TAKAFUL FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
	JD	JD
Written Contributions		
Direct Operations	5,880,589	4,673,659
Voluntary re-insurers	-	-
Gross Contributions	5,880,589	4,673,659
Less: Local re-insurers' share	322,236	34,359
Foreign re-insurers' share	4,088,124	3,300,990
Net Contributions	1,470,229	1,338,310
Add: Mathematical reserve - beginning of the year	242,058	292,824
Less: Re-insurers' share	112,026	166,411
Net mathematical reserve - beginning of the year	130,032	126,413
Less: Mathematical reserve - end of the year	258,000	242,058
Less: Re-insurers' share	109,283	112,026
Net mathematical reserve - end of the year	148,717	130,032
Net Revenue Earned from Contributions	1,451,544	1,334,691

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN -JORDAN

CONSOLIDATED STATEMENT OF CLAIMS COST FOR LIFE INSURANCE ACTIVITIES -GENERAL TAKAFUL FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
	JD	JD
Paid Claims	4,075,327	7,597,947
Less: Local re-insurers' share	-	-
Foreign re-insurers' share	3,287,253	6,291,893
Net Paid Claims	788,074	1,306,054
Add: Outstanding Claims Reserve at the end of the year		
Incurred and reported	1,065,801	617,773
Incurred but not reported (IBNR)	442,124	345,000
Less: Re-insurers' share	1,264,000	776,437
Net Outstanding Claims Reserve at the end of the Year	243,925	186,336
Net change in unallocated loss adjustment reserve	7,103	-
Less: Outstanding Claims Reserve at the beginning of the year		
Incurred and reported	617,773	1,785,882
Incurred but not reported (IBNR)	345,000	277,965
Less: Re-insurers' share	776,437	1,690,970
Net Outstanding Claims Reserve at the beginning of the Year	186,336	372,877
Net Claims Cost	852,766	1,119,513

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF UNDERWRITING (LOSS) FOR LIFE INSURANCE ACTIVITIES - GENERAL

TAKAFUL FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
	JD	JD
Net earned revenue from written contributions	1,451,544	1,334,691
Less: Net claims cost	852,766	1,119,513
Add: Received commissions	44,867	8,203
Insurance policies takaful issuance fees	156,928	222,048
Revenue from investments related to underwriting accounts	11,053	8,259
Total Revenue	811,626	453,688
Less: Takaful policies acquisition fees	46,465	51,915
Owners' equity share from management of Al -Takaful operations	588,059	426,350
Other expenses related to underwritings	244,766	232,723
Total Expenses	879,290	710,988
Net Underwriting (Loss)	(67,664)	(257,300)

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	Motor		Marine		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written contributions														
Direct operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inward voluntary re-insurers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Local re-insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign re-insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Balance at the beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned contributions reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unearned contributions reserve - beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Balance at the end of the year														
Unearned contributions reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unearned contributions reserve - end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue from Written contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	Motor		Marine		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	-	-	-	-	333	-	-	76,695	-	-	-	-	333	76,695
Less: Recoveries	4,723	10,575	-	-	-	-	-	-	-	-	-	-	4,723	10,575
Local re-insurers' share	-	-	-	-	-	-	-	3,531	-	-	-	-	-	3,531
Foreign re-insurers' share	-	-	-	-	314	-	-	72,408	-	-	-	-	314	72,408
Net Paid claims	(4,723)	(10,575)	-	-	19	-	-	756	-	-	-	-	(4,704)	(9,819)
Add: Outstanding claims reserve at the end of the year														
Incurred and reported	-	-	-	-	2,291	2,291	16,000	16,000	-	-	-	-	18,291	18,291
Incurred but not reported (IBNR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Re-insurers' share	-	-	-	-	2,113	2,113	9,925	9,925	-	-	-	-	12,038	12,038
Recoveries	-	-	-	-		-	-	-	-	-	-	-	-	-
Net Outstanding claims provision at the end of the Year	-	-	-	-	178	178	6,075	6,075	-	-	-	-	6,253	6,253
Less: Outstanding claims reserve at the beginning of the year														
Incurred and reported	-	10,000	-	-	2,291	2,291	16,000	109,483	-	-	-	-	18,291	121,774
Incurred but not reported (IBNR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Reinsurers' share	-	-	-	-	2,113	2,113	9,925	102,768	-	-	-	-	12,038	104,881
Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Outstanding Claims Provision at the beginning of the year	-	10,000	-	-	178	178	6,075	6,715	-	-	-	-	6,253	16,893
Net Claims Cost	(4,723)	(20,575)	-	-	19	-	-	116	-	-	-	-	(4,704)	(20,459)

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR THE YEAR EDNED DECEMBER 31, 2022 AND 2021

	Motor		Marine		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the written contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Net claims cost	(4,723)	(20,575)	-	-	19	-	-	116	-	-	-	-	(4,704)	(20,459)
Underwriting Profit - Net	4,723	20,575	-	-	(19)	-	-	(116)	-	-	-	-	4,704	20,459

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF WRITTEN REVENUE FOR LIFE INSURNACE ACTIVITIES

GENERAL INSURANCE FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	Life	
	2022	2021
	JD	JD
Written contributions		
Direct operations	-	-
Voluntary re-insurers	-	-
Gross written contributions	-	-
Less: Local re-insurance premiums	-	-
Foreign re-insurance premiums	-	-
Net earned contributions	-	-
Add: Mathematical reserve - beginning of the year	-	-
Less: Reinsurers' share	-	-
Net Mathematical reserve - beginning of the year	-	-
Balance at the End of the year		
Less: Mathematical reserve - end of the year	-	-
Less: Reinsurers' share	-	-
Net mathematical reserve - end of the year	-	-
Net Revenue from Written contributions	-	-

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FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

GENERAL INSURANCE FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	Life	
	2022	2021
	JD	JD
Paid Claims	-	-
Less: Local re-insurers' share	-	-
Foreign re-insurers' share	-	-
Net Paid Claims	-	-
Add: Outstanding claims reserve at the end of the year	-	-
Less: Re-insurers' share	-	-
Net Outstanding claims reserve at the end of the year	-	-
Less: Outstanding claims reserve at the beginning of the year	-	6,000
Less: Re-insurers' share	-	1,800
Net Outstanding claims reserve at the beginning of the year	-	4,200
Net Claims Cost	-	(4,200)

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE

CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM

AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CONTRIBUTION PROFIT / (LOSS) FOR LIFE

INSURANCE ACTIVITIES - GENERAL INSURANCE

FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	Life	
	2022	2021
	JD	JD
Net revenue from written contributions	-	-
Less: Net paid claims cost	-	(4,200)
Net Underwritten Profit	-	4,200

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FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM

AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

FIRST INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN -JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE LIFE INSURANCE BRANCH FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	December 31,	
ASSETS	2022	2021
	JD	JD
Deposits at banks	2,185,948	750,000
Total Investments	2,185,948	750,000
Checks Under Collection	-	7,774
Receivables - net	358,656	812,588
Re-insurance Receivables - Net	-	1,068,358
TOTAL ASSETS	2,544,604	2,638,720
LIABILITIES AND HEAD OFFICE'S EQUITY		
LIABILITIES:		
Mathematical reserve -net	148,717	130,032
Claims reserve - net	251,028	186,336
Total Technical Reserves	399,745	316,368
Re-insurers payables	1,052,401	433,782
Head office's current account - Payable	1,200,516	1,928,964
TOTAL LIABILITIES	2,652,662	2,679,114
Owners' Equity		
Accumulated losses	(108,058)	(40,394)
Total Owners' Equity	(108,058)	(40,394)
TOTAL LIABILITIES AND OWNERS'S EQUITY	2,544,604	2,638,720

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

1. General

a. First Insurance Company (the "Company") was established on 28 December 2006, its headquarters located in Amman – The Hashemite Kingdom of Jordan and registered as a public shareholding limited company under license No. (424) with an authorized and paid-up capital of JD 24 Million divided into 24 Million shares at JD 1 per share.

On April 2, 2015, First Insurance Company acquired 76.25% of Al-Yarmouk Insurance Company's capital (a Public Shareholding Limited Company). The General Assembly decided at its extraordinary meeting held on November 2, 2015 to transfer their 100% share capital from Al-Yarmouk Insurance Company (a public shareholding limited company) (the merged company) to First Insurance Company (a public shareholding limited company). As a result of the merger, the registration of Al-Yarmouk Insurance Company (a public shareholding limited company) was removed from the corporate register and First Insurance Company (a public shareholding limited company) became the legal successor to Al-Yarmouk Insurance Company with an authorized and paid-up capital of JD 28 million at JD 1 per share.

The Company conducts insurance on fire, natural hazards, accidents, medical and marine vehicles, cargo during transportation, and other damage of properties, liability of land-based vehicles, general liability, assistance insurance, ships insurance, ships liability, aircraft insurance, aircraft liability and life insurance in accordance with Islamic Shari'a.

The consolidated financial statements includes the results of Takaful insurance of First Insurance Company and the general insurance business of the acquired company (formerly Al-Yarmouk Insurance Company). Accordingly, these results are presented separately in the supplemental Insuarnce Operations Information accompanying the consolidated financial statements until the end of the general non-takaful insurance contracts resulting from the merger.

According to the decisions of the General Assembly in its extraordinary meeting held on December 5, 2021, the sale of all shares in the subsidiary "Baden Co. for Trading and Investing L.L.C" was unanimously approved; the sale resulted in a realized loss of JD 1,508,528.

b. The accompanying consolidated financial statements were approved by the Board of Directors on February 16, 2023.

2. Accounting Policies

- The consolidated financial statements have been prepared according to the standards issued by the International Accounting Standards Board; interpretations issued by the International Financial Reporting Standards Committee and in line with the necessary forms for preparing reports and financial statements and presenting them issued by the Board of Directors of the Insurance Commission in accordance with the Insurance Regulatory Act No. (33) 1999 and Instructions No. (2) for the year 2003.

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

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

- The accounting policies adopted for the current year are consistent with those adopted in the year ended December 31, 2021, except for what is mentioned in note (3-A).

Basis of Consolidation of the Financial Statements

The consolidated financial statements include the financial statements of the Company and its subsidiary Company that are subject to its control. In this regard, control is established when the Company has the ability to conduct the main activities of the subsidiary Company, it is subject to the variable returns arising from its investment in the subsidiary Company, or it has the right to these returns, and it has the ability to influence the returns through its control of the subsidiary Company. Intercompany transactions, balances, revenue and expenses are eliminated between the Company and its subsidiary:

Company's Name	Principal Activity	Ownership Percentage	Place of Origin	Capital	Year of Incorporation
				JD	
Mulkiyat for Investment and Trade Company	Investment	100%	Jordan	50,000	2010

The most important financial information of the subsidiary companies for the year 2022 is as follows:

Company's Name	Total Assets	Total Liabilities	Total Revenue	Total Expenses
	JD	JD	JD	JD
Mulkiyat for Investment and Trade Company	3,398,946	3,128,247	273,231	114,272

The Company established Mulkiyat for Investment and Trade Company in the register of limited liability companies under No. (22534) on August 10, 2010 with a capital of JD 50,000.

The financial statements of the subsidiary company are prepared for the same finacial year of the parent Company using the same accounting policies of the parent Company. If the accounting policies adopted by the subsidiary company differ from those of the parent Company, the necessary adjustments to the financial statements of the subsidiary company are made to comply with the accounting policies of the parent Company.

Control is established when the Company has the ability to influence the operational and the financial policies of the subsidiary companies for the benefit of its operations. Intercompany transactions and balances, and the intercompany revenues and expenses are entirely eliminated between the parent Company and its subsidiaries.

The results of the subsidiary companies are incorporated into the consolidated statement of profit or loss from the effective date of acquisition, which is the date on which the parent Company assumes actual control over the subsidiary. Moreover, the operating results of the disposed subsidiaries are incorporated into the consolidated statement of profit or loss up to the effective date of disposal, which is the date on which the parent Company loses control over the subsidiary companies.

Control is achieved when the Company:

- Has the ability to control the investee;
- Is subject to variable returns, or have the right to variable returns arising from its association with the investee;and
- Has the ability to use its power to influence the returns of the investee.

The Company re-evaluates whether it controls the investee companies or not, if the facts and circumstances indicate that there are changes to one or more of the control criteria referred to above.

If the Group's voting rights are less than the majority's voting rights in any of the investee companies, it shall have the power to control when the voting rights suffice to grant the Group the ability to direct the activities of the related subsidiary unilaterally. Moreover, the Group's takes into account all the facts and circumstances in assessing whether the Group has enough voting rights in the investee to enable it to control or not. These facts and circumstances include the following:

- The size of voting rights owned by the Group in relation to the size and distribution of other voting rights;
- Potential voting rights held by the Group and any other voting rights held by others or third parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances indicating that the Group has or does not have an existing responsibility for directing the relevant activities at the time of making the required decisions, including how to vote at previous General Assembly meetings

When the Company loses control over any of its subsidiaries, the Group:

- Derecognizes the assets of the subsidiary (including goodwill) and liabilities;
- Derecognizes the carrying amount of any uncontrolled interest;
- Derecognizes the cumulative transfer differences recognized in equity;
- Derecognizes the fair value of the consideration received;
- Derecognizes the fair value of any investment held;
- Derecognizes any surplus or deficit in the income statement; and
- Reclassifies the Group's equity previously recognized in conslolidated other comprehensive income to the conslolidated statement of profit or loss or retained earnings, as appropriate.

<u>Segmental Information</u>
Business segment is a Group of assets and operations that jointly provide products or services subject to risks and returns different from those of other business segments, to the effect that it is measured according to the reports used by the Chief Executive Officer and the main decision maker at the Group.

Geographical sector relates to providing products or services in an economic environment subject to specific risks and returns different from those operating in other sectors of other economic environments.

<u>Debt Instruments at Amortized Cost or at Fair Value through Comprehensive income</u>
The Group evaluates the classification and measurement of the financial asset based on the contractual cash flow characteristics and the Group's business model for asset management.

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

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

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

Evaluating the Business Model

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

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

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

- The portfolio stated policies and objectives and the application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining a specific profit rate, matching the period of financial assets with the period of financial liabilities that finance those assets, or achieving cash flows through the sale of assets.
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- How to evaluate the performance of the business model and financial assets held in this business model and to report to key management personnel; and

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

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

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

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

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

Reclassification

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

Impairment

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

- Balances and deposits at banks.
- Receivables and reinsurers receivables.
- (debt instruments).
- Checks under collection

No impairment loss is recognized in owners' equity instruments.

The Group calculates the impact of impairment in the financial statements using the simplified approach.

Definition of Default in Payments

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

Impairment of Financial Assets

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

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

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

Expected Credit Losses Provison

The Group has adopted the simplified method to recognize the expected credit losses over their lifetime as permitted by IFRS (9). Accordingly, non-impaired financial instruments that do not contain a significant component of finance have been classified within the second stage with the recognition of expected credit losses over their lifetime.

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

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

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

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

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

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

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

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

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

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

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

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

Write-off
The Group derecognizes financial assets when there is information indicating that the debtor is experiencing financial difficulties, and there is no realistic probability of recovery, for example. When the debtor has been placed under liquidation, has entered bankruptcy proceedings, or where trade receivables age exceeds two years, whichever is earlier. The Group may continue to subject financial assets written off to collection procedures, taking into account legal advice, where appropriate. Meanwhile, any recoveries are recognized in the consolidated statement of profit or loss.

Financial Liabilities and Equity Instruments Issued by the Group
Classification as debt or equity instruments
Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements, the definitions of financial liabilities, and the equity instruments.

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

Financial Liabilities

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

Payables and other credit balances whish are classified as "financial liabilities" are tentatively measured at fair value after deducting the relevant deal costs, while its measured subsequently at the amortized cost using effective yield method and the related interests expenses are recognized on the basis of effective yield except for short-term liabilities if the recognized return is not significant.

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

Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when it is discharged from its obligations, or when such obligations are canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration payable or payable is recognized in profit or loss.

Foreign Exchange Gains and Losses

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

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

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

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

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

Fair Value

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

- Comparison with the market value of another financial asset with similar terms and conditions.
- Analysis of future cash flows and expected discounted cash flow based on a rate used for similar instruments.
- Adoption of option pricing models.

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

Property Investments
Property investments are stated at cost net of accumulated depreciation (excluding lands). In addition, impairment in their value is taken to the consolidated statement of profit or loss. The operating revenues or expenses of these investments are included in the consolidated statement of comprehensive income and/or in the statement of Policyholders' Revenues and Expenses. Moreover, these investments (excluding lands) are depreciated over their useful lives using the straight-line method at an annual rate of 2 - 20%.

Property investments are evaluated according to the decisions issued by the Ministry of Industry and Trade and Insurance Management. Moreover, their fair value is disclosed in the real estate investments note.

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

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

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

Impairment in Assets Related to Reinsurance
In case there is any indication as to the impairment of the reinsurance assets of the Group, which possesses the reinsured contracts, the Group reduces the present value of the contracts and records the impairment loss in the consolidated statement of income. The impairment is only recognized in the following two cases:

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

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

Acquisition Costs of Insurance Policies and Takaful Policies
Acquisition costs represent the costs incurred by the Group against selling, underwriting, or starting new insurance contracts. The acquisition costs are recorded in the consolidated statement of income and/or in the statement of policyholders' revenues and expenses.

Property and Equipment

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

	%
Buildings	2
Offices	2
Equipment, furniture, and fixtures	10- 20
Vehicles	15
Decorations	10- 20

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

Property and equipment, for the Group's use, are stated at cost net of accumulated impairment.

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

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

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

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

Intangible Assets

Intangible assets acquired through merger are recorded at fair value upon their acquisition.

However, intangible assets acquired through other than merger are recorded at cost. Moreover, intangible assets are classified according to their estimated definite or indefinite lives. Intangible assets with definite useful lives are amortized over the life of the asset, and the impairment is recorded in the consolidated statement of income. Meanwhile, intangible assets with indefinite lives are reviewed for impairment at the date of the consolidated financial statements, and the impairment is recorded in the consolidated statement of profit or loss.

Internally generated intangible assets are not capitalized by the Group and its subsidiaries. Instead, they are recorded in the consolidated statement of profit or loss in the same year.

Indications of impairment in the value of intangible assets are reviewed at the date of the consolidated financial statements. Moreover, their useful lives are reassessed, and adjustments are recorded in the subsequent periods.

Intangible assets are amortized over their estimated useful lives varying from 10% to 25% annually, and an amortization expense recorded in the consolidated statement of profit or loss.

Collateralized Financial Assets
Collateralized Financial Assets are those assets pledged to other parties with the right to use them (sell or re-mortgage). These assets are continuously evaluated according to the implemented accounting policies for each type according to their original classification.

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

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

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

First - Technical Provisions
Technical provisions are taken and maintained according to the regulations of the Insurance Commission as follows:

1. The provision for unearned contributions for general insurance activities is calculated according to the remaining days up to the expiry date of the insurance policy after the consolidated financial statements date on the basis of a (365) day year except for marine and land transport insurance in which the provision for unearned premiums is calculated on the basis of written premiums of the valid policies on the date of the consolidated financial statements according to the laws, regulations and instructions issued for this purpose.
2. The provision for outstanding claims (reported) is computed by determining the maximum amount of the total expected costs for each claim on an individual basis.
3. Premiums deficiency reserve and provision for incurred but not reported (IBNR) claims are calculated based on the Group 's experience and estimates and the actuary's recommendations.
4. Unearned contributions reserve for Takaful insurance activities is calculated based on the Group 's experience and estimates.
5. Mathematical reserve for life insurance policies is calculated based on the actuarial equations which are reviewed periodically by an independent actuary expert.

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

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

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

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

Income Tax

Income tax expenses represent accrued taxes and deferred taxes. They are determined based on taxable income. Moreover, taxable income differs from income declared in the consolidated statement of profit or loss, as declared revenue includes non-taxable revenue, tax expenses not deductible in the current year but deductible in the subsequent years, or accumulated losses acceptable by the tax authorities, or items that are not subject or deductible for tax purposes.

Taxes are calculated according to the tax rates prescribed by the prevailing laws, regulations, and instructions in the countries where the Group operates.

Deferred Taxes

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

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

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

Cost of Issuing or Purchasing the Insurance Group 's Shares

Costs arising from issuing or purchasing shares are recorded to retained earnings (net after taking into account the tax effect of these costs,). If issuance or purchase is incomplete, these costs are recorded in the consolidated income statement.

Offsetting

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

Revenue Recognition

First - Insurance Contracts for Al-Takaful Insurance

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

Claims and incurred losses settlement expenses from Takaful insurance are recognized in the consolidated statement of policyholders' revenues and expenses based on the expected liability amount of the compensation relating to the insurance policyholders or other affected parties.

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

Second - Dividends Income and Returns

Dividends income from investments are recorded when the right of the shareholder to receive dividends arises upon the related decision of the General Assembly of Shareholders.

Returns income are calculated on the accrual basis according to the maturity periods, original principals, and average earned return rate.

Third - Rent Revenue
Revenue from real estate investments with operating lease contracts are recognized based on the straight-line method over the contracts' periods, while the other expenses are recognized based on the accrual basis.

Expense Recognition
All commissions and other costs relating to the acquisition of new or renewed insurance policies are amortized in the consolidated statement of policyholders' revenues and expenses upon their occurrence. Other expenses are recognized on the accrual basis.

Insurance Compensations for General Insurance and Takaful Insurance
Insurance compensations for general insurance and Takaful Insurance represent the paid claims for the period and the change in outstanding claims reserve.

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

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

General and Administrative and Employee Expenses
First - General and Administrative Expenses – Takaful Insurance
General and administrative expenses relate to the owners' equity and are not allocated over underwriting accounts.

Shareholders' administration fees are allocated to underwriting accounts according to the Group 's Sharia Supervisory committee at the beginning of each year.

Second - Employees' Expenses – Takaful Insurance
Employees' expenses are directly related to the owners' equity and should not be allocated to underwriting accounts.

Deficit Coverage Reserve (Contingencies Provision)
This item represents the amount deducted at 20% of policyholders' surplus and policyholders' gain from the sale of financial assets at fair value through comprehensive income for the purposes of covering the deficit in future financial periods, only if no accumulated deficit is present at the date of the transfer, and it is not distributable to policyholders', provided that the deficit coverage reserve does not exceed the total technical provisions.

In case of liquidation, the deficit coverage reserve (contingencies provision) is distributed over welfare activities after the settlement of Al-Qard Al-Hassan, if any.

Basis for determining the insurance surplus
Insurance surplus is the balance of the total contributions collected, returns on their investment, and any other revenues after deducting paid claims, technical reserves, shareholders' share for managing Takaful operations and investments, and all policyholders' fund expense.

The Group calculates the insurance surplus while considering all types of Takaful insurance as one unit.

- Allocating the insurance surplus
  The insurance surplus is limited to policyholders, and is owned jointly by them, while shareholders do not have the right to share this surplus.

  The insurance surplus was distributed to all policyholders according to the percentage of their contribution without distinguishing between those who received compensation and those who did not during the financial period.

  The Group retains the amounts to be distributed and not claimed by the policyholders in a separate account, and presents them within the rights of the policyholders, provided that they are transferred to the deficit coverage reserve (contingencies provision) after obtaining 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) is distributed to welfare activities after the settlement of Al-Qard Al-Hassan, if any.

- Methods of covering policyholders' fund deficit
  In case of a deficit or an accumulated deficit in the policyholders' current account, the deficit is covered by the contingencies provision. In case of shortage in the contingencies provision, the shareholders shall grant Al-Qard Al-Hassan to the policyholders to cover the whole deficit. The Group maintains this provision versus these loans.

<u>Transactions Non-compliant with Sharia' principles</u>
The Group is committed to comply with the principles of Islamic Sharia' in all of its transactions and to disclose revenues and profits that are inconsistent with the Islamic Sharia' Principles.

Any revenue and gains non-compliant with Sharia' are recorded in a separate account which is presented in the consolidated financial statements within other credit balances (owners' equity liabilities) and are not recorded in the consolidated statement of revenues and expenses. This account is used for charity, based on the Sharia' Supervisory Committee's decision.

<u>Investment of financial assets of policyholders' and owners' equity.</u>

The Group complies with the principles of Takaful Insurance by maintaining completely separate entries and records for both the policyholders and equity owners.

The Group determines a deduction rate of the contributions intended for investment purposes in accordance with its annual budget and expected future cash flows for each financial period.

<u>Foreign Currency</u>
For the purpose of the consolidated financial statements, the results and financial position of each entity of the Group are expressed in the functional currency unit of the Group and the presentation currency of the consolidated financial statements.

Separate financial statements of the subsidiaries are prepared, and the separate financial statements of each entity of the Group are presented in the functional currency in which it operates. Transactions in currencies other than the Group 's functional currency are recorded at the rates of exchange prevailing on the dates of those transactions. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at that date. Non-monetary items carried at fair value and denominated in foreign currencies are translated at the exchange rates at the date when the fair value is determined. Non-monetary items measured at historical cost in a foreign currency are not reclassified.

Exchange differences are recognized in the consolidated statement of profit or loss in the period in which they arise except for:

- Foreign exchange differences on transactions made in order to hedge foreign exchange risk.
- Foreign exchange differences on monetary items due to / from a foreign operation that are not planned to be settled or are unlikely to be settled in the near future (and therefore these differences form part of the net investment in the foreign operation) are initially recognized in the consolidated statement of comprehensive income and reclassified from equity to the consolidated statement of profit or loss when selling or partially disposing of the net investment.

In order to present the consolidated financial statements, the assets and liabilities of the Group 's foreign operations are translated at the exchange rates prevailing at the statement of financial position date. Income is also translated at the average exchange rates for the period, unless exchange rates change significantly during that period, in which case the exchange rates prevailing on the transactions dates are used. The exchange differences therefrom, if any, are recognized in the consolidated statement of comprehensive income and stated in a separate line item under equity.

When foreign operations are disposed of (i.e. disposal of the Group ’s entire share from foreign operations, outcome of loss of control over a subsidiary within foreign operations, partial disposal of its share in a joint arrangement or associate of a foreign nature in which the held share becomes a financial asset), all foreign exchange differences accumulated in a separate item under equity regarding that transaction attributable to the Group ’s owners are reclassified to the consolidated statement of profit or loss.

Concerning the partial disposal of a subsidiary involving foreign operations that do not result in the Group ’s loss of control over the subsidiary, its share of accumulated exchange differences is credited to net comprehensive income at the rate at which the disposal was made. Such share is not recognized in the consolidated statement of income. As for all other partial liquidation (such as partial liquidation of associates or joint ventures that do not result in the Group ’s loss of significant influence or joint control), the share of accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

<u>Leases</u>

<u>The Group as a lessee</u>

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its estimated borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liabilities are re-measured (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are depreciated over the period of lease term or useful life of the underlying asset (which is shorter). If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

The Group applies IAS (36) to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in the consolidates statement of profit or loss.

<u>The Group as lessor</u>

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

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

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS (15) to allocate the consideration under the contract to each component.

3. Adoption of new and revised Standards

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2022, have been adopted in these consolidated financial statements for the group. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018-2020
The Annual Improvements include amendments to four standards:

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

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

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

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.**

IFRS 17 "Insurance Contracts" (continued)
IFRS 17 replaces IFRS 4 "Insurance Contracts" and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted. The Group will apply IFRS 17 for the first time on 1 January 2023.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short-duration which typically applies to certain non-life insurance contracts.

The anticipated changes in the recognition and measurement of insurance contracts issued and reinsurance contracts held and the changes in presentation and disclosures are described below.

<u>Separating components from an insurance contract</u>
The Group will assess its insurance contracts issued and reinsurance contracts held to determine whether they contain distinct components that must be separated and accounted for under another IFRS standard instead of under IFRS 17. Such components include an investment component, an embedded derivative or the provision of some other distinct goods or non-insurance services. If these non-insurance components are non-distinct, they will be accounted for together with the insurance component as part of the accounting for an insurance contract.

<u>Level of aggregation</u>
IFRS 17 requires the Group to identify portfolios of insurance contracts, which comprises contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together.
Each portfolio of insurance contracts issued shall be divided into a minimum of:
- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

In addition, the Group will not include contracts issued more than one year apart in the same group.

If contracts within a portfolio would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics, the Group may include those contracts in the same group.

<u>Recognition</u>
The Group shall recognise a group of insurance contracts it issues from the earliest of the following:
a) the beginning of the coverage period of the group of contracts;
b) the date when the first payment from a policyholder in the group becomes due; and
c) for a group of onerous contracts, when the group becomes onerous.

<u>Measurement</u>
On initial recognition, the Group shall measure a group of insurance contracts at the total of:
a) the fulfilment cash flows ("FCF"), which comprise:
   i. estimates of future cash flows;
   ii. an adjustment to reflect the time value of money ("TVM") and the financial risks associated with the future cash flows; and
   iii. a risk adjustment for non-financial risk
b) the contractual service margin ("CSM").

The Group shall include all the future cash flows within the boundary of each contract in the group. The Group may estimate the future cash flows at a higher level of aggregation and then allocate the resulting fulfilment cash flows to individual groups of contracts.

The estimates of future cash flows shall be current, explicit, unbiased, and reflect all the information available to the Group without undue cost and effort about the amount, timing and uncertainty of those future cash flows. They should reflect the perspective of the Group, provided that the estimates of any relevant market variables are consistent with observable market prices.
The discount rates applied to the estimate of cash flows shall:

a) reflect the time value of money (TVM), the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
b) be consistent with observable current market prices (if any) of those financial instruments whose cash flow characteristics are consistent with those of the insurance contracts; and
c) exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

The estimate of the present value of the future cash flows will be adjusted by the risk adjustment for non-financial risk reflecting the compensation that the Group requires for bearing the uncertainty about the amount and timing of future cash flows that arises from non-financial risk.

The Contractual service margin shall represent the unearned profit of the group of insurance contracts that the Group will recognise as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

a) the initial recognition of an amount for the FCF;
b) the derecognition at that date of any asset or liability recognised for insurance acquisition cash flows; and
c) any cash flows arising from the contracts in the group at that date.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

a) the liability for remaining coverage comprising:
   i. the FCF related to future services and;
   ii. the CSM of the group at that date;
b) the liability for incurred claims, comprising the FCF related to past service allocated to the group at that date.

Onerous contracts

An insurance contract is onerous at initial recognition if the total of the FCF, any previously recognised acquisition cash flows and any cash flows arising from the contract at that date is a net outflow. The Group shall recognise a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF and the CSM of the group being zero.

On subsequent measurement, if a group of insurance contracts becomes onerous (or more onerous), that excess shall be recognised in profit or loss. Additionally, the CSM cannot increase and no revenue can be recognised, until the onerous amount previously recognised has been reversed in profit or loss as part of a service expense.

Premium allocation approach

The Group will simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on the condition that, at the inception of the group:

a) the entity reasonably expects that this will be a reasonable approximation of the general model, or
b) the coverage period of each contract in the group is one year or less.

Where, at the inception of the group, the Group expects significant variances in the FCF during the period before a claim is incurred, such contracts will not be eligible to apply the PAA.

Using the PAA, the liability for remaining coverage shall be initially recognised as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. Subsequently the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus amortisation of acquisition cash flows, minus the amount recognised as insurance revenue for coverage provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

If insurance contracts in the group have a significant financing component, the liability for remaining coverage needs to be discounted, however, this is not required if, at initial recognition, the Group expects that the time between providing each part of the coverage and the due date of the related premium is no more than a year.
In applying PAA, the Group may choose to recognise any insurance acquisition cash flows as an expense when it incurs those costs, provided that the coverage period at initial recognition is no more than a year.

The simplifications arising from the PAA do not apply to the measurement of the group's liability for incurred claims, measured under the general model. However, there is no need to discount those cash flows if the balance is expected to be paid or received in one year or less from the date the claims are incurred.

Reinsurance contracts held
The requirements of the standard are modified for reinsurance contracts held.
In estimating the present value of future expected cash flows for reinsurance contracts, the Group will use assumptions consistent with those used for related direct insurance contracts. Additionally, estimates will include the risk of reinsurer's non-performance.
The risk adjustment for non-financial risk is estimated to represent the transfer of risk from the holder of the reinsurance contract to the reinsurer.

On initial recognition, the CSM is determined similarly to that of direct insurance contracts issued, except that the CSM represents net gain or loss on purchasing reinsurance. On initial recognition, this net gain or loss is deferred, unless the net loss relates to events that occurred before purchasing a reinsurance contract or when the Group recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract would be entered into before or at the same time as the onerous underlying contracts would be recognized.

Subsequently, reinsurance contracts held are accounted similarly to insurance contracts under the general model. Changes in reinsurer's risk of non-performance are reflected in profit or loss, and do not adjust the CSM.

Modification and derecognition
If the terms of an insurance contract are modified, the Group shall derecognise the original contract and recognise the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The modification is substantive if any of the following conditions are satisfied:

a) if, had the modified terms been included at contract's inception, this would have led to:
    (i) exclusion from the Standard's scope;
    (ii) unbundling of different embedded derivatives;
    (iii) redefinition of the contract boundary; or
    (iv) the reallocation to a different group of contracts; or
b) if the original contract met the definition of a direct par insurance contracts, but the modified contract no longer meets that definition, or vice versa; or
c) the PAA was originally applied, but the contract's modifications made it no longer eligible for it.

The Group shall derecognise an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Presentation in the statement of financial position

The Group shall present separately in the statement of financial position the carrying amount of groups of:

a) insurance contracts issued that are assets;
b) insurance contracts issued that are liabilities;
c) reinsurance contracts held that are assets; and
d) reinsurance contracts held that are liabilities.

Recognition and presentation in the statement of financial performance

The Group shall disaggregate the amounts recognised in the statement of financial performance into:

a) an insurance service result, comprising insurance revenue and insurance service expenses; and
b) insurance finance income or expenses.

Income or expenses from reinsurance contracts held shall be presented separately from the expenses or income from insurance contracts issued.

Insurance service result

The Group shall present in profit or loss revenue arising from the groups of insurance contracts issued, and insurance service expenses arising from a group of insurance contracts it issues, comprising incurred claims and other incurred insurance service expenses. Revenue and insurance service expenses shall exclude any investment components.

Insurance finance income or expenses

Insurance finance income or expenses shall comprise the change in the carrying amount of the group of insurance contracts arising from:

a) the effect of the time value of money and changes in the time value of money; and
b) the effect of changes in assumptions that relate to financial risk; but
c) excluding any such changes for groups of insurance contracts with direct participating insurance contracts that would instead adjust the CSM.

The Group has an accounting policy choice between including all of insurance finance income or expense for the period in profit or loss, or disaggregating it between an amount presented in profit or loss and an amount presented in other comprehensive income ("OCI").

Areas of Policy Choices and Significant Judgements

The following are accounting policy choices, that the Group will follow when applying the IFRS 17 standards:

Area of Policy Choice	Policy Choice
PAA - Deferring of Insurance Acquisition Cashflows	Acquisition costs for contracts measured under PAA will be deferred
PAA – Discounting of Liability for remaining coverage	No discounting will be applied to LRC
PAA – Discounting of Liability for incurred claims	Discounting will apply to LIC given that payment lags for the incurred claims exceed 12 months.
Disaggregation of Insurance Finance Income or Expense	Insurance finance income or expenses will be included within the period profit or loss

Transition

The Group shall apply the standard retrospectively unless impracticable, in which case it has the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, the Group shall utilise reasonable and supportable information and maximise the use of information that would have been used to apply a full retrospective approach, but need only use information available without undue cost or effort. Under this approach the use of hindsight is permitted, if that is the only practical source of information for the restatement of prior periods.

Under the fair value approach, the Group shall determine the CSM at the transition date as the difference between the fair value of a group of insurance contracts at that date and the FCF measured at that date. Using this approach, on transition there is no need for annual groups.

Transition Impact

The Group started a project to implement IFRS 17 and has been performing a high-level impact assessment of IFRS 17. The Group expects that the new standard will have an impact on total equity upon transition, however the impact cannot be reliably quantified currently because the transition work is ongoing and has not been finalised yet.

New and revised IFRSs	Effective date
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	**The effective date is yet to be set. Earlier application is permitted.**
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.**
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.	**January 1, 2023, with earlier application permitted**

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

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application, with the exception of the effect of the application of IFRS 17.

4. Use of Estimates

Preparation of the consolidated financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions and investments revaluation reserve which present in owners' equity and/or policyholders' equity and consolidated comprehensive income. In particular, the Company's management is required to issue significant judgments to assess expected future cash flows and their timing. The above -mentioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and situations of those estimates in the future.

Judgments and estimates and are periodically reviewed, the impact of the change in estimates of the current financial year in which the change exists is recorded in case the change affected the current financial period only, the changes in the estimates of the current financial period in which the change exists and for the future financial periods in case the change has an impact on the current financial period and future financial periods.

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

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

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

- A provision for lawsuits against the Company is based on a legal study by the Company's lawyer according to which probable future risks are determined. Such studies are checked periodically.

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

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

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

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

- The Group classifies financial instruments or components of financial assets at initial recognition either as a financial asset or financial liability or as a title deed in accordance with the substance of the contractual agreements and the definition of the instrument. The reclassification of a financial instrument is subject to the substance of the consolidated financial statements and not to its legal form.

- When measuring financial assets and liabilities, some of the Company's assets and liabilities are re -measured at fair value for financial reporting purposes. When estimating the fair value of any assets or liabilities, the Company uses available observable market data.

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

- Real estate investments are evaluated by independent and certified real estate appraisers according to the resolutions issued by insurance management for the purpose of calculating the impairment. Moreover, their fair value is disclosed in the consolidated financial statements.

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

5. Deposits at Banks - net

This item consists of the following:

	December 31, 2022									December 31, 2021		
	Deposits maturing within one month		Deposits maturing after month to three months		Deposits maturing after three months to one year		Total			Total		
	Policyholders	Owners' Equity	Policyholders	Owners' Equity	Policyholders	Owners' Equity	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Inside Jordan	171,882	80,230	-	800,000	2,185,948	9,844,162	2,357,830	10,724,392	13,082,222	2,179,110	9,224,693	11,403,803
Outside Jordan	-	-	-	378,864	-	2,281,562	-	2,660,426	2,660,426	-	3,039,008	3,039,008
(Less): Expected credit losses												
Provision *	(1,300)	(404)	-	(5,933)	(2,347)	(8,509)	(3,647)	(14,846)	(18,493)	(18,133)	(67,360)	(85,493)
	170,582	79,826	-	1,172,931	2,183,601	12,117,215	2,354,183	13,369,972	15,724,155	2,160,977	12,196,341	14,357,318

- The return rates on deposits at banks in Jordanian Dinars range from 2% to 4,4%. Meanwhile, the rate of return on deposit balances outside of Jordan in US Dollars ranged from 3,1% to 4% during the year 2022.

- As at 31 December, 2022, there was a deposit amounting to JD 800,000 which was pledged to the order of the Central Bank of Jordan.

* The movement on the expected credit losses provision is as follows:

	December 31,	
	2022	2021
	JD	JD
Balance at the beginning of the year	85,493	85,493
Less: transferred to expected credit losses provision – receivables – Note (11)	(67,000)	-
Balance at the end of the year	18,493	85,493

6. Financial Assets at Fair Value Through Other Comprehensive Income

This item consists of the following:

	December 31, 2022		December 31, 2021	
	Policyholders	Owners' Equity	Policyholders	Owners' Equity
Inside Jordan:	JD	JD	JD	JD
Quoted shares listed in Amman Stock Exchange	-	2,342,765	-	1,121,538
Unquoted Shares *	-	20,000	-	16,280
		2,362,765	-	1,137,818
Outside Jordan:				
Quoted shares	-	364,182	-	309,650
Unquoted shares *	-	33,930	-	33,930
	-	398,112	-	343,580
Total	-	2,760,877	-	1,481,398

* This item represents financial assets for which market prices are not available. The fair value was estimated by the Group's management.

7. Financial Assets at Amortized Cost – Net

This item consists of the following:

	December 31, 2022			December 31, 2021		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Sukuk	993,574	4,205,890	5,199,464	992,436	3,058,052	4,050,488
Expected credit losses provision*	(790)	(5,564)	(6,354)	(790)	(5,564)	(6,354)
	992,784	4,200,326	5,193,110	991,646	3,052,488	4,044,134

- The above Sukuk have an annual fixed return rate that ranges from 3.88% to 6.26%.
- Sukuk returns are accrued on a semi-annual basis up to the maturity date. The maturity dates range from 1 year to 6 years.
- During the year, Sukuk with a value of JD 1,149,147 were purchased.
- Sukuk returns amounting to JD 224,626 were recognized during the year (Note 28).
- During the year, an amount of JD 171 was amortized.

8. Real Estate Investments -Net

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Land	5,004,525	5,004,525
Net buildings after depreciation*	1,670,188	1,661,262
Net Real estate investments	6,674,713	6,665,787

- The fair value of the real estate investments was estimated by three real estate valuators at an amount of JD 7,344,800.
- Buildings include an amount of JD 751,498 owned by policyholders and intended for investment in rental activities.

* Depreciation on real estate investments amounted to JD 52,471 for the year ended December 31, 2022 (JD 51,698 as of December 31, 2021).

- The movement of real estate investments is as follows:

	December 31,	
	2022	2021
	JD	JD
Balance at the beginning of the year	6,665,787	6,717,485
Add: transferred from Property and Equipment, Net – Note (13)	61,397	-
Less: depreciation for the year – Note (29)	(52,471)	(51,698)
Balance at the end of the year	6,674,713	6,665,787

9. Cash on Hand and at Banks

This item consists of the following:

	December 31, 2022			December 31, 2021		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Cash on hand	336,583	3,149	339,732	339,326	3,852	343,178
Current accounts at banks	3,324,792	155,755	3,480,547	1,277,749	114,773	1,392,522
	3,661,375	158,904	3,820,279	1,617,075	118,625	1,735,700

10. Checks under Collection - net

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Checks under collections *	3,408,702	4,023,886
(Less): Expected credit losses provision	(62,500)	(62,500)
	3,346,202	3,961,386

* Maturity of checks under collection extend to June 30, 2024, noting that checks that mature within one year amounted to JD 4,500.

11. Receivables - net

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Policyholders' receivable	12,969,776	12,746,199
Brokers' receivable	16,985	17,897
Employees' receivable	68,545	73,422
Owners' equity receivable	6,123	6,590
Other	44,911	40,770
Total	13,106,340	12,884,878
(Less): Expected credit losses provision*	(2,018,001)	(1,751,001)
	11,088,339	11,133,877

- The Company measures the expected credit losses provision for receivables at an amount equal to the expected credit losses over the life of the receivable using the simplified methodology. The expected credit losses on accounts receivable are estimated using provision matrix with reference to past experiences with customers and an analysis of the current financial position of debtors, with adjustments according to factors specific to the debtors, the general economic conditions of the field in which the debtors operate and an assessment of the current trend as well as the expected trend of the conditions at the date of the report.

* The movement on the expected credit losses provision is as follows:

	For the Year Ended December 31, 2022	2021
	JD	JD
Balance at the beginning of the year	1,751,001	1,601,001
Add: additions during the year – Note (33)	200,000	150,000
Add: transferred to expected credit losses provision – deposits at banks – Note (5)	67,000	-
Balance at the end of the year	2,018,001	1,751,001

- The table below shows the aging of receivables:

December 31, 2022	Undue receivables	1-90 Days	91-180 Days	181-360 Days	More than 361 Days	Total
	JD	JD	JD	JD	JD	JD
Policyholders receivable	4,227,034	4,247,529	1,350,426	1,163,838	1,980,949	12,969,776
Brokers' receivables	-	307	711	56	15,911	16,985
Employees' receivables	68,545	-	-	-	-	68,545
Owners' Equity receivables	-	5,782	-	5	336	6,123
Other	-	34,575	2,742	2,050	5,544	44,911
Receivables	4,295,579	4,288,193	1,353,879	1,165,949	2,002,740	13,106,340
Expected credit loss rate	1%	4%	12%	30%	64%	15%

December 31, 2021	Undue receivables	1-90 Days	91-180 Days	181-360 Days	More than 361 Days	Total
	JD	JD	JD	JD	JD	JD
Policyholders receivables	4,979,842	3,353,848	1,471,107	1,244,335	1,697,067	12,746,199
Brokers' receivables	-	2,291	1,063	5,686	8,857	17,897
Employees' receivables	73,422	-	-	-	-	73,422
Owners' Equity receivables	-	6,520	70	-	-	6,590
Other	-	37,007	811	2,159	793	40,770
Receivables	5,053,264	3,399,666	1,473,051	1,252,180	1,706,717	12,884,878
Expected credit loss rate	1%	4%	12%	30%	59%	14%

Noting that total scheduled and un-due debts amounted to JD 4,295,579 as of December 31, 2022.

12. Reinsurance Receivables - Net

This item consists of the following:

	December 31, 2022	2021
	JD	JD
Local insurance companies	1,153,328	1,312,885
Foreign reinsurance companies	738,185	1,593,007
Total reinsurance receivables	1,891,513	2,905,892
(Less): Expected credit losses provision*	(559,090)	(170,000)
	1,332,423	2,735,892

- The table below shows the aging of reinsurance receivables:

	Undue receivables	1-90 days	91-180 days	181-360 days	More than 361 days	Total
	JD	JD	JD	JD	JD	JD
December 31, 2022:						
Local insurance companies	260,493	57,905	167,094	256,691	411,145	1,153,328
Foreign reinsurance companies	9,929	631,146	30,236	6,116	60,758	738,185
Reinsurance receivables	270,422	689,451	197,330	262,807	471,903	1,891,513
Expected credit loss rate	1%	3%	11%	15%	100%	30%

	Undue receivables	1-90 days	91-180 days	181-360 days	More than 361 days	Total
	JD	JD	JD	JD	JD	JD
December 31, 2021:						
Local insurance companies	481,419	172,093	108,344	400,803	150,226	1,312,885
Foreign reinsurance companies	-	730,987	757,271	89,976	14,773	1,593,007
Reinsurance receivables	481,419	903,080	865,615	490,779	164,999	2,905,892
Expected credit loss rate	0.1%	0.3%	1%	1%	91%	6%

* The movement on the expected credit losses provision is as follows:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Balance at the beginning of the year	170,000	170,000
Add: additions during the year	389,090	-
Balance at the end of the year	559,090	170,000

13. Property and Equipment - net

The details of this item are as follows:

	Lands	Buildings	Offices	Equipment, and Furniture	Vehicles	Decorations	Total
For the Year 2022	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance at the beginning of the year	2,676,458	5,227,045	1,555,899	2,159,155	161,914	894,835	12,675,306
Additions	-	-	-	16,960	-	2,236	19,196
Transfer to real estate investments (Note 8)	-	-	(76,599)	-	-	-	(76,599)
Balance at the end of the year	2,676,458	5,227,045	1,479,300	2,176,115	161,914	897,071	12,617,903
Accumulated depreciation:							
Balance at the beginning of the year	-	500,422	191,623	1,012,817	113,109	522,360	2,340,331
Depreciation for the year	-	104,541	30,345	171,517	14,835	74,374	395,612
Transfer to real estate investments (Note 8)	-	-	(15,202)	-	-	-	(15,202)
Balance at the end of the year	-	604,963	206,766	1,184,334	127,944	596,734	2,720,741
Net book value at the end of the year	2,676,458	4,622,082	1,272,534	991,781	33,970	300,337	9,897,162
Depreciation percentage%	-	2	2	10 - 20	15	10 - 20	
For the Year 2021							
Cost:							
Balance at the beginning of the year	2,676,458	5,227,045	1,555,899	2,123,047	161,914	883,783	12,628,146
Additions	-	-	-	38,757	-	11,052	49,809
Disposals	-	-	-	(2,649)	-	-	(2,649)
Balance at the end of the year	2,676,458	5,227,045	1,555,899	2,159,155	161,914	894,835	12,675,306
Accumulated depreciation:							
Balance at the beginning of the year	-	395,881	160,505	839,095	91,434	443,059	1,929,974
Depreciation for the year	-	104,541	31,118	176,175	21,675	79,301	412,810
Disposals	-	-	-	(2,453)	-	-	(2,453)
Balance at the end of the year	-	500,422	191,623	1,012,817	113,109	522,360	2,340,331
Net book value at the end of the year	2,676,458	4,726,623	1,364,276	1,146,338	48,805	372,475	10,334,975
Depritiation Rate%	-	2	2	20 -10	15	20 -10	

- Fully depreciated property and equipment amounted to JD 1,160,424 as at 31 December 2022 (JD 945,089 as at 31 December 2021).

14. Intangible Assets - net

This item consists of the following:

	Computer Software and Programs	
	December 31,	
	2022	2021
	JD	JD
Balance at the beginning of the year	856,118	933,802
Additions	54,100	57,106
Balance at the end of the year	910,218	990,908
Amortization	(132,760)	(134,790)
Net book value at the end of the year	777,458	856,118
Annual Amortization Rate	10% - 25%	10% - 25%

15. Other Assets

This item consists of the following:

	December 31, 2022			December 31, 2021		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Accrued and un-received revenue*	27,325	373,686	401,011	26,489	340,419	366,908
Prepaid expenses	-	148,434	148,434	-	157,679	157,679
Refundable insurance deposits	16,246	33,695	49,941	5,510	33,945	39,455
Inventories	-	24,246	24,246	-	18,757	18,757
Receivables from financial brokerage firms *	-	1,435,679	1,435,679	-	-	-
	43,571	2,015,740	2,059,311	31,999	550,800	582,799

* This item consists of an amount deposited with a financial broker for the purpose of purchasing financial investments.

16. Mathematical Reserve – Net

This item consists of the following:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Net mathematical reserve	148,717	130,032
Total	148,717	130,032

17. Payables

This item consists of the following:

	December 31, 2022			December 31, 2021
	Policyholders	Owners' Equity	Total	Total
	JD	JD	JD	JD
Agents payable	193,368	-	193,368	154,114
Brokers payable	138,715	-	138,715	175,679
Employees payable	-	5,820	5,820	5,087
Suppliers payable	38,166	892,840	931,006	528,462
Other *	1,394,674	40,576	1,435,250	1,352,235
Total	1,764,923	939,236	2,704,159	2,215,577

* This item consists of amounts payable to customers, loss adjusters, lawyers, consultants, and medical network providers.

18. Reinsurers Payable

This item consists of the following:

	December 31, 2022			December 31, 2021
	Policyholders	Owners' Equity	Total	Total
	JD	JD	JD	JD
Local insurance companies	144,626	6,193	150,819	277,191
Foreign reinsurance companies	5,803,571	-	5,803,571	6,773,395
	5,948,197	6,193	5,954,390	7,050,586

19. Various provisions

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Board of Directors Remuneration	45,000	45,000
	45,000	45,000

-The movement of various provisions is as follows:

	Balance Beginning of the Year	Added During the Year	Paid During the Year	December 31, 2022	December 31, 2021
	JD	JD	JD	JD	JD
Board of Directors Remuneration	45,000	45,000	(45,000)	45,000	45,000
	45,000	45,000	(45,000)	45,000	45,000

20. Income Tax

a. Income tax provision

Movement on the income tax provision is as follows:

	December 31, 2022			December 31, 2021		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	152,999	(108,499)	44,500	156,208	354,657	510,865
Income tax paid	(5,600)	(146,258)	(151,858)	(5,477)	(572,083)	(577,560)
Accrued income tax for the year	164,964	612,375	777,339	2,268	108,927	111,195
Balance at the end of the year	312,363	357,618	669,981	152,999	(108,499)	44,500

b. Income tax in the consolidated statement of policyholders' revenue and expenses and the consolidated statement of profit or loss is as follows:

	December 31, 2022			December 31, 2021		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD		JD	JD	
Accrued income tax for the year profits	164,964	612,375	777,339	2,268	108,927	111,195
Deferred tax assets effect	(176,481)	-	(176,481)	(10,957)	-	(10,957)
Income tax (surplus) expense	(11,517)	612,375	600,858	(8,689)	108,927	100,238

- The Company has obtained a final settlement from the Income and Sales Tax Department until the end of 2018.
- A tax return was submitted for the year 2019, 2020, and 2021 within the legal period and was not audited by the Income and Sales Tax Department, and no final decision was issued in this regard.
- In the management's and the Company tax expert's opinion, the income tax provision is considered sufficient as of December 31, 2022.
- The income tax provision was calculated for the parent Company in accordance with the Income Tax Law at a rate of 26% for balances inside the Kingdom while a rate of 10% was used for the balances outside the Kingdom, and this is in according to the amended Income Tax Law (38/2018).
- The provision for income tax was calculated for subsidiaries in accordance with Income Tax Law (38/2018) with a percentage of 20%.

c. Deferred Tax Assets/Liabilities:

Deferred Tax Assets and Liabilities are a result of temporary differences in terms of items that appear in the Company's consolidated financial statements and their details as follows:

	For the year ended December 31, 2022					For the year ended December 31, 2021
	Year Beginning Balance	Amounts added	Amounts released	Balance at the End of the Year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Deferred Tax Assets:						
Expected Credit Losses – Receivables	1,751,001	267,000	-	2,018,001	524,680	455,260
Expected Credit Losses – Reinsurance Receivables	170,000	389,090	-	559,090	145,363	44,200
Expected Credit Losses –Banks deposits	85,493	-	67,000	18,493	4,808	22,228
Expected Credit Losses – Sukuk	6,354	-	-	6,354	1,652	1,652
Expected Credit Losses – Checks under collection	62,500	-	-	62,500	16,250	16,250
Cumulative change in fair value of financial assets through other comprehensive income	320,838	329,088	320,838	329,088	32,909	32,085
IBNR – net	993,774	471,668	-	1,465,442	381,015	258,381
Premium Deficiency Reserve	233,000	61,000	-	294,000	76,440	60,580
Unallocated Loss Adjustment Expense Reserve	200,000	81,538	-	281,538	73,200	52,000
	3,822,960	1,599,384	387,838	5,034,506	1,256,317	942,636
Deferred Tax Liabilities:						
Cumulative change in fair value of financial assets through comprehensive income	43,965	128,906	43,965	128,906	23,470	11,431
	43,965	128,906	43,965	128,906	23,470	11,431

- No deferred taxes have been calculated for the subsidiary Company, as the investment income in the shares is not taxable according to the Income Tax Law (38/2018).

21. Other Liabilities

This item consists of the following:

	December 31, 2022			December 31, 2021		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	JD
Various governmental deposits	395,065	59,664	454,729	238,698	48,456	287,154
Various deposits	154,831	486,364	641,195	146,436	406,547	552,983
	549,896	546,028	1,095,924	385,134	455,003	840,137

22. Policyholders' Surplus

Below is the movement of the policyholders' surplus:

	December 31,	
	2022	2021
	JD	JD
Balance at the beginning of the year	-	-
Policyholders' surplus during the year	8,991	10,749
Transferred from deficit cover reserve (contingency provision)	(8,991)	(10,749)
Balance at the end of the year	-	-

- An approval from Al-Sharia Supervisory Committee was taken to allocate the full surplus as the deficit coverage reserve in the fund.

23. Deficit Cover Reserve (Contingency Provision)

- The accumulated balances in the account represents what has been transferred from the policyholders' fund surplus during this year and previous years.

- Below is the movement of the cover deficit reserve (contingency provision):

	December 31,	
	2022	2021
	JD	JD
Balance at the beginning of the year	14,160	3,411
Transfers from reserve to cover the policyholders' fund deficit	8,991	10,749
Balance at the end of the year	23,151	14,160

24. Capital

Authorized and paid up-capital amounted to JD 28 million as of December 31, 2022 and 2021 distributed over 28 million shares, with a par value of JD 1 per share.

25. Statutory Reserve

The amounts in this account represent appropriations from the annual income before tax at 10% during the current and previous years according to the Companies Law and this reserve is not distributable to shareholders.

26. Financial Investments Valuation Reserve – net after tax

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Balance at the beginning of the year	(239,071)	(1,917,805)
Unrealized gain for financial assets at fair value through comprehensive income	172,352	170,206
Losses resulted from the sale of a subsidiary Company*	-	1,508,528
Balance at the end of the year	(66,719)	(239,071)

* According to the decision of the General Assembly in its extraordinary meeting held on December 5, 2021, the sale of all shares in the subsidiary "Baden Co. for Trading and Investing L.L.C" was unanimously approved; the sale resulted in a realized loss of JD 1,508,528.

27. Retained Earnings

a. This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Balance at the beginning of the year	2,726,966	3,522,266
Prior years adjustments	(388,149)	(320,420)
Profit for the year	2,016,575	2,080,560
(Losses) resulted from a sale of a subsidiary Company	-	(1,508,528)
Transferred to statutory reserve	(249,539)	(66,912)
Profits distributed to shareholders	(1,120,000)	(980,000)
Balance at the end of the year	2,985,853	2,726,966

b. Proposed dividends:

In its meeting held on February 21, 2023, the Board of Directors decided to give a recommendation to the General Assembly which will be held on April 27 ,2023 to approve a distribution of 4% from the Group's capital as cash dividends to shareholders for year 2022 profits.

28. Investments Income – Takaful Insurance

This item consists of the following:

	2022		2021	
	Policyholders	Owners' Equity	Policyholders	Owners' Equity
	JD	JD	JD	JD
Income from deposits	96,368	493,826	63,028	427,656
Shareholders share in return for managing the investments portfolio	(33,729)	33,729	(22,060)	22,060
Total	62,639	527,555	40,968	449,716

- The compensation for managing the investments is determined based on the Islamic principle Modaraba, which is based on the budgets prepared by the Company and on a fair basis to policyholders.

- The Company strictly separates the assets and liabilities of the policyholders and those of equity owners. Therefore, the investment returns of the assets of the policyholders are determined accurately.

- As for the investing policyholders' surplus, the contractual relation between the equity owners and policyholders is based on the Islamic principle Modaraba against a percentage from the investment's income.

- The Sharia Supervisory Committee determined the owners' equity Mudaraba share in return to management for the years 2022 and 2021, a percentage of 35% from the investment's income.

29. Gains from financial assets and investments

This item consists of the following:

	2022			2021		
	Policyholders	Owners' Equity	Total	Policyholders	Owners' Equity	Total
	JD	JD	JD	JD	JD	
Rental income – net *	10,050	16,588	26,638	7,700	150,966	158,666
Dividends received from financial assets at fair value through other comprehensive income	-	33,080	33,080	-	28,760	28,760
Returns on sukuk and wakala	55,825	168,801	224,626	55,975	228,347	284,322
Profit on sale of financial assets at fair value through profit or loss	-	55,126	55,126			
Change in fair value of financial assets at fair value through profit or loss	-	50,342	50,342	-	-	-
Other income	-	92,466	92,466	-	103,268	103,268
Total gains from financial assets and investments	65,875	416,403	482,278	63,675	511,341	575,016
Shareholders' share in return for investment property portfolio management	(23,056)	23,056	-	(22,286)	22,286	-
	42,819	439,459	482,278	41,389	533,627	575,016

* This amount appears net of the depreciation for the year amounted to JD 52,471 – Note (8).

30. Owners' Share for Takaful Operations Activities Management

- The contractual relationship between owners' equity and policyholders represents an agent relationship to manage the insurance business through a specialized staff appointed for this task.

- Wakala fees determined for year 2022 a percentage of %17 for the motor departments (17% for 2021), 19% for the medical department less the management fees (22% for 2021), 25% for the marine department (25% for 2021), 7% for the aviation department (7% for 2021), 20% for the fire and other damages department (20% for 2021), 25% for the liability and other departments (25% for 2021), and 15.5% for Takaful insurance department – Life (22% for 2021). Moreover, Wakala fees were decreased to a percentage of 10% for the policies issued by the departments owned by policyholders from insurance contributions utilized against real estate rentals, except for the returned policies for which Wakala fees have been set at 100% optionally, and a percentage of 10% is charged on the insurance contributions for the policies issued by the mentioned departments, provided that the value of this percentage does not exceed 90% of the reinsurance commission. As for the surplus of the policyholders' funds, the contractual relationship between owners' equity and policyholders is based on Islamic principle Mudabara against a share of the investment profits. In year 2022 it was set at 35% of the investment profits.

- Compensation for the investment management parties is based on the Islamic principles of (Modaraba and Wakala) and the Company's budgets and is determined fairly for the policyholders. Moreover, the Company strictly separates the assets and liabilities of the policyholders from those of the equity owners. Therefore, the returns on the policyholders' assets are determined accurately.

31. General and Administrative Expenses

This item consists of the following:

	2022	2021
	JD	JD
Stationery and printing	95,630	70,071
Advertisements	84,822	67,802
Sharia' Supervisory Committee's fees	32,400	30,900
Board of Directors' expenses	170,937	162,400
Water, electricity, and heating	72,255	77,437
Maintenance	31,051	17,543
Cleaning	44,845	46,724
Mail and communications	74,493	75,631
Rent	83,478	84,629
Technical consultations fees	84,041	109,985
Hospitality	39,387	27,089
Professional fees	149,379	96,421
Subscriptions and license fees	64,374	74,539
Tenders expenses and bank charges	116	5,001
Computer supplies	234,268	195,677
Legal and litigations expenses	13,595	2,564
Sales tax expenses	16,588	19,007
Other	111,601	108,647
	1,403,260	1,272,067

32. Unallocated Employees Expenses

This item consists of the following:

	2022	2021
	JD	JD
Salaries and bonuses	3,192,962	3,063,722
Company's share from social security contributions	352,582	329,852
Company's Contribution in medical and takaful insurance	223,960	218,067
Travel and transportations	14,971	28,786
Staff training and development	2,010	4,536
	3,786,485	3,644,963

33. Expected Credit Losses:

This item consists of the following:

	2022	2021
	JD	JD
Receivables - (Note 11)	200,000	150,000
	200,000	150,000

34. Earnings per Share (Basic and Diluted)

Earnings per share is calculated by dividing the net earnings for the year over the weighted average common stock as follows:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Profit for the year	2,016,575	2,085,308
	Share	Share
Weighted average of number of shares	28,000,000	28,000,000
	JD/Share	JD/Share
Earnings per share (basic and diluted)	0/072	0/075

35. Cash and Cash Equivalents

Cash and cash equivalents included in the consolidated statement of cash flows consists of the amounts shown in the consolidated statement of financial position as follows:

	December 31,	
	2022	2021
	JD	JD
Cash on hand and at banks	3,820,279	1,735,700
Add: Deposits at banks maturing within three months	1,423,339	921,861
Less: Amounts pledged to the order of the Central Bank of Jordan	(800,000)	-
Cash and cash equivalents at the end of the year	4,443,618	2,657,561

36. Related Party Balances and Transactions

The Group engaged in transactions with major shareholders, directors, and key management personnel within normal business activities. All the insurance receivables granted to the related parties are considered to be active, and no provisions have been recorded.

Pricing policy and terms related to these transactions are approved by the Group's management.

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

	Major Shareholders, Board Members, and Sharia Supervisory Committee	Executive Management	Sister Company	2022	2021
	JD	JD	JD	JD	JD
Consolidated Statement of Financial					
Position Items	6,123	22,939	-	29,062	37,869
Accounts receivable	2,259	-	-	2,259	39,183
Re- insurance receivables		-	2,660,426	2,660,426	3,039,008
Deposits outside of Jordan	-				
Consolidated Statement of profit or loss and Comprehensive Income Items					
Investments Income	-	-	101,247	101,247	116,511
Takaful Insurance contributions	874	-	-	874	952

Executive management salaries and rewards:

The salaries and bonuses of the Executive Management of the Group amounted to JD 942,218 for the year ended December 31, 2022 (JD 911,712 for the year ended December 31, 2022).

37. Risk Management

First: Explanatory Disclosures:

The Group manages its risks in various ways through a comprehensive strategy to mitigate and minimize risks and establish the right control in order to ensure continuity of its effectiveness along with a risk control system to achieve the optimum risk-return balance. The process of risk management includes continuous identification, measurement, and control of financial and non-financial risks that might negatively affect the Company's performance and reputation, in addition to ensuring effective distribution of the Company's capital to achieve the optimum risk-return balance. The Company is exposed to the following risks: market risks, liquidity risks, insurance risks, return rate and commission risks.

Second: Quantitative Disclosures:

a. Insurance Risk

1. Insurance Risk

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

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

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

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

2. Claims Development

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

Motor Insurance for Takaful Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	7,000,063	5,962,681	6,062,566	4,915,388	5,882,188	29,822,886
After one year	6,993,853	5,752,023	4,647,175	3,979,603	-	21,372,654
After two years	7,306,517	5,586,734	4,721,023	-	-	17,614,274
After three years	7,274,222	5,630,730	-	-	-	12,904,952
After four years	7,337,055	-	-	-	-	7,337,055
Current expectations of cumulative claims	7,337,055	5,630,730	4,721,023	3,979,603	5,882,188	27,550,599
Cumulative payments	7,674,047	5,298,779	3,379,480	3,043,818	5,882,188	25,278,312
Liabilities as stated in the consolidated statement of financial position	295,050	201,990	360,187	779,066	5,882,188	7,518,481
(Deficit) Surplus	(336,992)	331,951	1,341,543	935,785	-	2,272,287

Motor Insurance for General Insurance Activites:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	-	-	-	-	-	-
After one year	-	-	-	-	-	-
After two years	-	-	-	-	-	-
After three years	-	-	-	-	-	-
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	-	-	-	-	-
Cumulative payments	-	-	-	-	-	-
Liabilities as stated in the consolidated statement of financial position	-	-	-	-	-	-
Deficit	-	-	-	-	-	-

Marine Insurance for Takaful Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	121,967	161,483	33,498	43,036	52,200	412,184
After one year	144,345	16,595	15,025	31,375	-	207,340
After two years	137,785	6,945	15,025	-	-	159,755
After three years	139,114	6,945	-	-	-	146,059
After four years	139,864	-	-	-	-	139,864
Current expectations of cumulative claims	139,864	6,945	15,025	31,375	52,200	245,409
Cumulative payments	157,761	(147,593)	(3,448)	19,714	52,200	78,634
Liabilities as stated in the consolidated statement of financial position	11,478	-	-	10,100	52,200	73,778
Surplus (Deficit)	(17,897)	154,538	18,473	11,661	-	166,775

Marine Insurance for General Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	-	-	-	-	-	-
After one year	-	-	-	-	-	-
After two years	-	-	-	-	-	-
After three years	-	-	-	-	-	-
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	-	-	-	-	-
Cumulative payments	-	-	-	-	-	-
Liabilities as stated in the consolidated statement of financial position	-	-	-	-	-	-
Surplus	-	-	-	-	-	-

Fire and Other Damages to Property for Takaful Insurance Actvities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	1,019,275	148,237	552,809	2,597,458	591,583	4,909,362
After one year	196,415	81,749	503,665	2,766,477	-	548,306
After two years	126,231	87,357	501,752	-	-	715,340
After three years	115,225	90,076	-	-	-	205,301
After four years	124,266	-	-	-	-	124,266
Current expectations of cumulative claims	124,266	90,076	501,752	2,766,477	591,583	4,074,154
Cumulative payments	(770,743)	31,915	450,695	2,935,496	591,583	3,238,946
Liabilities as stated in the consolidated statement of financial position	10,196	4,769	1,076	125,175	491,583	632,799
Surplus	895,009	58,161	51,057	(169,019)	-	835,208

Fire and Other Damages to Property for General Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	39,338	-	-	-	-	39,338
After one year	39,338	-	-	-	-	39,338
After two years	39,338	-	-	-	-	39,338
After three years	39,338	-	-	-	-	39,338
After four years	39,338	-	-	-	-	39,338
Current expectations of cumulative claims	39,338	-	-	-	-	39,338
Cumulative payments	39,338	-	-	-	-	39,338
Liabilities as stated in the consolidated statement of financial position	2,291	-	-	-	-	2,291
Surplus	-	-	-	-	-	-

Liability Insurance for Al-Takaful Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	123,597	263,954	147,704	27,200	117,510	679,965
After one year	133,578	352,208	135,772	5,876	-	627,434
After two years	116,332	292,620	135,772	-	-	544,724
After three years	121,060	292,620	-	-	-	413,680
After four years	119,398	-	-	-	-	119,398
Current expectations of cumulative claims	119,398	292,620	135,772	5,876	117,510	671,176
Cumulative payments	115,199	321,286	123,840	(15,448)	117,510	662,387
Liabilities as stated in the consolidated statement of financial position	10,000	401,900	134,255	45,469	117,510	709,134
Surplus (Deficit)	4,199	(28,666)	11,932	21,324	-	8,789

Liability Insurance for the General Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	16,000	-	50,232	-	-	66,232
After one year	16,000	-	50,000	-	-	66,000
After two years	16,000	-	50,000	-	-	66,000
After three years	16,000	-	-	-	-	16,000
After four years	16,000	-	-	-	-	16,000
Current expectations of cumulative claims	16,000	-	50,000	-	-	66,000
Cumulative payments	16,000	-	49,768	-	-	65,768
Liabilities as stated in the consolidated statement of financial position	16,000	-	-	-	-	16,000
Surplus	-	-	232	-	-	232

Other General Accident Insurance for Takaful Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	113,256	205,897	113,208	144,996	142,859	720,216
After one year	312,826	178,825	91,300	135,170	-	718,121
After two years	65,816	295,526	86,752	-	-	448,094
After three years	94,335	354,934	-	-	-	449,269
After four years	93,711	-	-	-	-	93,711
Current expectations of cumulative claims	93,711	354,934	86,752	135,170	142,859	813,426
Cumulative payments	74,166	503,971	60,296	125,344	142,859	906,636
Liabilities as stated in the consolidated statement of financial position	58,454	8,053	69,100	16,517	142,859	294,983
Surplus (Deficit)	19,545	(149,037)	26,456	9,826	-	(93,210)

Other General Accident Insurance for General Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	-	-	-	-	-	-
After one year	-	-	-	-	-	-
After two years	-	-	-	-	-	-
After three years	-	-	-	-	-	-
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	-	-	-	-	-
Cumulative payments	-	-	-	-	-	-
Liabilities as stated in the consolidated statement of financial position	-	-	-	-	-	-
Surplus	-	-	-	-	-	-

Medical Insurance for Al-Takaful Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	1,344,378	1,476,657	1,336,286	1,746,819	1,762,159	7,666,299
After one year	1,250,000	1,238,220	1,277,971	1,163,195	-	4,929,386
After two years	1,250,000	1,238,220	1,277,971	-	-	3,766,191
After three years	1,250,000	1,238,220	-	-	-	2,488,220
After four years	1,250,000	-	-	-	-	1,250,000
Current expectations of cumulative claims	1,250,000	1,238,220	1,277,971	1,163,195	1,762,159	6,691,545
Cumulative payments	1,155,622	999,783	1,219,656	579,571	1,762,159	5,716,791
Liabilities as stated in the consolidated statement of financial position	-	-	-	-	1,762,159	1,762,159
Surplus	94,378	238,437	58,315	583,624	-	974,754

Medical Insurance for the General Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	-	-	-	-	-	-
After one year	-	-	-	-	-	-
After two years	-	-	-	-	-	-
After three years	-	-	-	-	-	-
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	-	-	-	-	-
Cumulative payments	-	-	-	-	-	-
Liabilities as stated in the consolidated statement of financial position	-	-	-	-	-	-
Surplus	-	-	-	-	-	-

Social Takaful Insurance (Life Insurance Activities):

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	276,791	612,830	1,851,629	802,081	1,346,627	4,889,958
After one year	295,063	654,034	1,690,961	418,992	-	3,059,050
After two years	150,000	482,361	1,747,455	-	-	2,379,816
After three years	192,706	465,710	-	-	-	658,416
After four years	153,000	-	-	-	-	153,000
Current expectations of cumulative claims	153,000	465,710	1,747,455	418,992	1,346,627	4,131,784
Cumulative payments	29,209	318,590	1,643,281	35,903	1,346,627	3,373,610
Liabilities as stated in the consolidated statement of financial position	3,000	-	115,685	42,613	1,346,627	1,507,925
Surplus (Deficit)	123,791	147,120	104,174	383,089	-	758,174

Life Insurance for General Insurance Activities:

Year in Which the Accident Occurred	2018 and Earlier	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
As at the end of the year	-	-	-	-	-	-
After one year	-	-	-	-	-	-
After two years	-	-	-	-	-	-
After three years	-	-	-	-	-	-
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	-	-	-	-	-
Cumulative payments	-	-	-	-	-	-
Liabilities as stated in the consolidated statement of financial position	-	-	-	-	-	-
Surplus	-	-	-	-	-	-

3. Concentration of Insurance Risk:

Concentration of assets and liabilities according to Takaful Insurance type is as follows:

For the Year Ended December 31, 2022:

	Motor	Marine	Aviation	Fire and other damages	Liability	Medical	Other branches	Takaful Insurance (Life)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Gross	16,644,356	393,983	-	5,085,378	365,125	9,712,014	1,671,619	1,773,028	35,645,503
Net	12,282,436	42,221	-	138,951	34,685	5,557,565	109,224	399,745	18,564,827

For the Year Ended December 31, 2021:

	Motor	Marine	Aviation	Fire and other damages	Liability	Medical	Other branches	Takaful Insurance (Life)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Gross	14,539,475	330,645	456,393	5,955,247	622,646	8,911,929	1,161,081	1,204,831	33,182,247
Net	10,142,622	42,089	-	126,938	24,642	3,749,561	129,640	316,368	14,531,860

- Concentration of Insurance Risk:

Concentration of assets and liabilities according to general insurance type is as follows:

For the Year Ended December 31, 2022:

	Motor	Marine	Aviation	Fire and other Damages	Liability	Medical	Other branches	Takaful Insurance (Life)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Gross	-	-	-	2,291	16,000	-	-	-	18,291
Net	-	-	-	178	6,075	-	-	-	6,253

For the Year Ended December 31, 2021:

	Motor	Marine	Aviation	Fire and other Damages	Liability	Medical	Other branches	Takaful Insurance (Life)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Gross	-	-	-	2,291	16,000	-	-	-	18,291
Net	-	-	-	178	6,075	-	-	-	6,253

The concentration in assets and liabilities related to insurance contracts according to geographical sectors is as follows:

	December 31, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to geographical area:				
Inside the kingdom	54,940,514	19,155,966	49,913,930	19,674,553
Other Middle Eastern countries *	8,438,075	1,126,971	7,759,127	1,237,615
Europe	551,757	8,894,383	1,158,963	3,856,595
	63,930,346	29,177,320	58,832,020	24,768,763

* This item includes all Asian countries excluding the Hashemite Kingdom of Jordan and the Middle East countries.

4. Reinsurance Risk

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

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

In order to reduce exposure to the financial losses that may arise from the major insurance claims, the Group enters into reinsurance agreements with other parties.

5. Sensitivity of Insurance Risks

	December 31, 2022		December 31, 2021	
	Consolidated profit or loss Statement	Owners' Equities and Policyholders’	Consolidated profit or loss Statement	Owners' Equities and Policyholders’
	JD	JD	JD	JD
Consolidated profit or loss / Consolidated Owners’ Equity	2,016,575	34,729,875	2,085,308	34,049,097
Impact of decrease of gross premiums by 5% while holding other variables constant	(2,805,384)	(2,805,384)	(2,330,228)	(2,330,228)
Total	(788,809)	31,924,491	(244,920)	31,718,869
Consolidated profit or loss / Consolidated Owners’ Equity	2,016,575	34,729,875	2,085,308	34,049,097
Impact of increase in gross claims by 5% while holding other variables constant	(1,943,005)	(1,943,005)	(1,860,209)	(1,860,209)
Total	73,570	32,786,870	(225,099)	(32,188,888)

b. Financial Risk

The Group follows financial policies to manage the various risks within a predefined strategy. Moreover, Group monitors and controls the risks and perform the optimal strategic allocation of both financial assets and financial liabilities. Risks include interest rate risks, credit risks, foreign currencies risks, and market risks.

Moreover, the Group follows the financial hedge policy for both financial assets and financial liabilities whenever the need arises. This hedge relates to the expected future risks.

1. Market Risks

Market risks is the potential losses that may arise from the volatility of the fair value or cash flows from financial instruments according to the changes in market prices. Market risks arise as a result of the existence of open positions in return rates, foreign currency exchange rates, and stocks investments prices. These risks are monitored according to specific policies and procedures through specialized committees and responsible workshops. Market risks also include return rate risks, exchange rate risks, and equity instrument risks.

The following table illustrates the effect of a 5% increase (decrease) in Amman Stock Exchange index on financial assets at fair value through other comprehensive income statement reflected in the consolidated statement of equity as of the consolidated statement of financial position date. The sensitivity analysis has been prepared on the assumption that share prices move at the same rate of market index change:

	+ 5%		(5%)	
	December 31,		December 31,	
	2022	2021	2022	2021
	JD	JD	JD	JD
Consolidated owners' equity	135,347	71,559	(135,347)	(71,559)

The group is not exposed to exchange rate risks, as the financial reconciliations with clients or reinsurers are in local currency. The Company's management believes that the foreign currency risk related to the USD is immaterial since the Jordanian Dinar (the Company's functional currency) and Bahraini Dinar are pegged to the USD.

2. Return Rate Risks

Return rate risk represents the risks resulting from changes in the value of financial management as a result of the change in average return rates prevailing in the market.

Moreover, Group continually manage their exposure to return risk, and varied considerations such as financing and the renewal of the current positions are revalued continually.

The sensitivity analysis below is determined according to the exposure to return rates related to banking sensitivity as of the date of the consolidated statement of financial position. Furthermore, the analysis was prepared on the assumption that the outstanding amount as of the date of the consolidated statement of financial position was outstanding during the whole year. An increase or decrease of 0/5%, which represents the Company's and its subsidiaries management's assessment of the likely and acceptable change in return rates, is used.

	2022		2021	
	0/5%	(0/5) %	0/5%	(0/5) %
	JD	JD	JD	JD
Consolidated profit for the year / Consolidated Owners' Equity	78,286	(78,286)	71,787	(71,787)

There is no material risk concerning sukuk as they have a fixed rate of return.

3. Liquidity Risk

Liquidity risk is the inability of the Group to provide the funding necessary to perform its obligations on the due dates. The risk management process includes the following:

- Maintaining highly marketable assets that can be easily liquidated in protection against any unforeseen shortage in liquidity.

- Monitoring liquidity indicators in accordance with the internal requirements and the requirements of regulatory authorities.

- Managing the concentrations and maturity dates of debts.

- The following table summarizes financial liabilities (based on the remaining period of the maturity from the date of the consolidated financial statements):

December 31, 2022	Less than One Month	More Than 1 Month to 3 Months	More Than 3 Month to 6 Months	More Than 6 Month to 1 year	More Than 1 year to 3 years	More Than 3 years	Without Maturity	Total
Liabilities:	JD	JD	JD	JD	JD	JD	JD	JD
Payables	2,704,159	-	-	-	-	-	-	2,704,159
Accrued expenses	113,316	-	-	-	-	-	-	113,316
Reinsures payables	990,133	1,001,196	1,124,690	-	2,838,371	-	-	5,954,390
Various provisions	-	-	45,000	-	-	-	-	45,000
Income tax provision	100,000	-	569,981	-	-	-	-	669,981
Deferred tax liabilities	-	-	-	-	-	-	23,470	23,470
Other liabilities	1,095,924	-	-	-	-	-	-	1,095,924
Total Liabilities	5,003,532	1,001,196	1,739,671	-	2,838,371	-	23,470	10,606,240
Assets	14,681,598	2,344,785	3,859,072	17,449,134	2,867,621	13,706,417	9,021,719	63,930,346

December 31, 2021	Less than One Month	More Than 1 Month to 3 Months	More Than 3 Month to 6 Months	More Than 6 Month to 1 year	More Than1 year to 3 years	More Than 3 years	Without Maturity	Total
Liabilities:	JD	JD	JD	JD	JD	JD	JD	JD
Payables	2,215,577	-	-	-	-	-	-	2,215,577
Accrued expenses	23,419	-	-	-	-	-	-	23,419
Reinsures payables	1,198,851	-	2,682,712	-	3,169,023	-	-	7,050,586
Various provisions	-	-	45,000	-	-	-	-	45,000
Income tax provision	-	-	44,500	-	-	-	-	44,500
Deferred tax liabilities	-	-	-	-	-	-	11,431	11,431
Other liabilities	840,137	-	-	-	-	-	-	840,137
Total Liabilities	4,277,984	-	2,772,212	-	3,169,023	-	11,431	10,230,650
Assets	11,608,793	2,180,524	3,429,855	17,841,768	1,851,313	19,495,733	2,424,034	58,832,020

4. Foreign Currency Risks

The Group's main operations are in Jordanian Dinar. Moreover, the foreign currency risk arises from the fluctuations in the exchange rates related to foreign currency payments. As for transactions denominated in US Dollar, the Company's management believes that the foreign currency risk related to the US Dollar is immaterial, as the Jordanian Dinar (functional Currency) and Bahraini Dinar are pegged to the US Dollar.

- The following is the net currency concentrations of the Group:

Type of Currency	Foreign Currency		Equivalent in JD	
	2022	2021	2022	2021
	JD	JD	JD	JD
US Dollar	10,326,176	8,599,522	7,321,259	6,097,061
Bahraini Dinar	528,497	527,891	993,574	992,436

5. Credit Risks

Credit risk is the risk of failure of the other party to fulfil its contractual obligations, causing losses to the Group. Moreover, the Group follows the policy of dealing with only creditworthy parties, to reduce the risk of financial losses resulting from failure to meet commitments. Furthermore, the Group does not take any guarantees for collecting trade receivables. Therefore, trade receivables are not guaranteed.

The Group’s financial assets consist mainly of policyholders, checks under collection, deposits at banks, financial assets at fair value through comprehensive income, financial assets at amortized cost, and other debit balances. Moreover, policyholders' receivables consist of debts due from the locally insured, some governmental parties, large projects, and foreign clients. In the opinion of the Company's management, the percentage of uncollected receivables or part thereof is very low. These receivables represent important concentrations of credit risks in the clients’ geographical areas. Moreover, a strict credit policy is maintained, whereby every client account is monitored separately. Client’s concentration per geographical area is as follows:

Geographical Area	Indebtedness
	JD
Inside Jordan	30,455,274
Outside Jordan	8,989,832
	39,445,106

38. Main Segments Analysis

a. Information on the Company’s Operating Segments

For managerial purposes, the Group was organized into sectors: The Life Insurance Sector; the General Insurance Sector, which includes, motor, marine, fire and other damages on properties, liability, medical, and others; the Investments Sector, which includes real-estate investments, financial assets at fair value comprehensive income. Moreover, transactions among business sectors are based on estimated market prices on the same terms used for others.

b. Information on Geographical Distribution

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

The following is the distribution of the Group subsidiaries revenues, assets and capital expenditures according to geographical sector:

	Inside Jordan		Outside Jordan		Total	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
Total revenue	35,772,827	29,839,225	4,054,779	3,612,297	39,827,606	33,451,522
Capital expenditures	73,295	106,915	-	-	73,295	106,915

39. Management of Capital

- Achieve capital management goals:

  The Group aims to achieve capital management objectives through developing the Group's business, achieving surplus in operating revenues and other revenues, and optimally utilizing available fund resources, to achieve the targeted growth in owners' equity.

  The Group considers the appropriateness between capital size and the nature of risks that the Groups are exposed to, provided that this does not contradict with the prevailing laws and regulations. This is reflected in the Group's strategic plans and its estimated budget. The effects of participating in investments on capital adequacy ratio are taken into consideration, and capital and its adequacy are monitored continuously. In the opinion of the Board of Directors, the regulatory capital is adequate to achieve the objectives of the Group.

  The solvency margin as of December 31, 2022 and 2021 is as follows:

	December 31,	
	2022	2021
	JD	JD
First: Available capital *	35,399,962	34,493,393
Second: Capital required:		
Capital required against assets risks	11,564,957	9,694,928
Capital required against underwriting liabilities	2,114,324	1,710,912
Capital required against reinsurance risks	148,321	1,359,808
Capital required against life insurance risks	2,057,299	1,748,994
Total Capital Required	15,884,901	14,514,642
Third: Solvency margin (Available capital / required capital)	223%	238%

* The following table shows the available capital:

	December 31	
	2022	2021
Primary Capital:	JD	JD
Paid - up Capital	28,000,000	28,000,000
Statutory reserve	3,810,741	3,561,202
Retained earnings	2,985,853	2,726,966
Investments inconsistent with the investment instructions:	-	-
Increase in real estate investment	670,087	444,296
Investments valuation reserve	(66,719)	(239,071)
Total Available Capital	35,399,962	34,493,393

40. The Maturity of Assets and Liabilities Analysis

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

December 31, 2022	Within One Year	More than One Year	Total
	JD	JD	JD
Assets:			
Deposits at banks	15,724,155	-	15,724,155
Financial assets at fair value through other comprehensive income	-	2,760,877	2,760,877
Financial assets at amortized cost	393,160	4,799,950	5,193,110
Real estate investments	53,220	6,621,493	6,674,713
Cash on hand and at banks	3,820,279	-	3,820,279
Checks Under Collection	3,341,702	4,500	3,346,202
Receivables - net	11,088,339	-	11,088,339
Reinsurance receivables	1,332,423	-	1,332,423
Deferred tax assets	-	1,256,317	1,256,317
Property and equipment - net	390,000	9,507,162	9,897,162
Intangible assets	132,000	645,458	777,458
Other assets	2,059,311	-	2,059,311
Total Assets	38,334,589	25,595,757	63,930,346
Liabilities:			
Unearned contributions reserve- net	12,650,657	-	12,650,657
Premiums deficiency reserve	294,000	-	294,000
Outstanding claims reserve - net	5,196,168	-	5,196,168
Unallocated loss adjustment reserve	281,538	-	281,538
Mathematical reserve - net	148,717	-	148,717
Payables	2,704,159	-	2,704,159
Accrued expenses	113,316	-	113,316
Reinsurance payables	3,116,019	2,838,371	5,954,390
Various provisions	45,000	-	45,000
Income tax provision	669,981	-	669,981
Deferred tax liabilities	-	23,470	23,470
Other liabilities	1,095,924	-	1,095,924
Total liabilities	26,315,479	2,861,841	29,177,320
Net	12,019,110	22,733,916	34,753,026

December 31, 2021	Within One Year JD	More than One Year JD	Total JD
Assets:			
Deposits at banks	14,357,318	-	14,357,318
Financial assets at fair value through other comprehensive income	-	1,481,398	1,481,398
Financial assets at amortized cost	-	4,044,134	4,044,134
Real estate investments	51,840	6,613,947	6,665,787
Cash on hand and at banks	1,735,700	-	1,735,700
Checks Under Collection	3,933,514	27,872	3,961,386
Receivables - net	11,133,877	-	11,133,877
Reinsurance receivables	2,735,892	-	2,735,892
Deferred tax assets	-	942,636	942,636
Property and equipment - net	400,000	9,934,975	10,334,975
Intangible assets	130,000	726,118	856,118
Other assets	582,799	-	582,799
Total Assets	35,060,940	23,771,080	58,832,020
Liabilities:			
Unearned contributions reserve- net	9,171,930	-	9,171,930
Premiums deficiency reserve	233,000	-	233,000
Outstanding claims reserve - net	4,803,151	-	4,803,151
Unallocated loss adjustment reserve	200,000	-	200,000
Mathematical reserve - net	130,032	-	130,032
Payables	2,215,577	-	2,215,577
Reinsurance payables	3,881,563	3,169,023	7,050,586
Accrued expenses	23,419	-	23,419
Various provisions	45,000	-	45,000
Income tax provision	44,500	-	44,500
Deferred tax liabilities	-	11,431	11,431
Other liabilities	840,137	-	840,137
Total liabilities	21,155,309	3,180,454	24,768,763
Net	13,905,631	20,590,626	34,063,257

41. Lawsuits against/raised by the Group

There are lawsuits filed against the Group for various types of claims. The lawsuits at courts totalled JD 1,877,877 as of December 31, 2022. In the management and the Group's legal advisors' opinion, they will not incur any claims that exceed the outstanding claims provision amount (JD 1,265,770 as of December 31, 2021). The lawsuits at courts filed by the Group against others amounted to JD 3,982,609 as of December 31, 2022 (JD 2,690,906 as of December 31, 2021).

42. Contingent Liabilities

The Company was contingently liable as of the consolidated statement of financial position date for bank guarantees amounted to JD 1,056,549 as of December 31, 2022 (JD 1,113,416 as of December 31, 2021).

42. Fair Value Hierarchy

a) The Fair value of the group's financial assets and financial liabilities determined at fair value on an ongoing basis:

Some of the group's financial assets and financial liabilities are valued at fair value at the end of each financial period.

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

Financial Assets/Financial Liabilities	Fair Value December 31, 2022	Fair Value December 31, 2021	Fair Value Hierarchy	Valuation Methods and Inputs Used	Significant Intangible Inputs	Relationship between Significant Intangible Inputs and Fair Value
	JD	JD				
Financial assets at fair value						
Financial assets at fair value through other comprehensive income						
Quoted Shares	2,706,947	1,431,188	Level 1	Prices published in financial markets	Not Applicable	Not Applicable
Un-Quoted Shares	53,930	50,210	Level 3	Based on the latest audited financial statements	Not Applicable	Not Applicable
Total	2,760,877	1,481,398				

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2022 and 2021.

b) The fair value of the Group's financial assets and financial liabilities not determined on an ongoing basis:

Except as described in the table below, we believe that the carrying amounts of the financial assets and financial liabilities stated in the group's consolidated financial statements approximate their fair values because the Company's management believes that the carrying amounts of the items below approximate their fair value due either to their short-term maturity or interest rates being re-priced during the year.

	December 31, 2022		December 31, 2021		Fair Value
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Hierarchy
	JD	JD	JD	JD	
Financial assets not determined at fair value					
Deposits at banks	15,657,155	16,055,888	14,357,318	14,848,002	Level 2
Financial assets at amortized cost	5,074,339	5,193,110	4,044,134	4,117,825	Level 2
Total Financial Assets Not Determined at Fair Value	20,731,494	21,248,998	18,401,452	18,965,827	

For the above items, the fair value of the second and third levels financial assets and liabilities has been determined in accordance with the agreed pricing models that reflect the credit risk of the parties dealt with.