UNITED INSURANCE COMPANY

PUBLIC SHAREHOLDING COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2022

Building a better
working world

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of United Insurance Public Shareholding Company
Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Insurance Company Public Shareholding Company (the "Company"), which comprise the statement of financial position as at 31 December 2022, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

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

1. Revenue recognition	
Key Audit matter	**How the key audit matter was addressed in the audit**
Revenue is an important determinant of the Company's profitability. In addition, there is a risk of improper revenue recognition, particularly with regards to revenue recognition at the cut- off date. Gross written premium amounted to JD 27,816,662 for the year ended 31 December 2022.	Our audit procedures included evaluating the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of International Financial Reporting Standards (IFRSs). We tested the Company's controls over revenue recognition and key controls in the revenue cycle. We also selected a representative sample and tested premiums written at either side of the revenue cutoff date to, assess whether the revenue was recognized in the correct period. Analytical procedures were performed on income accounts by lines of business. We independently re-performed the revenue calculation of each line of business using data extracted from the Company's system. In order to rely on the data extracted, we tested a sample of transactions to their related policies to assess the accuracy of the data extracted. We also selected and tested a representative sample of journal entries at the cut off period. Disclosures of accounting policies for revenue recognition are detailed in note (2-3) to the financial statements.

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2. Estimates used in calculation and completeness of insurance liabilities	
Key Audit matter	**How the key audit matter was addressed in the audit**
The Company has significant insurance liabilities of JD 21,378,874 representing 80% of the Company's total liabilities as of 31 December 2022. The measurement of insurance liabilities (outstanding claims reserve, unearned premium reserve and mathematical reserve) involves significant judgment over uncertain future outcomes including primarily the timing and ultimate full settlement of long term policyholders' liabilities.	Our audit procedures included, amongst others, assessing the Company's methodology for calculating the insurance liabilities and their analysis of the movements in insurance liabilities during the year, including consideration of whether the movements are in line with the accounting policy adopted by the Company. We tested management's liability adequacy testing which is a key test performed to check that the liabilities are adequate in the context of expected experience. We evaluated the competence, capabilities and objectivity of the management's specialist. Our audit procedures on the liability adequacy tests included assessing the reasonableness of the projected cash flows and reviewing the assumptions adopted in the context of both the Company and industry experience and specific product features. We also assessed the adequacy of the disclosures regarding these liabilities. Disclosures of assumptions and accounting policies related to insurance contracts liabilities are detailed in note (2-3) to the financial statements.

Other Matter

The financial statements of the Company for the year ended on 31 December 2021 were audited by another auditor who expressed an unqualified opinion on 28 February 2022.

Other information included in the Company's 2022 annual report.

Other information consists of the information included in the Company's 2022 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2022 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records, which are in agreement with the financial statements.

The partner in charge of the audit resulting in this auditor's report was Osama Shakhatreh, license number 1079.

Amman – Jordan
28 February 2023

ERNST & YOUNG
Amman - Jordan

UNITED INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022	2021
		JD	JD
Assets			
Investments-			
Deposits at banks	3	11,089,100	8,310,717
Financial assets at fair value through profit or loss	4	108,247	125,322
Financial assets at fair value through other comprehensive income	5	5,692,404	5,429,328
Financial assets at amortized cost	6	3,547,001	4,547,001
Investment properties	7	4,833,647	4,770,930
Total Investments		25,270,399	23,183,298
Other Assets-			
Cash on hand and at banks	8	896,423	628,387
Checks under collection	9	2,354,557	2,014,578
Accounts receivable, net	10	8,190,705	6,678,416
Reinsurance receivables, net	11	548,534	351,384
Deferred tax assets	12	662,385	687,298
Property and equipment	13	4,580,828	4,657,048
Intangible assets	14	9,281	15,639
Other assets	15	1,609,464	2,188,027
Total Assets		44,122,576	40,404,075
Liabilities and Equity			
Technical Reserves-			
Unearned premiums reserve, net		9,565,769	6,728,139
Outstanding claims reserve, net		11,773,232	11,081,144
Mathematical reserve, net	16	39,873	50,368
Total Technical Reserves		21,378,874	17,859,651
Other Liabilities -			
Accounts payable	17	1,958,911	2,372,209
Reinsurance payables	18	2,719,351	3,031,891
Other provisions	19	247,490	176,338
Income tax provision	12	348,893	260,536
Deferred tax liabilities	12	26,864	26,864
Other liabilities	20	190,568	159,637
Total Technical Reserves and Other Liabilities		26,870,951	23,887,126
Equity-			
Authorized and paid in capital	21	8,000,000	8,000,000
Share premium		41,507	41,507
Statutory reserve	22	2,000,000	2,000,000
Fair value reserve	23	(113,784)	(308,460)
Retained earnings	24	7,323,902	6,783,902
Total Shareholders' Equity		17,251,625	16,516,949
Total Liabilities and Shareholders' Equity		44,122,576	40,404,075

The attached notes from 1 to 43 form part of these financial statements

UNITED INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		JD	JD
Revenues -			
Gross written premiums		27,816,662	22,490,996
Less: Reinsurance share		(8,393,582)	(8,225,752)
Net written premiums		19,423,080	14,265,244
Net change in unearned premiums reserve		(2,837,630)	(450,644)
Net change in mathematical reserve		10,495	(9,656)
Net earned premiums		16,595,945	13,804,944
Commissions income		487,070	502,400
Insurance policies issuance fees		972,939	824,580
Interest income	26	700,740	638,003
Net gain from financial assets and investments	27	324,280	263,744
Other revenues, net		49,878	16,660
Total revenues		19,130,852	16,050,331
Claims, losses and expenses			
Paid claims		19,290,563	24,654,384
Less: Recoveries		(1,612,000)	(1,650,002)
Less: Reinsurance share		(4,949,119)	(11,982,540)
Net paid claims		12,729,444	11,021,842
Net change in outstanding claims reserve		692,088	(381,436)
Allocated employees' expenses	28	1,358,911	1,243,890
Allocated administrative and general expenses	29	514,390	406,447
Excess of loss premium		138,152	285,983
Policies acquisition costs		662,907	589,454
Other expenses related to underwriting accounts		506,966	424,847
Net claims cost		16,602,858	13,591,027
Unallocated employees' expenses	28	194,065	175,657
Depreciation and amortization	7,13,14	269,933	380,702
Unallocated administrative and general expenses	29	128,597	101,608
Expected credit losses expense		147,412	100,000
Other expenses	30	35,625	30,000
Total expenses		17,378,490	14,378,994
Profit before tax		1,752,362	1,671,337
Less: Income tax expense	12	(412,362)	(349,192)
Profit for the year		1,340,000	1,322,145
		JD/Fils	JD/Fils
Basic and diluted earnings per share (JD/Fils)	31	0/168	0/165

The attached notes from 1 to 43 form part of these financial statements

UNITED INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		JD	JD
Profit for the year		1,340,000	1,322,145
Add: Other comprehensive income after tax which will not be reclassified to profit or loss in subsequent periods:			
Change in fair value of financial assets at fair value through other comprehensive income	23	194,676	590,231
Total other comprehensive income items which will not be reclassified to profit or loss in subsequent periods, net of tax		194,676	590,231
Total comprehensive income for the year		1,534,676	1,912,376

The attached notes from 1 to 43 form part of these financial statements

United Insurance Company Public Shareholding Company
Statement Of Changes in Equity
For The Year Ended 31 December 2022

	Paid in capital	Share premium	Statutory reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
2022 -						
Balance at 1 January 2022	8,000,000	41,507	2,000,000	(308,460)	6,783,902	16,516,949
Profit for the year	-	-	-	-	1,340,000	1,340,000
Change in fair value reserve	-	-	-	194,676	-	194,676
Total comprehensive income for the year	-	-	-	194,676	1,340,000	1,534,676
Dividends - (note 25)	-	-	-	-	(800,000)	(800,000)
Balance at 31 December 2022	8,000,000	41,507	2,000,000	(113,784)	7,323,902	17,251,625
2021 -						
Balance at 1 January 2021	8,000,000	41,507	2,000,000	(898,691)	6,261,757	15,404,573
Profit for the year	-	-	-	-	1,322,145	1,322,145
Change in fair value reserve	-	-	-	590,231	-	590,231
Total comprehensive income for the year	-	-	-	590,231	1,322,145	1,912,376
Dividends (note 25)	-	-	-	-	(800,000)	(800,000)
Balance at 31 December 2021	8,000,000	41,507	2,000,000	(308,460)	6,783,902	16,516,949

- The retained earnings include a restricted amount of JD 662,385 against the deferred tax assets as of 31 December 2022 (2021: JD 687,298).

United Insurance Company Public Shareholding Company
Statement of Cash Flows
For The Year Ended 31 December 2022

	Notes	2022	2021
		JD	JD
Operating Activities			
Profit for the year before tax		1,752,362	1,671,337
Adjustments for non-cash items			
Depreciation and amortization	7,13,14	269,933	380,702
Change in fair value of financial assets through profit and loss		17,075	26,034
Other provisions	19	250,819	153,167
Expected credit losses expense		147,412	100,000
Net change in unearned premiums reserve		2,837,630	450,644
Net change in outstanding claims reserve		692,088	(381,436)
Net change in mathematical reserve		(10,495)	9,656
Banks interest income		(700,740)	(638,003)
Cash flows from operating activities before changes in working capital		5,256,084	1,772,101
Checks under collection		(340,109)	(87,236)
Accounts receivable		(1,612,289)	36,600
Reinsurance receivables		(243,614)	249,396
Other assets		834,834	(1,535,181)
Accounts payable		(413,298)	711,510
Reinsurance payables		(312,540)	(2,539,870)
Other liabilities		(3,538)	(104,867)
Paid from other provisions		(179,667)	(151,502)
Net cash flows from operating activities before tax paid		2,985,863	(1,649,049)
Income tax paid	12	(367,492)	(598,841)
Net cash flows from (used in) operating activities		2,618,371	(2,247,890)
Investing Activities			
Proceeds from sale of investment in properties		13,278	-
Maturity (purchases) of financial assets at amortized cost	6	1,000,000	(1,562,000)
Proceeds from sale of financial assets at fair value through comprehensive income		-	797,612
Purchases of property and equipment	13	(99,988)	(14,316)
Purchases of intangible assets	14	-	(10,798)
Purchases of Investment in properties		(163,362)	-
Deposits at banks (due after three months)		(2,000,000)	4,642,384
Interest income received		444,469	638,003
Net cash flows (used in) from investing activities		(805,603)	4,490,885
Financing Activities			
Dividends paid		(765,531)	(800,000)
Net cash flows used in financing activities		(765,531)	(800,000)
Net increase in cash and cash equivalents		1,047,237	1,442,995
Cash and cash equivalents, at the beginning of the year		6,749,186	5,306,191
Cash and cash equivalents, at the end of the year	32	7,796,423	6,749,186

The attached notes from 1 to 43 form part of these financial statements

United Insurance Company Public Shareholding Company
Statement of Under Writing Revenues for the Life Insurance
For The Year Ended 31 December 2022

	Life	
	2022	2021
	JD	JD
Written premiums -		
Direct insurance	305,465	340,833
Total premiums	305,465	340,833
Less:		
Foreign reinsurance share	217,345	241,322
Net written premiums	88,120	99,511
Add:		
Mathematical reserve balance at the beginning of the year	161,832	150,712
Less: Reinsurance share	111,464	110,000
Net mathematical reserve at the beginning of the year	50,368	40,712
Less:		
Mathematical reserve balance at the end of the year	129,295	161,832
Less: Reinsurance share	89,422	111,464
Net mathematical reserve at the end of the year	39,873	50,368
Net revenue from written premiums	98,615	89,855

UNITED INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CLAIMS COST FOR THE LIFE INSURANCE
FOR THE YEAR ENDED 31 DECEMBER 2022

	Life	
	2022	2021
	JD	JD
Paid claims	144,523	278,661
Less: Foreign reinsurance share	116,430	231,050
Net paid claims	28,093	47,611
Add:		
Outstanding claims reserve at the end of the year		
Reported	194,767	160,645
Unreported	10,000	10,000
Less: Reinsurance share	145,796	121,357
Net outstanding claims reserve at the end of the year	58,971	49,288
Less:		
Outstanding claims reserve at the beginning of the year		
Reported	160,645	392,674
Unreported	10,000	10,000
Less: Reinsurance share	121,357	325,409
Net outstanding claims reserve at the beginning of the year	49,288	77,265
Net claims cost	37,776	19,634

United Insurance Company Public Shareholding Company
Statement of Underwriting Profits for the Life Insurance
For the Year Ended 31 December 2022

	Life	
	2022	2021
	JD	JD
Net earned revenues from written premiums	98,615	89,855
Less:		
Net claims cost	37,776	19,634
	60,839	70,221
Add:		
Commissions income	127	71
Insurance policies issuance fees	7,125	7,816
Other revenues related to underwriting accounts	12,875	-
Total revenues	20,127	7,887
Less:		
Policies' acquisition costs	1,089	4,814
General and administrative expenses related to underwriting accounts	14,170	16,807
Other expenses related to underwriting accounts	1,566	(1,739)
Total expenses	16,825	19,882
Underwriting profit	64,141	58,226

United Insurance Company Public Shareholding Company
Statement of Under Writing Revenues for the General Insurance
For the Year Ended 31 December 2022

	Motor		Marine and transportations		Fire and other property damage		Liability		Medical		Aviation		Others		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
Direct insurance	12,804,243	9,329,277	352,121	309,841	2,418,115	2,389,257	286,263	292,474	9,930,491	8,481,788	-	99,990	66,573	44,062	25,857,806	20,946,689
Facultative inward reinsurance business	1,352,936	792,720	3,279	838	296,654	409,474	225	227	-	-	-	-	297	215	1,653,391	1,203,474
Total Premiums	14,157,179	10,121,997	355,400	310,679	2,714,769	2,798,731	286,488	292,701	9,930,491	8,481,788	-	99,990	66,870	44,277	27,511,197	22,150,163
Less:																
Local reinsurance share	1,065,344	604,185	-	-	132,430	187,428	-	-	1,511,028	1,064,448	-	-	-	-	2,708,802	1,856,061
Foreign reinsurance share	151,569	94,908	299,314	271,226	2,329,020	2,378,869	187,699	179,183	2,488,715	3,097,305	-	94,138	11,118	12,740	5,467,435	6,128,369
Net Written Premiums	12,940,266	9,422,904	56,086	39,453	253,319	232,434	98,789	113,518	5,930,748	4,320,035	-	5,852	55,752	31,537	19,334,960	14,165,733
Add:																
Balance at the beginning of the year																
Unearned premiums reserve	5,235,489	4,954,163	81,362	72,788	926,302	832,877	78,147	86,599	2,869,415	2,050,752	16,525	-	20,105	10,883	9,227,345	8,008,062
Less: Reinsurance share	119,408	101,765	69,724	63,632	833,600	753,593	45,970	58,625	1,407,635	745,313	15,579	-	7,290	7,639	2,499,206	1,730,567
Net Unearned Premiums Reserve	5,116,081	4,852,398	11,638	9,156	92,702	79,284	32,177	27,974	1,461,780	1,305,439	946	-	12,815	3,244	6,728,139	6,277,495
Less:																
Balance at the end of the year																
Unearned premiums reserve	7,174,435	5,235,489	78,074	81,362	927,779	926,302	80,071	78,147	3,609,812	2,869,415	-	16,525	15,422	20,105	11,885,593	9,227,345
Less: Reinsurance share	136,422	119,408	64,908	69,724	830,590	833,600	55,082	45,970	1,222,842	1,407,635	-	15,579	9,980	7,290	2,319,824	2,499,206
Net Unearned Premiums Reserve	7,038,013	5,116,081	13,166	11,638	97,189	92,702	24,989	32,177	2,386,970	1,461,780	-	946	5,442	12,815	9,565,769	6,728,139
Net Earned Revenues from Written Premiums	11,018,334	9,159,221	54,558	36,971	248,832	219,016	105,977	109,315	5,005,558	4,163,694	946	4,906	63,125	21,966	16,497,330	13,715,089

United Insurance Company Public Shareholding Company
Statement of Claims Cost for the General Insurance
For the Year Ended 31 December 2022

	Motor		Marine and transportations		Fire and other property damage		Liability		Medical		Aviation		Others		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	9,902,564	8,829,916	35,443	36,319	325,118	7,939,096	9,859	49,169	8,863,911	7,518,913	-	-	9,145	2,310	19,146,040	24,375,723
Less:																
Recoveries	1,591,101	1,582,690	216	19,797	18,318	42,478	1,990	5,037	-	-	-	-	375	-	1,612,000	1,650,002
Local reinsurance share	-	92,617	-	-	-	-	-	-	1,481,179	902,453	-	-	-	-	1,481,179	995,070
Foreign reinsurance share	143,504	-	29,746	25,014	302,146	7,904,164	5,751	8,370	2,869,979	2,818,872	-	-	384	-	3,351,510	10,756,420
Net Paid Claims	8,167,959	7,154,609	5,481	(8,492)	4,654	(7,546)	2,118	35,762	4,512,753	3,797,588	-	-	8,386	2,310	12,701,351	10,974,231
Add:																
Outstanding Claims Reserve at the																
End of the Year																
Reported	11,917,171	11,328,409	90,576	129,189	2,398,531	2,330,731	44,637	81,911	283,775	243,970	-	-	1,262	12	14,735,952	14,114,222
Unreported	1,100,000	1,100,000	1,812	2,584	23,985	23,307	446	819	316,873	438,874	-	-	13	-	1,443,129	1,565,584
Less:																
Reinsurance share	799,295	1,023,514	73,445	102,199	2,225,209	2,173,311	18,368	50,631	246,614	377,334	-	-	11	11	3,362,942	3,727,000
Recoveries	1,101,878	920,950	-	-	-	-	-		-	-	-	-	-	-	1,101,878	920,950
Net Outstanding Claims Reserve at																
the End of the Year	11,115,998	10,483,945	18,943	29,574	197,307	180,727	26,715	32,099	354,034	305,510	-	-	1,264	1	11,714,261	11,031,856
Less:																
Outstanding claims reserve at the																
beginning of the period																
Reported	11,328,409	11,193,601	129,189	129,606	2,330,731	11,327,403	81,911	117,157	243,970	182,075	-	-	12	1,262	14,114,222	22,951,104
Unreported	1,100,000	1,100,000	2,584	2,592	23,307	25,959	819	1,172	438,874	598,319	-	-	-	13	1,565,584	1,728,055
Less:																
Reinsurance shares	1,023,514	922,134	102,199	102,010	2,173,311	11,146,548	50,631	70,446	377,334	315,874	-	-	11	761	3,727,000	12,557,773
Recoveries	920,950	736,071	-	-	-	-	-	-	-	-	-	-	-	-	920,950	736,071
Net Outstanding Claims Reserve at																
the Beginning of the Year	10,483,945	10,635,396	29,574	30,188	180,727	206,814	32,099	47,883	305,510	464,520	-	-	1	514	11,031,856	11,385,315
Net Claims Cost	8,800,012	7,003,158	(5,150)	(9,106)	21,234	(33,633)	(3,266)	19,978	4,561,277	3,638,578	-	-	9,649	1,797	13,383,756	10,620,772

United Insurance Company Public Shareholding Company
Statement of Underwriting Profits for the General Insurance
For the Year Ended 31 December 2022

	Motor		Marine and transportations		Fire and property		Liability		Medical		Aviation		Others		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 earned revenues from written premiums	11,018,334	9,159,221	54,558	36,971	248,832	219,016	105,977	109,315	5,005,558	4,163,694	946	4,906	63,125	21,966	16,497,330	13,715,089
Less: Net claims cost	8,800,012	7,003,158	(5,150)	(9,106)	21,234	(33,633)	(3,266)	19,978	4,561,277	3,638,578	-	-	9,649	1,797	13,383,756	10,620,772
	2,218,322	2,156,063	59,708	46,077	227,598	252,649	109,243	89,337	444,281	525,116	946	4,906	53,476	20,169	3,113,574	3,094,317
Add:																
Commissions received	2,366	3,961	141,991	180,709	311,056	289,222	16,056	17,256	15,110	10,644	-	-	364	537	486,943	502,329
Insurance policies issuance fees	536,438	453,665	11,810	14,309	100,259	97,971	11,593	12,007	303,865	234,946	-	2,045	1,849	1,821	965,814	816,764
Other revenues	17,005	-	-	-	1,981	-	-	-	-	-	-	-	-	-	18,986	-
Total revenues	555,809	457,626	153,801	195,018	413,296	387,193	27,649	29,263	318,975	245,590	-	2,045	2,213	2,358	1,471,743	1,319,093
Less:																
Policy acquisition costs	417,548	398,055	7,663	7,710	81,813	80,671	20,461	19,932	115,637	67,548	-	-	18,696	10,724	661,818	584,640
Excess of loss premiums	103,464	253,983	-	-	34,688	32,000	-	-	-	-	-	-	-	-	138,152	285,983
General and administrative expenses related to underwriting accounts	957,944	769,477	64,009	59,467	193,979	207,013	13,293	14,434	626,804	576,024	-	4,931	3,103	2,183	1,859,132	1,633,529
Other expenses	359,512	290,651	2,330	3,964	9,994	6,947	149	121	132,916	124,753	-	-	499	150	505,400	426,586
Total expenses	1,838,468	1,712,166	74,002	71,141	320,474	326,631	33,903	34,487	875,357	768,325	-	4,931	22,298	13,057	3,164,502	2,930,738
Underwriting profit	935,663	901,523	139,507	169,954	320,420	313,211	102,989	84,113	(112,101)	2,381	946	2,020	33,391	9,470	1,420,815	1,482,672

(1) GENERAL

United Insurance Company was established in 1972 under the Jordanian Companies Law and its amendments under No. (74) as a Public Shareholding Company. United Insurance Company was merged with the East Egyptian Insurance Company and the New India Insurance Company in Jordan. The merger took effect as of the beginning of the year 1988, and the resulting company from the merger (United Insurance Company) became a general successor to the merged companies. Several adjustments have been made to the capital, the last of which was during 2008 where the authorized and paid-in capital became JD 8 million, divided into 8 million shares with a nominal value of JD 1 per share.

The Company address is Zahran street, Building number (188), P.O.Box 7521, Amman 11118, Jordan.

The Company's objectives are to practice insurance activities, including life insurance.

The financial statements were approved for issuance by the board of directors in its meeting No. (1/2023) held on 6 February 2023.

(2) ACCOUNTING POLICIES

(2-1) Basis of preparation the financial statements

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee affiliated with the International Accounting Standards Board.

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

The Jordanian Dinar is the functional and reporting currency of the Company.

(2-3) Changes in accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

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

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

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

These amendments had no material impact on the financial statements of the Company.

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

These amendments had no material impact on the financial statements of the Company.

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

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

These amendments had no material impact on the financial statements of the Company.

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

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

These amendments had no material impact on the financial statements of the Company.

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

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

These amendments had no material impact on the financial statements of the Company.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no material impact on the financial statements of the Company.

(2-4) Summary of significant accounting policies

Following is a summary of the significant accounting policies:

Segment reporting

The business segment represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which in measured based on the reports used by the chief operating decision maker.

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

Financial assets date of recognition

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

Fair value

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities.

For financial instruments where there is no active market fair value is normally based on one of the following methods:

- Comparison with the current market value of a highly similar financial instrument.
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Option pricing models.

The objective of the valuation method is to show a fair value that reflects market expectations.

Where the fair value of an investment cannot be reliably measured, it is stated at cost less any impairment in the value.

A. Financial assets at amortized cost

Are the assets that the Company's management intends to hold for the purpose of collecting the contractual cash flows which represents the cash flows that are solely payments of principal and interest on the outstanding principal.

Financial assets are recorded at cost upon purchase plus acquisition expenses, Moreover the issue premium \ discount is amortized using the effective interest associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted, any impairment is registered in the statement of income and should be presented subsequently at amortized cost less any impairment losses.

The amount of impairment loss recognized at amortized cost is the expected credit loss of the financial assets at amortized cost.

It is not allowed to reclassify any financial assets from/to this category except for certain cases that are specified by the International Financial Reporting Standards (And if in any cases these assets are sold before the maturity date the result of sale will be recorded in the statement of income in a separated disclosure and caption in according to the International Financial Reporting Standards in specific).

B. Financial assets at fair value through other comprehensive income

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

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

- These financial assets are not subject to impairment testing.

- Dividend income is recognized in the statement of income.

C. Debt instruments at FVOCI

The Company applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Company holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss

Investment properties

Investment properties are stated at cost less accumulated depreciation and are depreciated (excluding lands) using the straight-line depreciation method over its casted useful life.

Investment properties are revalued accordance to the Insurance Administration's instructions and the related fair value is disclosed in the related note.

Cash and cash equivalents

For cash flow purpose cash and cash equivalents comprise cash on hand, cash balances with banks and deposit with financial institutions maturing within three months, less bank overdrafts and restricted balances.

Reinsurance accounts

Reinsurers shares of insurance premiums, paid claims, technical reserve, and all other rights and obligations resulting are calculated based on signed contracts between the Company and reinsures are accounted for based on accrual basis.

Reinsurance

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

Impairment in reinsurance assets

In case there is any indication as to the impairment of the reinsurance assets of the Company, which possesses the reinsured contract, the Company should reduce the present value of the contracts and record the impairment in the statement of income,

The impairment is recognized in the following cases only:

1. There is an objective evidence resulting from an event that took place after the recording of the reinsurance assets confirming the Company's inability to recover all the amounts under the contracts terms.
2. The event has a reliably and clearly measurable effect on the amounts that the Company will recover from reinsures.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property and equipment (except lands) is depreciated when its ready for use.

Depreciation is computed on a straight-line over its expected useful life using the following depreciation rates, and the depreciation expense is recorded in the statement of income:

	%
Furniture and fixtures	10
Computers	20
Vehicles	15
Equipment and tools	15
Electronics	15
Buildings	2
Heating and cooling devices	15
Fire alarm	15
Elevators	15
Solar energy	15

Depreciation expense is calculated when property and equipment is ready for use.

Property and equipment are written down to their recoverable amount, when its recoverable amounts less than the net book value. The impairment loss is recorded in the statement of income.

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

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

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

Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are classified as finite or infinite. Intangible assets with finite lives are amortized over the useful economic life and the amortization expense is recognized in the income statement. While intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired. The impairment loss is recorded in the income statement.

Intangible assets include computer software. These intangible assets are amortized on a rate of 20%.

Provisions

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

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

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

A- Technical reserves

Technical reserves are provided for in accordance to the Insurance Administration's instructions, as follows:

1. Unearned premiums reserve is measured for general insurance business based on remaining days of the insurance policy of expiration, considering a period of 365 days except marine and transport insurance which is calculated based on written premiums for existing policies at the date of the financial statements in accordance with Laws, regulations and instructions issued pursuant there to.
2. Outstanding claims (Reported) provision is measured at the maximum value of the total expected loss for each claim separately.
3. Provision for the ultimate cost of claims incurred but not yet reported (IBNR) and unexpired risk is measured based on the estimates and the experience of the Company.
4. Unearned contributions and premiums reserve is measured based on the Company's experience and estimations.
5. Mathematical reserve is measured in accordance with the instruction and decisions issued by the Insurance Administration.

B- Provision for expected credit losses

The Company has applied the standard's simplified approach of International Financial Reporting Standard (IFRS 9) and has calculated the expected credit losses on all its financial instruments. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

C- End of service indemnity reserve

The end of service indemnity reserve for employees is calculated based on the Company's policy which in compliance with Jordanian labor law.

The paid amounts as end of service for resigned employees are debited to this account. The Company obligation for the end of service is recorded in the statement of income.

Liability adequacy test

At each statement of financial position date, the Company assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If assessment shows that the carrying amount of its insurance liabilities (less related deferred policy acquisition costs) is inadequate in the light of estimated future cash flows, the deficiency is immediately recognized in the statement of income.

Income tax

Income tax represents current and deferred income tax.

A- Accrued income tax

The accrued income tax expense is calculated based on taxable income. The taxable income differs from the actual income in the statement of income because the accounting income contains nondeductible expenditures and nontaxable revenues in the current year but in the preceding years or the accepted accumulated losses or any other nontaxable or deductibles for tax purposes.

The taxes are calculated based on the laws and regulation in the countries were the Company carry on its operation.

B- Deferred tax

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

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

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

Offsetting

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

Revenue recognition

A- Insurance policies

Insurance premiums are recorded as revenues (earned premiums) based on the accrual periods and policy covering period. Unearned premiums are recorded according to insurance policy periods at the date of financial statements claims expenses are recognized in the statement of income based on the expected claim value to compensate the insurance policyholder or other parties.

B- Dividend and interest revenue

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

Interest revenues are recorded using the accrual basis based on the accrual periods, principle amount and earned interest rate.

C- Rental income

Rental income from investment properties is accounted for using the straight- line basis over the lease terms.

D- Other income

Other income is recognized on accrual basis.

Expenses recognition

All commissions and other costs related to the new insurance contracts or renewed are recorded in the statement of income during the year which it occurred. And in all expenditures, are recognized using the accrual basis.

Insurance compensations

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

Insurance compensations includes payments made during the year even for the current or prior years. Outstanding claims represents the highest estimated amount to settle the claims resulting from events occurring before the date of financial statements but not settled yet.

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

Recoverable scraped value
Recoverable scraped value is considered when recording the outstanding claim amount.

General and administrative expenses
All distributable general and administrative expenses are allocated to the insurance branches separately according to the actual administrative expenses of each branch separately and in compliance with specific cost centers for various insurance departments. The remaining expenses are stated as unallocated expenses in the statement of income.

Employees' expenses
All distributable employee expenses are allocated to the insurance branches separately according to the expenditures of each branch in compliance with specific cost centers for various insurance departments. Moreover, the related employee expenses of the Company's subsidiary are stated as unallocated employee expenses.

Insurance policy acquisition cost
Acquisition cost represents the cost incurred by the Company for selling or underwriting or issuing new insurance contract, the acquisition cost is recorded in statement of income.

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

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

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

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

Estimation uncertainty
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities.

These estimates and assumptions also affect the revenues and expenses and the resultant provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required.

Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The details of significant estimates made by management are as follows:

- A provision for expected credit losses is estimated by the management based on their principles and assumptions according to IFRS 9.
- The financial year is charged with its related income tax in accordance with regulations.
- The management periodically reviews tangible and intangible assets useful life in order to calculate the depreciation and amortization amount depending on the status of these assets and future benefit. The impairment loss (if any) appears on the statement of income.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to Insurance Administration regulation. Also mathematical reserve and IBNR are calculated based on actuarial studies.
- A provision on lawsuit against the Company is made based on the Company's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.
- The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the statement of income.

(3) DEPOSITS AT BANKS

This item consists the following:

	2022				2021
	Deposits due in one month	Deposits due from 1 to 3 months	Deposits due from 3 months to 1 year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan	6,000,000	2,000,000	3,100,000	11,100,000	8,320,799
Expected credit losses	-	-	(10,900)	(10,900)	(10,082)
	6,000,000	2,000,000	3,089,100	11,089,100	8,310,717

- The annual interest rate on the deposits in Jordanian Dinar ranged between 4.25% to 5.625% during the year ended 31 December 2022 (2021: from 4.25% to 4.5%).

- Deposits pledged to the benefit of Central Bank of Jordan amounted to JD 800,000 as of 31 December 2022, at Investment Bank (31 December 2021: JD 800,000 at the Investment Bank).

- Restricted balances amounted to JD 300,000 as at 31 December 2022 (31 December 2021: JD 300,000) in the form of cash margin in addition to the pledged deposits to the benefit of the General Director of the insurance administration.

-

(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Inside Jordan -		
Quoted shares	108,247	125,322

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

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Inside Jordan -		
Quoted shares	5,491,003	5,237,825
	5,491,003	5,237,825
Outside Jordan -		
Arab reinsurance Company	201,401	191,503
	5,692,404	5,429,328

(6) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Inside Jordan		
Arab Corp Company subordinated bonds*	50,000	50,000
Less: Fair value reserve for Arab Corp Company	49,999	49,999
	1	1
Ahli Bank subordinated bonds**	-	1,000,000
Jordanian Treasury subordinated bonds***	3,124,000	3,124,000
Turkish Government subordinated bonds****	426,000	426,000
Total	3,550,001	4,550,001
Less: Expected credit losses	3,000	3,000
Total financial assets at amortized cost	3,547,001	4,547,001

The maturity of bonds extends to the following dates:

	From 1 to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 months to one year	More than one year	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan						
Governmental bonds	-	-	-	-	3,550,000	3,550,000
Corporate bonds	-	-	-	-	1	1
Total	-	-	-	-	3,550,001	3,550,001

* The Arab Corp. subordinated bonds became due on the first of April 2014 however the principal of the bond and the interest was not settled to the Company. A provision was provided against the full value of this bond and the interest was suspended during the previous years.

** On 12 October 2017, the Company invested in (10) bonds with a nominal value of JD 100,000 / bond with a total value of one million Jordanian Dinars, the bonds were issued by Jordan Ahli Bank, with a contribution rate of 4% in the bond. These bonds yield interest of 6.75 % for the first six months and a variable interest rate, where the interest is recalculated every six months during the life of the bond so that the interest at the beginning of each period is equal to the discount interest rate at the Central Bank plus a margin of 2%, these bonds was matured on 10 November 2022.

*** On 17 September 2021, the Company invested in (13) Jordanian Government bonds with a nominal value of USD 200,000 / bond with a total value of USD 2,600,000. On 28 March 2021, the Company invested in (1) Jordanian government loan bond with a nominal value of USD 200,000 / bond through the Housing Bank. These bonds mature on 10 October 2047, with a fixed interest rate of 7.375% per annum, calculated based on the number of actual days divided by 360 days.

**** On 5 April 2021, the Company invested in (3) Turkish government bonds with a nominal value of USD 200,000 / loan bond with a total value of USD 600,000 through the Housing Bank. These bonds mature on 14 January 2041, at a fixed interest rate of 6% annually, which is calculated Based on the actual number of days divided by 360 days.

- Interest rates on bonds in Jordanian Dinar ranged between (5.5% to 7.375%) and on foreign currency bonds 6% for the year ended 31 December 2022 (2021: 5.5% to 7.375%).

- These bonds have fixed rates

(7) INVESTMENT PROPERTIES

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Land	723,272	646,985
Buildings	5,077,800	5,004,003
Less: Accumulated depreciation	967,425	880,058
Buildings, net	4,110,375	4,123,945
Total	4,833,647	4,770,930

* The fair value of investment properties has been estimated by real estate experts at JD 7,527,308 as of 31 December 2022.

(8) CASH ON HAND AND AT BANKS

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Cash on hand	4,607	1,182
Current accounts at banks	891,816	627,205
	896,423	628,387

(9) CHEQUES UNDER COLLECTION

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Cheques under collection within 6 months	1,183,470	1,190,574
Cheques under collection after 6 months	1,178,175	830,962
Less: Expected credit losses	(7,088)	(6,958)
	2,354,557	2,014,578

The maturity for checks under collection extend up to 30 June 2024.

(10) ACCOUNTS RECEIVABLE, NET

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Policy holders' receivables	5,807,212	4,199,874
Brokers' receivables	1,709,415	1,477,469
Related parties (note 33)	1,369,867	1,521,000
Agents' receivables	875,349	928,597
Employees' receivables	30,646	20,036
Legal cases receivables	356,948	436,677
Other receivables	272,604	226,099
	10,422,041	8,809,752
Less: Provision for expected credit losses*	(2,231,336)	(2,131,336)
Accounts receivable, net	8,190,705	6,678,416

Below is the aging table of receivables:

	Less than 90 days	91-180 days	181-360 days	More than 361 days	Total
	JD	JD	JD	JD	JD
2022	3,213,726	4,137,129	1,013,618	2,057,568	10,422,041
2021	2,550,650	2,129,145	2,641,247	1,488,710	8,809,752

* Movement on the provision for expected credit losses:

	31 December 2022	31 December 2021
	JD	JD
Balance at the beginning of the year	2,131,336	2,031,336
Additions	100,000	100,000
Balance at the end of the year	2,231,336	2,131,336

(11) REINSURANCE RECEIVABLES, NET

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Local reinsurance companies	414,304	330,144
Foreign reinsurance companies	215,901	56,447
	630,205	386,591
Less: Provision for impairment of reinsurance receivables *	(81,671)	(35,207)
Net reinsurance receivables	548,534	351,384

The ageing table of the reinsurance receivables is as follows:

	Less than 90 days	91 - 180 days	181 - 361 days	More than 361 Days	Total
	JD	JD	JD	JD	JD
2022	472,011	86,523	33,661	38,010	630,205
2021	266,813	50,662	53,732	15,384	386,591

* The movement on the provision for impairment of reinsurance receivables is as follows:

	31 December 2022	31 December 2021
	JD	JD
Balance at the beginning of the year	35,207	35,207
Additions	46,464	-
Balance at the end of the year	81,671	35,207

(12) INCOME TAX

A) Income tax provision

The movement on the income tax provision is as follows:

	31 December 2022	31 December 2021
	JD	JD
Balance at beginning of the year	260,536	479,462
Income tax paid	(367,492)	(598,841)
Income tax expense for the year	455,849	379,915
Balance at the end of the year	348,893	260,536

B) The income tax expense appearing in the statement of income represents the following:

	31 December 2022	31 December 2021
	JD	JD
Income tax for the year	455,849	379,915
Deferred tax assets	(43,487)	(30,723)
	412,362	349,192

Income tax

Income tax returns were submitted for years 2020 and 2021 on a timely basis. The returns were not reviewed by Income and Sales Tax Department up to the date of these financial statements. In the opinion of the management of the Company and the tax consultant the income tax provision is adequate.

A final settlement was reached with the Income Tax Department until the end of 2019 and all due balances were settled.

Sales tax

A final settlement was reached with the Sales Tax Department until the end of December 2018 and due balances were settled.

C) Deferred tax assets/ liabilities
This item consists of the following:

	2022					2021
	Beginning balance	Amounts released	Amounts added	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
A. Deferred tax asset:						
Provision for expected credit losses	2,166,543	-	146,464	2,313,007	601,382	563,301
End of service provision	40,032	-	19,841	59,873	15,567	10,408
Fair value reserve	416,842	263,076	-	153,766	39,979	108,379
Unrealized losses – financial assets through statement of profit or loss	20,040	-	948	20,988	5,457	5,210
	2,643,457	263,076	167,253	2,547,634	662,385	687,298
B. Deferred tax liabilities:						
Unrealized gain from financial asset at fair value through comprehensive income	111,934	-	-	111,934	26,864	26,864
	111,934	-	-	111,934	26,864	26,864

Movement on deferred tax liabilities and assets is as follows:

	Liabilities		Assets	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	JD	JD	JD	JD
Beginning balance	26,864	26,864	687,298	863,953
Additions	-	-	43,487	30,723
Released	-	-	(68,400)	(207,378)
Ending balance	26,864	26,864	662,385	687,298

D) A summary of the reconciliation between accounting profit and taxable profit is as follows:

	31 December 2022	31 December 2021
	JD	JD
Accounting profit	1,752,362	1,671,337
Nontaxable income	(1,797,033)	(1,875,655)
Nondeductible expenses	1,745,850	1,608,281
Foreign investment profits	256,725	150,756
Taxable profit	1,957,904	1,554,719
Income tax expense	509,055	404,227
Effective tax rate	23.28%	24.44%
Statutory tax rate	26%	26%

E) Income tax for the Company has been calculated for the year ended 31 December 2022 and 2021 in accordance with the Income Tax Law No. (38) for the year 2018.

(13) PROPERTY AND EQUIPMENT, NET

This item consists of the following:

	Furniture and fixture	Computers	Vehicles	Equipment & tools	Electronics	Buildings	Heating & Cooling devices	Fire alarm	Elevators	Solar Energy	Total
2022 -	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost											
Balance at the beginning of the year	259,721	192,982	228,033	9,847	59,947	5,113,388	347,443	29,601	286,365	-	6,527,327
Additions	2,226	3,070	-	-	4,446	-	-	-	-	90,246	99,988
Disposals	-	(170)	-	-	-	-	-	(2,626)	-	-	(2,796)
Balance at the end of the year	261,947	195,882	228,033	9,847	64,393	5,113,388	347,443	26,975	286,365	90,246	6,624,519
Accumulated depreciation											
Balance at the beginning of the year	188,848	181,035	134,246	6,201	43,998	671,375	341,195	20,474	282,907	-	1,870,279
Depreciation for the year	20,406	4,985	32,913	1,476	2,735	102,268	4,902	3,040	3,453	30	176,208
Disposals	-	(170)	-	-	-	-	-	(2,626)	-	-	(2,796)
Balance at the end of the year	209,254	185,850	167,159	7,677	46,733	773,643	346,097	20,888	286,360	30	2,043,691
Net book value	52,693	10,032	60,874	2,170	17,660	4,339,745	1,346	6,087	5	90,216	4,580,828
2021 -											
Cost											
Balance at the beginning of the year	258,371	186,727	228,033	9,734	53,349	5,113,388	347,443	29,601	286,365	-	6,513,011
Additions	1,350	6,255	-	113	6,598	-	-	-	-	-	14,316
Balance at the end of the year	259,721	192,982	228,033	9,847	59,947	5,113,388	347,443	29,601	286,365	-	6,527,327
Accumulated depreciation											
Balance at the beginning of the year	168,236	175,915	100,051	4,737	40,340	568,245	289,079	17,434	239,952	-	1,603,989
Depreciation for the year	20,612	5,120	34,195	1,464	3,658	103,130	52,116	3,040	42,955	-	266,290
Balance at the end of the year	188,848	181,035	134,246	6,201	43,998	671,375	341,195	20,474	282,907	-	1,870,279
Net book value	70,873	11,947	93,787	3,646	15,949	4,442,013	6,248	9,127	3,458	-	4,657,048

Fully depreciated property and equipment amounted to JD 928,655 as at 31 December 2022 (2021: JD 266,488).

(14) INTANGIBLE ASSETS, NET

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Balance at the beginning of the year	15,639	33,365
Additions	-	10,798
Amortization	(6,358)	(28,524)
Balance at the end of the year	9,281	15,639

(15) OTHER ASSETS

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Sales tax refundable deposit	708,741	1,403,944
International war fund refundable deposit	349,039	329,935
Recovered claims paid	270,407	244,308
Accrued revenues	267,123	196,079
Prepaid expenses	10,728	10,335
Refundable deposits	3,426	3,426
	1,609,464	2,188,027

(16) MATHEMATICAL RESERVE, NET

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Balance at the beginning of the year	50,368	40,712
(Amortized) addition during the year	(10,495)	9,656
Balance at the end of the year	39,873	50,368

(17) ACCOUNTS PAYABLE

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Amounts due to health insurance management company	842,100	713,909
Brokers' payables	294,668	296,859
Agents' payables	254,931	255,737
Policyholders' payables	92,497	799,786
Employees' payables	352	311
Other payables	474,363	305,607
	1,958,911	2,372,209

(18) REINSURANCE PAYABLES

The item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Local reinsurance companies	422,862	477,407
Foreign reinsurance companies	2,296,489	2,554,484
	2,719,351	3,031,891

(19) OTHER PROVISIONS

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Insurance management fees provision	26,085	5,107
End of service benefits	59,873	40,032
Earned benefits	161,532	131,199
	247,490	176,338

The following table shows the movement on accrued expenses and other provisions:

	Beginning balance	Additions during the year	Released during the year	Ending balance
	JD	JD	JD	JD
Insurance management fees provision	5,107	20,978	-	26,085
End of service benefit	40,032	19,841	-	59,873
Earned benefits	131,199	210,000	179,667	161,532
	176,338	250,819	179,667	247,490

(20) OTHER LIABILITIES

This item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Deferred revenues	72,354	63,746
Board of Directors' remunerations	37,750	32,125
Government of refundable deposits	80,464	63,766
	190,568	159,637

(21) PAID IN CAPITAL

Authorized and paid in capital amounted to JD 8,000,000 divided into 8,000,000 shares the par value of each is JD 1 as at 31 December 2022 and 31 December 2021.

(22) STATUTORY RESERVE

As required by the Jordanian Companies' Law, 10% of the Company's net income before tax is transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve reaches 25% of the issued share capital. The statutory reserve is not available for distribution to the shareholders.

(23) FAIR VALUE RESERVE

This item represents the change in fair value for financial assets through other comprehensive income as follows:

	31 December 2022	31 December 2021
	JD	JD
Balance at the beginning of the year	(308,460)	(898,691)
Changes during the year	263,076	382,853
Transferred from deferred tax assets (note 12)	(68,400)	207,378
Balance at the end of the year	(113,784)	(308,460)

(24) RETAINED EARNINGS

The item consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Balance at the beginning of the year	6,783,902	6,261,757
Profit for the year	1,340,000	1,322,145
Dividends (note 25)	(800,000)	(800,000)
Balance at the end of the year	7,323,902	6,783,902

(25) PROPOSED DIVIDENDS AND DECLARED DIVIDENDS

The General Assembly of shareholders approved in its ordinary meeting held on 10 April 2022 to distribute cash dividends amounting to JD 800,000 equivalent to 10% of paid-in capital as at 31 December 2021 from 2021 earnings.

The General Assembly of shareholders approved in its ordinary meeting held on 12 April 2021 to distribute cash dividends amounting to JD 800,000 equivalent to 10% of paid-in capital as at 31 December 2021 from 2020 earnings.

(26) INTEREST INCOME

The item consists of the following:

	2022	2021
	JD	JD
Bank interest	444,469	487,561
Bonds interest	256,271	150,442
	700,740	638,003

(27) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

This item consists of the following:

	2022	2021
	JD	JD
Stock dividends	276,060	286,536
Rent income, net	65,295	3,242
Net change in financial assets through profit or loss	(17,075)	(26,034)
	324,280	263,744

(28) EMPLOYEES EXPENSES

This item consists of the following:

	2022	2021
	JD	JD
Salaries and bonuses	1,095,120	1,042,497
End of service	229,902	160,175
Social security contribution	128,457	120,693
Medical expenses	82,872	82,242
Travel and transportation	16,625	13,940
Total	1,552,976	1,419,547
Amount transferred to underwriting accounts	1,358,911	1,243,890
Amount transferred to statement of income	194,065	175,657

(29) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

	2022	2021
	JD	JD
Insurance administration fees	122,113	104,868
Lawyer's fees and expenses	113,028	135,348
Internal transportation	39,169	33,542
Maintenance	38,626	27,035
Computer expenses	30,177	19,969
Training and subscriptions	28,661	13,634
Professional fees	28,250	8,750
Employees' commissions	25,880	-
Consulting	23,969	7,000
Bank interest and fees	21,477	26,116
Property tax	19,969	-
Stationery and printing	19,044	16,504
Telecommunication and postage	17,853	675
Vehicles expenses	17,613	17,236
Actuarial fees	13,000	13,569
Governmental and other fees	12,923	8,306
Rent expense	9,918	7,392
Hospitality	5,392	5,569
Travel and transportation	4,432	2,509
Marketing and advertisement	2,268	4,745
Property insurance	862	4,955
Donations	700	5,530
Companies' controller fees	-	1,409
Other expenses	47,663	43,394
Total	642,987	508,055
Amount transferred to underwriting accounts	514,390	406,447
Amount transferred to statement of income	128,597	101,608

(30) OTHER EXPENSES

This item consists of the following:

	2022	2021
	JD	JD
Board of Directors' remunerations (note 33)	35,625	30,000

(31) EARNINGS PER SHARE

The profit per share is calculated by dividing the profit for the year by the weighted average number of shares during the year.

	2022	2021
Profit for the year/ JD	1,340,000	1,322,145
Weighted average number of shares /share	8,000,000	8,000,000
	JD /Fils	JD /Fils
Basic and diluted earnings per share from current year profit	0/168	0/165

(32) CASH AND CASH EQUIVALENTS

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

	2022	2021
	JD	JD
Cash on hands and at banks (note 8)	896,423	628,387
Add: deposits at banks maturing within three months (note 3)	8,000,000	7,220,799
Less: deposit pledge in favor of general manager of Insurance Administration (note 3)	1,100,000	1,100,000
Net cash and cash equivalents	7,796,423	6,749,186

(33) RELATED PARTY TRANSACTIONS

Related parties represent the shareholder, directors and key management personnel and entities controlled or significantly influenced by such parties. Prices polices and terms of the transactions with related parties are approved by the Company's management.

The following represent summary of related parties' balances in the statement of financial position:

	Nature of Relationship	2022	2021
		JD	JD
Jordan Projects Tourism Development	Joint chairman	456,187	456,187
Paper and Cardboard Factories Company.	Joint chairman	387,627	387,627
Modern Arab Distribution Ltd.	Owned by BOD member	259,038	359,789
Yousef Nader and Sons Company	Owned by BOD member	130,008	118,009
Abu Jaber Ekhwan Company	Owned by Chairman of BOD	28,181	12
Public Investment Fund	GM is a BOD member	27,001	125,245
Saed Abu Jaber and Sons Company	Owned by previous BOD member	16,862	13,786
Shareholders and Board of Directors	BOD members	16,857	9,930
Specialized Distributors For Consumer Goods Company	Owned by BOD member	16,749	12,233
Bed Food Service Middle East – Jordan	Owned by BOD member	8,123	5,345
Jordanian Mutamayizah Distribution Company	Owned by BOD member	7,269	16,797
Advanced Communications Company	Owned by chairman of BOD	7,233	7,233
Arab Italian General Trade Company	Owned by BOD member	5,176	3,287
Alawael Distribution and General Trade Company	Owned by BOD member	2,607	2,440
Al Tayf for IT services	Owned by BOD member	949	-
Alyadoodah for General Trade Company	Owned by BOD member	-	3,080
		1,369,867	1,521,000

The Company has allocated an amount of JD 843,814 of the expected credit losses provision against the related parties balances as at 31 December 2022 and 31 December 2021.

	Nature of Relationship	2022	2021
		JD	JD
Checks under collection:			
Abu Jaber Ekhwan Company	Owned by Chairman of the BOD	96,747	126,747
		96,747	126,747
Accounts payable:			
Shareholders and Board of Directors	BOD Members	60,072	20,603
Specialized Logistics Services Company	Owned by BOD member	286	286
Marina Plaza Hotel	Joint chairman	169	169
		60,527	21,058

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

	2022	2021
	JD	JD
Statement of Income items:		
Written premiums and commissions	765,304	925,259
Paid claims	458,011	579,108
Rent revenue	10,315	10,879

The following represent benefits summary (salaries and remunerations) for executive management:

	2022	2021
	JD	JD
Salaries and remunerations	785,803	744,620
Board of Directors' transportation (note 30)	35,625	30,000

(34) RISK MANAGEMENT

The Company manages different kinds of risks through its comprehensive strategy set out to identify risks and ways to address and mitigate them through the Risk Management Unit and the Investment Committee, where the risks are reviewed, and the necessary measures are taken to address risk and work to reduce that risk. In addition, all duty stations are responsible for identifying risks related to their activities, establishing appropriate controls and monitoring the continuity of their effectiveness. The Company is exposed to insurance risks, credit risk, liquidity risk and market risk.

Risk management process
The Board of Directors is responsible for the identification and control of risks. In addition, several other parties are responsible for the Company's risk management process.

Risk measurement and reporting systems
Risk monitoring and control, it is put into effect by monitoring the limits allowed for each type of risk. These limits reflect the Company's business strategy and the difference market factors surrounding it.

Information is collected from the different departments of the Company and analyzed to identify the expected risks that may result from it. This information is presented and explained to the Board of Directors.

A- Insurance Risk

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

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

Duplicate Claims

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

2- Claims development

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

Total - Motor Insurance:

The accident year	2018 and before	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	30,163,788	3,382,100	6,088,647	8,748,558	11,615,032	59,998,125
After one year	30,184,663	3,382,100	6,088,647	8,748,558	-	48,403,968
After two years	30,184,663	2,582,100	6,088,647	-	-	38,855,410
After three years	30,184,663	2,582,100	-	-	-	32,766,763
After four years	26,752,485	-	-	-	-	26,752,485
Present expectations for the accumulated claims	26,752,485	2,582,100	6,088,647	8,748,558	11,615,032	55,786,822
Accumulated payments	549,383	267,997	526,102	2,450,112	6,135,994	9,929,588
Liability as in the statement of financial position	2,347,639	1,162,742	1,052,846	1,874,906	5,479,038	11,917,171
Unreported	-	-	-	-	1,100,000	1,100,000
Deficit	27,266,766	1,951,361	4,509,699	4,423,540	-	38,151,366

Total – Marine and transportation

The accident year	2018 and before	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	1,035,837	22,502	66,947	54,312	32,947	1,212,545
After one year	1,035,837	16,528	66,947	54,312	-	1,173,624
After two years	1,014,328	16,528	66,947	-	-	1,097,803
After three years	988,283	16,528	-	-	-	1,004,811
After four years	988,283	-	-	-	-	988,283
Present expectations for the accumulated claims	988,283	16,528	66,947	54,312	32,947	1,159,017
Accumulated payments	937,733	18,802	49,978	51,534	24,656	1,082,703
Liability as in the statement of financial position	61,466	3,700	16,088	1,031	8,291	90,576
Unreported	-	-	-	-	1,812	1,812
Deficit	36,638	-	881	1,747	-	39,266

Total - fire and property:

The accident year	2018 and before	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	5,456,927	21,884,209	1,529,113	141,752	243,885	29,255,886
After one year	5,456,927	9,310,879	1,529,113	141,752	-	16,438,671
After two years	5,528,995	9,310,879	1,529,113	-	-	16,368,987
After three years	4,509,646	9,310,879	-	-	-	13,820,525
After four years	4,509,646	-	-	-	-	4,509,646
Present expectations for the accumulated claims	4,509,646	9,310,879	1,529,113	141,752	243,885	15,735,275
Accumulated payments	4,253,228	7,732,973	925,244	117,448	152,313	13,181,206
Liability as in the statement of financial position Outstanding claims	1,198,546	37,778	1,040,497	23,968	97,742	2,398,531
Unreported	-	-	-	-	23,985	23,985
Deficit	5,153	14,113,458	(436,628)	-	(6,170)	13,676,149

Total – Life Insurance

The accident year	2018 and before	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
At the ended of the year	757,301	87,495	134,864	-	173,645	1,153,305
After one year	757,301	87,495	134,864	-	-	979,660
After two years	757,301	87,495	134,864	-	-	979,660
After three years	757,301	87,495	-	-	-	844,796
After four years	757,301	-	-	-	-	757,301
Present expectations for the accumulated claims	757,301	87,495	134,864	-	173,645	1,153,305
Accumulated payments	264,529	64,023	121,864	-	144,522	594,938
Liability as in the statement of financial position	113,466	34,977	17,200	-	29,124	194,767
Unreported	-	-	-	-	10,000	10,000
Deficit	379,306	(11,505)	(4,200)	-	(1)	363,600

Total – Liability Insurance

The accident year	2018 and before	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
At the ended of the year	160,955	13,317	17,815	2,312	4,774	199,173
After one year	160,955	51,900	17,815	2,312	-	232,982
After two years	163,007	23,675	17,815	-	-	204,497
After three years	138,512	23,675	-	-	-	162,187
After four years	136,484	-	-	-	-	136,484
Present expectations for the accumulated claims	136,484	51,900	17,815	2,312	4,774	213,285
Accumulated payments	85,513	-	17,165	-	2,274	104,952
Liability as in the statement of financial position	27,812	12,375	150	1,800	2,500	44,637
Unreported	-	-	-	-	446	446
Deficit	47,630	942	500	512	-	49,584

Total – Other Insurance

The accident year	2018 and before	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
At the ended of the year	10,735	630	5,104	2,310	17,095	35,874
After one year	10,735	630	5,104	2,310	-	18,779
After two years	10,735	630	5,104	-	-	16,469
After three years	10,375	630	-	-	-	11,005
After four years	9,305	-	-	-	-	9,305
Present expectations for the accumulated claims	-	-	-	-	17,095	17,095
Accumulated payments	9,574	630	5,104	2,310	15,845	33,463
Liability as in the statement of financial position	-	-	-	12	1,250	1,262
Unreported	-	-	-	-	13	13
Deficit	1,161	-	-	(12)	-	1,149

Total – Medical Insurance

The accident year	2018 and before	2019	2020	2021	2022	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	1,329,345	333,860	182,075	243,970	283,775	2,373,025
After one year	-	-	-	-	-	-
After two years	-	-	-	-	-	-
After three years	-	-	-	-	-	-
After four years	-	-	-	-	-	-
Present expectations for the accumulated claims	1,329,345	333,860	182,075	243,970	283,775	2,373,025
Accumulated payments	1,329,345	333,860	171,526	205,929	-	2,040,660
Liability as in the statement of financial position	-	-	-	-	283,775	283,775
Unreported	-	-	-	-	316,873	316,873
Deficit	-	-	10,549	38,041	-	48,590

- The amounts of recoveries have been subtracted from the total amount of claims mentioned above.

3- Insurance Risk Concentrations

The schedules below present risk concentration based on insurance type and the geographical distribution.

Liabilities for insurance policy are concentrated according to the types of insurance as follows:

Insurance types	2022		2021	
	Net	Gross	Net	Gross
	JD	JD	JD	JD
Motor	18,154,011	20,191,606	15,600,027	17,663,898
Marine and transportation	32,109	170,462	41,212	213,135
Fire and properties	294,496	3,350,295	273,429	3,280,340
Liability	51,704	125,154	64,276	160,877
Medical	2,741,004	4,210,460	1,767,290	3,552,259
Aviation	-	-	946	16,525
Others	6,706	16,697	12,816	20,117
Life	98,844	334,062	99,195	332,476
Total	21,378,874	28,398,736	17,859,191	25,239,627

The assets and liabilities of insurance contracts according to geographical distribution are as follows:

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Inside Jordan	43,356,054	24,581,884	39,730,125	22,582,242
Other Middle East Countries	625,026	915,958	475,951	1,100,875
Europe	141,496	1,373,109	197,999	204,009
Total	44,122,576	26,870,951	40,404,075	23,887,126

The table below presents the total accounts receivables, accounts payables, and off-statement of financial position items according to sector.

	2022			2021		
	Assets	Liabilities	Items off balance sheet	Assets	Liabilities	Items off balance sheet
	JD	JD	JD	JD	JD	JD
By Sector						
Private sector	8,739,239	4,678,262	-	7,029,800	5,404,100	-

4- Reinsurance Risk

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

In order to reduce its exposure to major losses arising from the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies it deals with while monitoring credit concentrations coming from geographic areas and activities or economic components similar to those companies. Moreover, the reinsurance policies issued do not exempt the Company from its obligations towards 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.

5- Insurance Risk Sensitivity

The table below shows the possible reasonable effect of the premiums price on the statement of income and equity keeping all other variables constant.

Insurance type	Change	Effect on the written premiums	Effect on the current year pre-tax profit	Effects on the equity*
	%	JD	JD	JD
Life	10	30,547	9,862	7,298
Motor	10	1,415,718	1,101,833	815,356
Marine and transportation	10	35,540	5,456	4,037
Fire and property	10	271,477	24,883	18,413
Liability	10	28,649	10,598	7,843
Medical	10	993,049	500,556	370,411
Aviation	10	-	95	70
Others	10	6,687	6,313	4,672
		2,781,667	1,659,596	1,228,100

* Net after deducting income tax effect.

If there is negative change the effect equals the change above with changing the sign.

The table below shows the possible reasonable effects of the claims cost on the statement of income and equity keeping all other variables constant.

Insurance type	Change	Effect on the claims	Effect on the current year pre-tax profit	Effects on the equity*
	%	JD	JD	JD
Life	10	14,452	3,778	2,796
Motors	10	990,256	880,001	651,201
Marine and transportation	10	3,544	(515)	(381)
Fire and property	10	32,512	2,123	1,571
Liability	10	986	(327)	(242)
Medical	10	886,391	456,128	337,535
Aviation	10	-	-	-
Others	10	915	965	714
		1,929,056	1,342,153	993,194

* Net after deducting income tax effect.

If there is negative change the effect equals the change above with changing the sign.

(B) Financial Risks

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

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

1- Market Risks

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

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

- Interest Rate Risk

The Company is exposed to interest rate risk on its assets which are bearing interest such as bank deposits.

The annual interest rate on the deposits in Jordanian Dinar ranged between 4.25% to 5.625% during the year ended 31 December 2022 (note 3).

The following table demonstrates the sensitivity of the statement of income to reasonably possible changes in interest rates as at 31 December 2022 and 2021, with all other variables held constant.

The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's profit for one year based on the floating rate financial assets as at 31 December 2022 and 2021.

2022 -

Currency	Change	Effects on the current year pre-tax profit
	%	JD
Jordanian Dinar	1	1,110,000

If there is negative change the effect equals the change above with changing the sign.

2021 -

Currency	Change	Effects on the current year pre-tax profit
	%	JD
Jordanian Dinar	1	832,080

If there is negative change the effect equals the change above with changing the sign.

- Foreign currencies risk:

The foreign currencies risks are the risks relating to the change in the value of the financial instruments due to the change in the foreign currencies exchange rates. Moreover, the Jordanian Dinar is considered the Company's functional currency. The Board of Directors sets the limits for the financial position of each currency at the Company. Additionally, the foreign currencies positions are monitored daily.

Strategies are adopted to ensure that the positions of foreign currencies are maintained within the approved limits.

The Company's transactions in U.S. Dollar have negligible currency risk since the Jordanian Dinar is fixed against the U.S. Dollar (USD 1.41 for each one JD)

2- Liquidity Risk:

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

The Company monitors its liquidity by ensuring availability of funds to meet its obligations at their maturity date.

Most of the Company's term deposits as at 31 December 2022 mature within 3 months.

The table below summarizes the maturity profile of the Company's financial liabilities (based on contractual undiscounted payments from the date of the financial statements):

	Less than month	1 month to 3 months	3-6 months	6 months to 1 year	1-3 years	More than 3 years	Total
	JD	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*
2022 -							
Liabilities:							
Accounts payable	1,052,362	151,380	136,170	268,144	350,855	-	1,958,911
Reinsurance payables	472,816	117,682	727,632	1,007,155	394,066	-	2,719,351
Other liabilities	80,452	-	37,750	72,366	-	-	190,568
Total liabilities	1,605,630	269,062	901,552	1,347,665	744,921	-	4,868,830
Assets	6,624,223	4,752,502	8,528,206	3,969,023	281,500	19,967,122	44,122,576

	Less than month	1 month to 3 months	3-6 months	6 months to 1 year	1-3 years	More than 3 years	Total
	JD	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*
2021 -							
Liabilities:							
Accounts payable	537.628	194.773	785.098	569.802	855.713	-	2,372,209
Reinsurance payables	1.047.174	679.423	106.060	217.637	321.915	-	3,031,891
Other liabilities	63.764	-	32.126	63.747	-	-	159.637
Total liabilities	1.648.566	874.196	923.284	851.186	680,273	-	5,563,737
Assets	4.268.387	3.580.799	5.446.497	4.346.497	2,529,329	20.232.566	40.404.075

3- Credit risk:
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Company seeks to limit its credit risk with respect to banks by only dealing with reputable banks and setting credit limits for majority of customers and monitoring outstanding receivables.

(35) ANALYSIS OF MAIN SECTORS

A- Background for the Company business sectors

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

B- Geographic concentration of risk

The table below shows the geographic distribution of revenues and capital expenditure.

	Inside Jordan		Outside Jordan		Total	
	2022	2021	2022	2021	2022	2021
	JD	JD	JD	JD	JD	JD
Total revenues	17,327,493	15,134,250	1,793,325	916,082	19,120,818	16,050,332
Total Assets	43,356,054	39,730,125	766,522	673,950	44,122,576	40,404,075
Capital expenditure	99,988	25,114	-	-	99,988	25,114

(36) CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios on order to support its business and maximize shareholders value.

The Company manages its capital structure and makes adjustment to it on light of changes in business conditions. No changes were made in the objectives, policies or processes during this year and the prior year.

In the opinion of the Company's management, the regulatory capital is compatible with and adequate to the size of capital and nature of risks to which the Company is exposed.

The amount considered by the Company as capital and solvency ratio, as follows:

	2022	2021
	JD	JD
Capital available *	19,453,750	17,758,415
Capital required -		
Assets risks	6,695,148	7,217,680
Policy liabilities	3,422,948	2,785,946
Reinsurance credit risks	35,577	41,849
Life insurance risk	140,362	159,122
Total capital required	10,294,035	10,204,596
Solvency ratio*	189	174

* The Company's solvency ratio before deducting over limits in "Instructions to invest insurance Company's funds and to determine the nature of the insurance Company's assets and their positions corresponding to their obligations" No. (2) for 2006. The minimum solvency margin is 150% in accordance to Insurance Administrations' regulations.

(37) MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

2022 -	Within1 year	More than 1 year	Total
	JD	JD	JD
Assets -			
Deposits at banks	11,089,100	-	11,089,100
Financial assets at fair value through profit and loss	-	5,692,404	5,692,404
Financial assets at fair value through other comprehensive income	108,247	-	108,247
Financial assets at amortized cost	-	3,547,001	3,547,001
Investment properties	-	4,833,647	4,833,647
Cash on hands and at bank	896,423	-	896,423
Checks under collection	2,343,464	11,093	2,354,557
Account receivable, net	8,190,705	-	8,190,705
Reinsurance receivables, net	548,534	-	548,534
Deferred tax assets	-	662,385	662,385
Property and equipment, net	-	4,580,828	4,580,828
Intangible assets, net	-	9,281	9,281
Other assets	986,592	622,872	1,609,464
Total Assets	24,163,065	19,959,511	44,122,575
Liabilities -			
Unearned premiums reserve, net	9,565,769	-	9,565,769
Outstanding claims reserve, net	4,067,857	7,705,375	11,773,232
Mathematical reserve, net	39,873	-	39,873
Account payables	1,608,056	350,855	1,958,911
Reinsurance payable	2,325,285	394,066	2,719,351
Other provisions	187,607	59,883	247,490
Income tax provision	348,893	-	348,893
Deferred tax liabilities	-	26,864	26,864
Other liabilities	190,568	-	190,568
Total Liabilities	18,333,908	8,537,043	26,870,951
	5,829,157	11,422,468	17,251,625

2021 -	Within1 year	More than 1 year	Total
	JD	JD	JD
Assets -			
Deposits at banks	8,310,717	-	8,310,717
Financial assets at fair value through profit and loss	125,322	-	125,322
Financial assets at fair value through other comprehensive income	-	5,429,328	5,429,328
Financial assets at amortized cost	-	4,547,001	4,547,001
Investment properties	-	4,770,930	4,770,930
Cash on hands and at bank	628,387	-	628,387
Checks under collection	1,480,714	533,864	2,014,578
Account receivable, net	6,678,416	-	6,678,416
Reinsurance receivables, net	351,384	-	351,384
Deferred tax assets	-	687,298	687,298
Property and equipment, net	-	4,657,048	4,657,048
Intangible assets, net	-	15,639	15,639
Other assets	2,188,027	-	2,188,027
Total Assets	19,762,967	20,641,108	40,404,075
Liabilities -			
Unearned premiums reserve, net	6,728,139	-	6,728,139
Outstanding claims reserve, net	7,716,215	3,364,929	11,081,144
Mathematical reserve, net	50,368	-	50,368
Account payables	1,513,210	858,999	2,372,209
Reinsurance payable	2,713,262	318,629	3,031,891
Other provisions	136,095	40,243	176,338
Income tax provision	260,536	-	260,536
Deferred tax liabilities	-	26,864	26,864
Other liabilities	159,637	-	159,637
Total Liabilities	19,277,462	4,609,664	23,887,126
	485,505	16,031,444	16,516,949

(38) LAWSUITS RAISED BY AND AGAINST THE COMPANY

The Company is a defendant in a number of lawsuits, the management believes that the provision recorded as of 31 December 2022 which amounted to JD 5,788,977 (2021: JD 6,029,845) is sufficient to meet obligations that may arise from the lawsuits.

The value of the cases filed by the Company on others, amounted to JD 4,973,304 as of 31 December 2022 (JD 4,020,874 as of 31 December 2021) represented in accounts receivable and checks returned resulted from the Company's normal business.

(39) CONTINGENT LIABILITIES

As at 31 December 2022, the Company has contingent liabilities represented in letter of guarantees with an amount of JD 219,083 (JD 181,124 as at 31 December 2021).

(40) FAIR VALUE

Financial assets comprise of financial assets and financial liabilities.

The Company uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows the analysis of financial instruments at fair value and in the hierarchy mentioned above:

	Level 1	Level 2	Total
31 December 2022-	JD	JD	JD
Financial assets at fair value through statement of profit or loss	108,247	-	108,247
Financial assets at fair value through comprehensive Income	5,692,404	-	5,692,404
Financial assets at amortized cost	3,547,001	-	3,547,001
31 December 2021-			
Financial assets at fair value through statement of profit or loss	125,322	-	125,322
Financial assets at fair value through comprehensive Income	5,429,328	-	5,429,328
Financial assets at amortized cost	4,547,001		4,547,001

(41) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

IFRS 17 Insurance Contracts

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

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

The standard will be applied retrospectively on1 January 2023, with early application permitted for entities that applied International Financial Reporting Standards (9) and International Financial Reporting Standards (15) before or on the date of application of International Financial Reporting Standards (17).

The implementation of the project is governed by the audit committee where provides oversight and governance over the project. The audit committee comprises of independent members in addition to executive management from all relevant departments to review implementation of the project in collaboration with the external consultant appointed by the Company to manage the project. The external consultant prepares the Company's policies in accordance with the standard requirements and determines the actuarial methodologies along with reviewing the contracts, classifying them and preparing the additional disclosure in accordance with the standard.

The management of the Company has completed the standard requirements and is currently working on the following requirements to complete the standard application project:

- Complete the preliminary financial statements in accordance with the standards as at 31 December 2022 and 2021.

- Ensure the system used/ linked to the Company's system is compatible with the Company's policies prepared and approved by the managements, in addition, reviewing the control procedures that will be applied to ensure the effectiveness of the system.

- Obtain the management approval including the technical department along with the external auditor approval on the opening balance after implementation.

- Prepare all disclosures that will be included in the financial statements in accordance with the standard.

- Prepare the management reporting model and key performance measures that will be used after the standard implementation.

- Hold training courses for all relevant employees in addition with the executive management on the application of the standard.

The Company's financial statements will be impacted by the application of the standard. Below is an assessment of the expected impact of applying the standard, as the Company has not yet completed a study of all aspects that will be affected by the application of the standard:

Measurement models
Measurement is not carried out at the level of individual insurance contracts, but on the basis of Company of contracts. To allocate individual insurance contracts to groups of contracts, an entity needs to define portfolios of insurance contracts which include contracts with similar risks that are managed together. These portfolios are to be subdivided into groups of contracts based on profitability and issuing year. IFRS 17 consists of three measurement models: premium allocation approach, general measurement model and variable fees approach.

General measurement model
According to the general measurement model, the measurement of insurance contracts consists of fulfillment cash flows from the insurance contract plus the contractual service margin ("CSM"). The fulfilment cash flows represent the risk adjusted present value of the Company's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting and an explicit risk adjustment for non-financial risk.

This risk adjustment is to cover the risk of uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The contractual service margin("CSM") represents the unearned profit from in-force contracts that the Company will recognize as it provides services over the coverage period.

At inception, the contractual service margin cannot be negative. If the fulfilment cash flows lead to a negative contractual service margin at inception, it will be set to zero and the negative amount will be recorded immediately in the statement of profit and loss.

At the end of a reporting period, the carrying amount of a group of insurance contracts is the sum of the liability for remaining coverage and the liability of incurred claims. The liability for remaining coverage consists of the fulfilment cash flows related to future services and the contractual service margin, while the liability for incurred claims consists of the fulfillment cash flows related to past services.

The contractual service margin is adjusted for changes in cash flows related to future services and for the interest accretion at fixed interest rates on initial recognition of the group of contracts. Revenue is recognized by releasing part from the contractual service margin recognized in profit or loss for each period to reflect the services provided in that period based on "coverage units". IFRS 17 only provides principle-based guidance on how to determine these coverage units.

Premium Allocation Approach

The premium allocation approach is an optional simplified approach for the measurement of the liability of remaining coverage, an entity may choose to use the premium allocation approach when the measurement s not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

Insurance revenues and expenses for insurance services are recognized in the statement of profit or loss based on the concept of services that were provided during the period. The standard requires to recognise the losses immediately in the profit or losses statement for the contract that are expected to be loss-incurred contract. For insurance contracts measured under the Premium Allocation Approach, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Company's focus is to grow a profitable and sustainable business and does not anticipate the recognition of onerous contracts except where the following have been identified:

- Relevant pricing decisions.
- Initial stages of a new business acquired where the underlying contracts are onerous.
- Any other strategic decisions the management considers appropriate.

The Company applies the premium allocation approach to groups of insurance contracts that it issues and groups of reinsurance contracts that it holds where the coverage period is 12 months or less.

The Company performed the premium allocation approach eligibility assessment for the groups of contracts where the coverage period is more than 12 months. Based on the premium allocation approach, the Company expects all of its contracts to be eligible for premium allocation approach, except for the long-term individual life insurance that expected to be measured at general measurement model.

The measurement of the liability for incurred claims is consistent for all three measurement models, except for the determination of fixed interest rates used for discounting. The Company adjusts the risks for non-financial risks, which are estimated separately from the other estimates for the liability for incurred claims. This risk adjustment is to cover the risk of uncertainty about the amount and timing of the cash flows that arises from non-financial risk The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts.

Variable fee approach
The variable fee approach is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts.

An insurance contract has a direct participation feature if the following three requirements are met:

- The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items.
- The Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items.
- The Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The Standard does not require separate adjustments to be identified for changes in the contractual service margin arising from changes in the amount of the entity's share of the fair value of the underlying items and changes in estimates of fulfilment cash flows relating to future services. A combined amount might be determined for some or all the adjustments.

Under the Variable fee approach, adjustments to the contractual service margin are determined using current discount rates whereas under the general model, adjustments are determined using discount rates locked in at inception of a group of insurance contracts.

In contrast to insurance contracts measured under the general measurement model, the contractual service margin for contracts with direct participation features is not explicitly adjusted for the accretion of interest since the adjustment of the contractual service margin for the changes in the amount of the entity's share of the fair value of underlying items already incorporates an adjustment for financial risks, and this represents an implicit adjustment using current rates for the time value of money and other financial risks.

Transition

When the standard is applied on 1 January 2023 which is the initial application date, the standard should be applied full retrospectively unless impracticable. When full retrospective application of the standard is impractical, IFRS 17 allows for alternation transition method as follows:

- A modified retrospective approach that specifies modifications to full retrospective application. This approach allows insurers that lack limited information to achieve opening transition balances that are as close to the retrospective application as possible, depending on the amount of reasonable and supportable information available to that insurer. Each modification would increase the difference between the modified retrospective approach and the outcome that would have been obtained if a fully retrospective approach had been applied.

- A fair value approach that uses the fair value of the contracts at the date of transition to determine a value for the contractual service margin ('CSM'). This approach enables the Company to determine the opening transition balances, even if the Company does not have reasonable and supportable information about the contracts that exist at the transition date.

Impact on transition to IFRS 17

The management anticipates that the implementation of IFRS 17 will have an effect on the amounts reported and disclosures made in these financial statements with regard to its issued and retained insurance and reinsurance contracts. Opening equity is anticipated to be significantly influenced according to the Company's estimates due to the following factors:

- risk adjustment assumptions.
- Impact of onerous contracts identified, if any.
- Impact of discounted cash flows.
- risk of non-performance of expected liabilities from the reinsurance companies.

The Company has not completed the preparation of a study related to evaluate the impact of the standard's application on the Company's financial statements. It is expected that this study will be completed during the first quarter of the year 2023.

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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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

Definition of Accounting Estimates - Amendments to IAS 8

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

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

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

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

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

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied 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 presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

(42) COMPARATIVE FIGURES

Some of 2021 figures have been reclassified in order to conform with the presentation of 2022 figures. Such reclassification did not affect previously reported profits or equity.

(43) STATEMENT OF FINANCIAL POSITION FOR LIFE

	2022	2021
	JD	JD
Assets -		
Deposits at banks	400,000	400,000
Total investments	400,000	400,000
Account receivable	135,861	100,661
Reinsurance receivables	108,423	116,717
Property and equipment	12	21
Total assets	644,296	617,399
Technical reserves-		
Outstanding claim reserve, net	58,971	49,288
Mathematical reserve, net	39,873	50,368
Total Technical Reserves	98,844	99,656
Other liabilities -		
Account payables	43,934	48,345
Reinsurance payables	279,203	276,995
Total Liabilities	421,981	424,996
Head Office equity		
Head Office current account	158,174	134,177
Profit for the year	64,141	58,226
Total liabilities and Head office equity	644,296	617,399