Al-Manara Islamic Insurance Company

Public Shareholding Company

Consolidated Financial Statements

31 December 2022

(Reissued)

The accompanying consolidated financial statements replace the consolidated financial statements that were previously issued on 16 July 2023, and thus are considered the legal consolidated financial statements for the year ended 31 December 2022, as disclosed in note (43) of the accompanying consolidated financial statements.

Al-Manara Islamic Insurance Company
Public Shareholding Company

Arab Professionals
The Home of Excellence

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INDEPENDENT AUDITOR'S REPORT

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

Opinion
We have audited the consolidated financial statements of **Al-Manara Islamic Insurance Company (PSC),** which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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

Emphasis of matters
- As disclosed in note (38) of the accompanying consolidated financial statements, Company's solvency margin as at 31 December 2022 is below the minimum margin determined by the Central Bank of Jordan which the amounts to (150%).

- As disclosed in note (43) of the accompanying consolidated financial statements, the Company's board of directors reissued the accompanying consolidated financial statements in coordination with the Central Bank of Jordan.

Other matter
This auditor's report replaces our report that was previously issued on 16 July 2023, noting that we did not perform any additional audit procedures except for what is disclosed in note (43) of the accompanying consolidated financial statements.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, have been of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

(1) Provision for Expected Credit Loss
Included in the accompanying consolidated financial statements at the end of the year 2022 financial assets totaling JOD (18,043,324), as the provision for the expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

(2) Deferred Tax Assets

Included in the accompanying consolidated financial statements at the end of the year 2022 deferred tax assets totaling JOD (1,222,698), as the expected benefits of these assets is primarily dependent on the Company's ability to generate adequate future profits, and since forecasting future profits is based on the Company's assumptions and estimates, determining the future benefits of the deferred tax assets is considered a key audit matter. The audit procedures performed by us to address this key audit matter included discussing the recoverability of the deferred tax assets with the Company's tax advisors and testing of the Company's budgeting procedures upon which the forecasts are based. We have also considered the appropriateness of its calculation and disclosure in the consolidated financial statements.

(3) Claims Reserve

Included in the accompanying consolidated financial statements at the end of the year 2022 claims reserve totaling JOD (5,864,977), as the calculation of this reserve is dependent on several assumptions and estimates, the assessment of its adequacy is considered a key audit matter. The audit procedures performed by us to address this key audit matter included challenging the appropriateness of the estimates and assumptions used by management to determine this reserve. Our challenge was based on the assessment of the historical accuracy of the Company's estimates on previous periods, identification and analysis of changes in assumptions from prior periods and an assessment of the consistency of assumptions. We have also obtained formal confirmation from the Company's external Actuary regarding the adequacy of this reserve.

(4) Expected refunds from return cases

Included in the accompanying consolidated financial statements at the end of the year 2022 amounts expected to be recovered from the parties that cause Motors accidents, which fall within the refund cases stipulated in the compulsory vehicle insurance system, totaling JOD (1,207,691), and since the company's benefit from these expected recoveries depends mainly on The amounts that will be collected from those refunds, the extent to which the company benefits from those refunds is considered a key audit matter. the audit procedures performed by us to address this key audit matter included inquiring about the procedures taken to follow up on the collection of these refunds and following up on the amounts collected post year end, and also by discussing the matter with the company's legal advisor about the possibility of collecting them and ensuring the mechanism of their calculation in accordance with the decisions of the Central Bank of Jordan.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 consolidated 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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
Al-Manara Islamic Insurance Company maintains for the year ended 31 December 2022 proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report, and we recommend the General Assembly to approve it.

23 August 2023
Amman – Jordan

Arab Professionals Public Accountants

Arab Professionals
Ibrahim Hammoudeh
License No. (606)

Al-Manara Islamic Insurance Company
Public Shareholding Company
Consolidated Statement of Financial Position
As at 31 December 2022

(In Jordanian Dinar)

	Notes	2022	2021
Assets			
Investments			
Bank deposits	3	7,297,995	8,578,767
Financial assets at fair value through other comprehensive income	4	1,510,178	1,972,129
Financial assets at fair value through profit or loss	5	90,091	-
Financial assets at amortized cost	6	190,142	190,142
Investment property	7	1,463,753	1,231,586
Total Investments		**10,552,159**	**11,972,624**
Cash on hand and at banks	8	164,025	700,326
Checks under collection	9	2,024,774	2,280,309
Accounts receivable - net	10	3,245,586	2,454,279
Reinsurers receivables	11	509,230	414,657
Deferred tax assets	12	1,222,698	1,262,780
Property and equipment - net	13	4,142,361	3,893,988
Other assets	14	949,131	495,368
Total assets		**22,809,964**	**23,474,331**
Liabilities and Equity			
Liabilities			
Unearned premiums reserve - net		5,555,350	6,457,188
Outstanding claims reserve – net		5,864,977	5,777,013
Total Technical Reserves		**11,420,327**	**12,234,201**
Accounts payable	15	1,353,075	1,357,834
Reinsurers payables	16	2,630,775	2,080,135
Credit facilities	17	1,169,931	1,436,610
Other provisions	18	62,644	62,644
Income tax provision		27,802	27,380
Other liabilities	19	1,335,193	1,392,215
Total Liabilities		**17,999,747**	**18,591,019**
Equity			
Authorized capital (5,600,000 JOD/ share)			
Paid in capital	20	5,600,000	5,600,000
Share discount	21	(69,118)	(69,118)
Statutory reserve	22	234,243	234,243
Voluntary reserve	23	182,726	182,726
Cumulative changes in fair value	24	(366,441)	(306,657)
Accumulated losses	25	(771,193)	(757,882)
Total Equity		4,810,217	4,883,312
Total Liabilities and Equity		**22,809,964**	**23,474,331**

"The attached notes from (1) to (43) are an integral part of these consolidated financial statements"

Al-Manara Islamic Insurance Company
Public Shareholding Company
Consolidated Statement of Profit or Loss
For the Year Ended 31 December 2022

(In Jordanian Dinar)

	Notes	2022	2021
Revenues			
Gross written premiums		17,019,274	18,362,926
Less: Reinsurers' share		(4,334,221)	(4,521,483)
Net written premiums		12,685,053	13,841,443
Net change in unearned premiums reserve		901,838	(345,583)
Net earned premiums		13,586,891	13,495,860
Commissions revenues		180,190	237,473
Insurance policies issuance fees		717,727	552,768
Other underwriting revenues		622,088	637,705
Interest income	26	247,641	306,942
Gains from financial assets and investments, net	27	88,799	58,187
Other revenues	28	516,286	4,151
Total Revenues		**15,959,622**	**15,293,086**
Claims, losses and expenses			
Paid claims		14,967,634	12,618,723
Less: Recoveries		(1,279,850)	(1,005,315)
Less: Reinsurers' share		(1,714,287)	(1,885,533)
Add: Reinsurers' share from recoveries		1,079	52,937
Net paid claims		11,974,576	9,780,812
Net change in claims reserve		87,964	2,211,459
Allocated administrative expenses	29	636,919	536,810
Allocated employees expenses	30	1,196,420	1,167,099
Excess of loss premiums		389,746	302,508
Policies acquisition costs		498,298	1,110,381
Other underwriting expenses		461,307	483,040
Net Claims		**15,245,230**	**15,592,109**
Unallocated administrative expenses	29	159,230	134,203
Unallocated employees expenses	30	299,105	291,775
Depreciation	13	101,474	87,438
Provision for expected credit losses		326,620	154,309
Other expenses		422	-
Total Expenses		**886,851**	**667,725**
Loss for the year before tax		**(172,459)**	**(966,748)**
Income and National Contribution tax (expense) excess for the year	12	(40,082)	168,645
Loss for the year		**(212,541)**	**(798,103)**
Basic and diluted losses per share	31	**(0.038)**	**(0.143)**

"The attached notes from (1) to (43) are an integral part of these consolidated financial statements"

Al-Manara Islamic Insurance Company
Public Shareholding Company
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2022

(In Jordanian Dinar)

	Notes	2022	2021
Loss for the year		(212,541)	(798,103)
Other comprehensive income items:			
Change in fair value of financial assets through other comprehensive income	24	139,446	138,468
Total comprehensive loss for the year		**(73,095)**	**(659,635)**

"The attached notes from (1) to (43) are an integral part of these consolidated financial statements"

Al-Manara Islamic Insurance Company
Public Shareholding Company
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022

(In Jordanian Dinar)

	Paid - In Capital	Share Discount	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Accumulated Losses	Total Equity
Balance as at 1 January 2022	**5,600,000**	**(69,118)**	**234,243**	**182,726**	**(306,657)**	**(757,882)**	**4,883,312**
Total comprehensive income for the year	-	-	-	-	139,446	(212,541)	(73,095)
Gain from sale of financial assets at fair value through other comprehensive income	-	-	-	-	(199,230)	199,230	-
Balance as at 31 December 2022	**5,600,000**	**(69,118)**	**234,243**	**182,726**	**(366,441)**	**(771,193)**	**4,810,217**
Balance as at 1 January 2021	**5,484,803**	**(290,882)**	**234,243**	**182,726**	**(483,583)**	**369,561**	**5,496,868**
Capital increase	115,197	(69,118)	-	-	-	-	46,079
Share discount redemption	-	290,882	-	-	-	(290,882)	-
Total comprehensive income for the year	-	-	-	-	138,468	(798,103)	(659,635)
Loss from sale of financial assets at fair value through other comprehensive income	-	-	-	-	38,458	(38,458)	-
Balance as at 31 December 2021	**5,600,000**	**(69,118)**	**234,243**	**182,726**	**(306,657)**	**(757,882)**	**4,883,312**

"The attached notes from (1) to (43) are an integral part of these consolidated financial statements"

Al-Manara Islamic Insurance Company
Public Shareholding Company
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2022

(In Jordanian Dinar)

	Notes	2022	2021
Operating activities			
Loss for the year before tax		(172,459)	(966,748)
Depreciation	13	101,474	87,438
Provision for expected credit losses		326,620	154,309
Net change in unearned premiums reserve		(901,838)	345,583
Net change in claims reserve		87,964	2,211,459
Unneeded impairment provision for property & equipment		(177,265)	-
Changes in working capital			
Checks under collection		255,792	99,109
Accounts receivable		(1,133,361)	(386,590)
Reinsurers receivables		(80,676)	(33,879)
Other assets		(453,763)	(96,527)
Accounts payable		(4,759)	354,330
Reinsurers payables		550,640	537,049
Financial assets at fair value through profit or loss		(90,091)	-
Other provisions		-	7,374
Other liabilities		(56,600)	(18,456)
Net cash flows (used in) from operating activities		(1,748,322)	2,294,451
Investing Activities			
Property and equipment		(172,582)	(1,698,220)
Deposits mature after three months		(876,929)	600,081
Financial assets at fair value through other comprehensive income		601,395	(1,099,718)
Investment property		(232,167)	-
Net cash flows used in investing activities		(680,283)	(2,197,857)
Financing activities			
Capital increase		-	46,079
Credit facilities		(266,679)	1,436,610
Net cash flows (used in) from financing activities		(266,679)	1,482,689
Net change in cash and cash equivalents		(2,695,284)	1,579,283
Cash and cash equivalents, beginning of year		2,859,309	1,280,026
Cash and cash equivalents, end of year	32	**164,025**	**2,859,309**

"The attached notes from (1) to (43) are an integral part of these consolidated financial statements"

Al-Manara Islamic Insurance Company
Public Shareholding Company
Statement of Underwriting Revenues For the General Insurance For the Year Ended 31 December 2022
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damages		Liability		Medical		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Written Premiums:																
Direct insurance	10,907,594	12,873,929	166,438	103,806	-	-	1,146,728	1,053,130	116,570	472,544	2,299,942	1,903,071	395,036	189,513	**15,032,308**	**16,595,993**
Facultative inward reinsurance	580,592	909,455	46,525	80,118	2,698	2,698	862,296	359,106	483,281	415,135	-	-	11,574	421	**1,986,966**	**1,766,933**
Total premiums	**11,488,186**	**13,783,384**	**212,963**	**183,924**	**2,698**	**2,698**	**2,009,024**	**1,412,236**	**599,851**	**887,679**	**2,299,942**	**1,903,071**	**406,610**	**189,934**	**17,019,274**	**18,362,926**
Less:																
Local reinsurance share	993,557	1,114,319	-	-	-	-	30,907	27,874	33,808	-	-	-	41,318	629	**1,099,590**	**1,142,822**
Foreign reinsurance share	-	-	197,973	160,368	-	-	1,901,785	1,303,066	503,727	838,980	459,473	1,009,413	171,673	66,834	**3,234,631**	**3,378,661**
Net written premiums	**10,494,629**	**12,669,065**	**14,990**	**23,556**	**2,698**	**2,698**	**76,332**	**81,296**	**62,316**	**48,699**	**1,840,469**	**893,658**	**193,619**	**122,471**	**12,685,053**	**13,841,443**
Add:																
Balance at the beginning of the year																
Unearned premiums reserve	6,478,644	5,917,031	46,641	17,177	2,469	2,469	417,601	340,860	239,540	174,713	808,939	698,639	**151,698**	82,811	**8,145,532**	**7,233,700**
Less: Reinsurers' share	449,105	103,390	41,060	14,348	-	-	386,996	310,168	216,023	162,205	515,892	488,301	**79,268**	43,683	**1,688,344**	**1,122,095**
Net beginning unearned premiums	**6,029,539**	**5,813,641**	**5,581**	**2,829**	**2,469**	**2,469**	**30,605**	**30,692**	**23,517**	**12,508**	**293,047**	**210,338**	**72,430**	**39,128**	**6,457,188**	**6,111,605**
Less:																
Balance at the end of the year																
Unearned premiums reserve	4,788,781	6,478,644	53,241	46,641	2,476	2,469	917,545	417,601	269,751	239,540	990,667	808,939	194,098	151,698	**7,216,559**	**8,145,532**
Less: Reinsurers' share	177,091	449,105	49,189	41,060	-	-	881,723	386,996	242,392	216,023	197,905	515,892	112,909	79,268	**1,661,209**	**1,688,344**
Net ending unearned premiums	4,611,690	6,029,539	4,052	5,581	2,476	2,469	35,822	30,605	27,359	23,517	792,762	293,047	81,189	72,430	**5,555,350**	**6,457,188**
Net earned revenues from written premiums	**11,912,478**	**12,453,167**	**16,519**	**20,804**	**2,691**	**2,698**	**71,115**	**81,383**	**58,474**	**37,690**	**1,340,754**	**810,949**	**184,860**	**89,169**	**13,586,891**	**13,495,860**

"The attached notes from (1) to (43) are an integral part of these consolidated financial statements"

Al-Manara Islamic Insurance Company
Public Shareholding Company
Statement of Claims Cost For the General Insurance For the Year Ended 31 December 2022
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damages		Liability		Medical		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Paid claims	12,658,497	10,529,349	31,896	23,311	-	-	72,482	446,877	12,945	11,835	2,135,041	1,580,447	56,773	26,904	**14,967,634**	**12,618,723**
Less:																
Recoveries	1,105,939	795,870	765	1,513	-	-	-	50,512	1,100	4026	172,046	152,549	-	845	**1,279,850**	**1,005,315**
Local reinsurers' share	816,146	423,649	-	-	-	-	-	-	-	-	-	-	-	-	**816,146**	**423,649**
Foreign reinsurers' share	78,925	-	24,080	16,637	-	-	66,287	428,825	8,408	4970	699,388	998,453	21,053	12,999	**898,141**	**1,461,884**
Add:																
Reinsurers' share from recoveries	15	-	564	1,106	-	-		49,986	500	1845	-	-	-	-	**1,079**	**52,937**
Net Paid Claims	**10,657,502**	**9,309,830**	**7,615**	**6,267**	-	-	**6,195**	**17,526**	**3,937**	**4684**	**1,263,607**	**429,445**	**35,720**	**13,060**	**11,974,576**	**9,780,812**
Add:																
Outstanding claims reserve at year end																
Reported claims	5,575,307	6,300,008	184,801	33,542	276,716	276,716	725,375	408,531	1,193,650	1,149,468	85,587	49,385	104,667	114,368	**8,146,103**	**8,332,018**
Incurred but not reported claims	2,166,261	1,532,636	2,497	618	-	-	1,984	3,000	636	4,500	-	10,000	42,190	3,925	**2,213,568**	**1,554,679**
Less: Reinsurers' share	634,261	776,961	160,702	24,033	276,716	276,716	683,588	390,655	1,146,571	1,139,468	27,946	33,421	44,028	60,428	**2,973,812**	**2,701,682**
Less: Recoveries	1,520,882	1,408,002	-	-	-	-	-	-	-	-	-	-	-	-	**1,520,882**	**1,408,002**
Net outstanding claims reserve at year end	**5,586,425**	**5,647,681**	**26,596**	**10,127**	**-**	**-**	**43,771**	**20,876**	**47,715**	**14,500**	**57,641**	**25,964**	**102,829**	**57,865**	**5,864,977**	**5,777,013**
Reported claims	3,420,164	4,115,045	24,099	9,509	-	-	41,787	17,876	47,079	10,000	57,641	15,964	60,639	53,940	**3,651,409**	**4,222,334**
Incurred but not reported claims	2,166,261	1,532,636	2,497	618	-	-	1,984	3,000	636	4,500	-	10,000	42,190	3,925	**2,213,568**	**1,554,679**
Less:																
Outstanding claims reserve at the beginning of the year																
Reported claims	6,300,008	4,692,811	33,542	5,862	276,716	276,716	408,531	495,471	1,149,468	1,135,470	49,385	35,598	114,368	49,177	**8,332,018**	**6,691,105**
Incurred but not reported claims	1,532,636	850,700	618	5,600	-	-	3,000	6,500	4,500	4,500	10,000	31,077	3,925	2,636	**1,554,679**	**901,013**
Less: Reinsurers' share	776,961	537,179	24,033	4,850	276,716	276,716	390,655	476,457	1,139,468	1,125,470	33,421	46,569	60,428	14,612	**2,701,682**	**2,481,853**
Less: Recoveries	1,408,002	1,544,711	-	-	-	-	-	-	-	-	-	-	-	-	**1,408,002**	**1,544,711**
Net outstanding claims reserve at the beginning of the year	**5,647,681**	**3,461,621**	**10,127**	**6,612**	**-**	**-**	**20,876**	**25,514**	**14,500**	**14,500**	**25,964**	**20,106**	**57,865**	**37,201**	**5,777,013**	**3,565,554**
Net claims cost	**10,596,246**	**11,495,890**	**24,084**	**9,782**	-	-	**29,090**	**12,888**	**37,152**	**4,684**	**1,295,284**	**435,303**	**80,684**	**33,724**	**12,062,540**	**11,992,271**

"The attached notes from (1) to (43) are an integral part of these consolidated financial statements"

Al-Manara Islamic Insurance Company
Public Shareholding Company
Statement of Underwriting (Loss) Profit For the General Insurance For the Year Ended 31 December 2022
(In Jordanian Dinar)

	Motors		Marine		Aviation		Fire and other property damages		Liability		Medical		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net earned revenues from written premiums	11,912,478	12,453,167	16,519	20,804	2,691	2,698	71,115	81,383	58,474	37,690	1,340,754	810,949	184,860	89,169	**13,586,891**	**13,495,860**
Less:																
Net claims cost	10,596,246	11,495,890	24,084	9,782	-	-	29,090	12,888	37,152	4,684	1,295,284	435,303	80,684	33,724	**12,062,540**	**11,992,271**
Net earned revenues from written premiums	1,316,232	957,277	(7,565)	11,022	2,691	2,698	42,025	68,495	21,322	33,006	45,470	375,646	104,176	55,445	**1,524,351**	**1,503,589**
Add:																
Commissions revenues	68	10,000	37,257	35,958	-	-	114,939	144,157	22,915	37,681	-	-	5,011	9,677	**180,190**	**237,473**
Insurance policies issuance fees	418,451	354,518	9,334	6,602	568	568	97,420	55,866	31,940	32,766	85,696	70,051	74,318	32,397	**717,727**	**552,768**
Other revenues	529,699	636,802	92,389	903	-	-	-	-	-	-	-	-	-	-	**622,088**	**637,705**
Total revenues	**2,264,450**	**1,958,597**	**131,415**	**54,485**	**3,259**	**3,266**	**254,384**	**268,518**	**76,177**	**103,453**	**131,166**	**445,697**	**183,505**	**97,519**	**3,044,356**	**2,931,535**
Less:																
Policies acquisition costs	393,091	961,400	20,108	12,987	-	-	57,194	83,917	2,094	9,279	15,682	35,216	10,129	7,582	**498,298**	**1,110,381**
Excess of loss premiums	355,746	271,297	-	-	-	-	34,000	31,811	-	-	-	(600)	-	-	**389,746**	**302,508**
Allocated administrative expenses.	1,516,763	1,279,158	2,166	17,069	390	-	11,032	131,062	9,006	82,380	265,998	176,613	27,984	17,627	**1,833,339**	**1,703,909**
Other expenses	195,781	310,690	1,939	1,082	15	-	13,946	10,803	2,024	2,478	227,565	156,281	20,037	1,706	**461,307**	**483,040**
Total expenses	2,461,381	2,822,545	24,213	31,138	405	-	116,172	257,593	13,124	94,137	509,245	367,510	58,150	26,915	**3,182,690**	**3,599,838**
Underwriting (loss) profit	**(196,931)**	**(863,948)**	**107,202**	**23,347**	**2,854**	**3,266**	**138,212**	**10,925**	**63,053**	**9,316**	**(378,079)**	**78,187**	**125,355**	**70,604**	**(138,334)**	**(668,303)**

"The attached notes from (1) to (43) are an integral part of these consolidated financial statements"

1 . General

Al-Manara Islamic Insurance Company (-Previously- Al-Manara Insurance and Al Bihar Al Arabia for Insurance Company before that) was incorporated as a public shareholding company during the year 1974 with paid-in capital of JOD (150,000) divided equally into (150,000) shares with par value JOD (1) per share. There were several adjustments on the Company's capital which became (5,600,000) JOD /share. The Company is engaged in the insurance activities including motors, fire and other property damages, personal accidents, marine, transportation, aviation, liability, and medical. The Company's head office is in the Hashemite Kingdom of Jordan.

Company's shares are listed in Amman Stock Exchange.

The accompanying consolidated financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 13 July 2023 and it is subject to the General Assembly approval.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards.

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

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

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

Principles of Consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

The following subsidiaries have been consolidated:

Company	Capital	Ownership	Establishment Country
Al Bihar Investment and Trading Company	79,503	100%	Jordan
Overseas for Investment in Real Estates Company	50,000	100%	Jordan
Abar for Investment and Real Estate Development Company	1,500	100%	Jordan

Subsidiary are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiary are consolidated in the statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company. The results of operation of the disposed subsidiary are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

Adoption of new IFRS standard

The following standard has been published that are mandatory for accounting periods after 31 December 2022.

Standard No.	Title of Standard	Effective Date
IFRS 17	Insurance Contracts	1 January 2023

The Company's management is performing an evaluation of IFRS 17 impact on the Company's consolidated financial statements

Business Sector

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

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

Use of Estimates

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

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

- A provision of doubtful debts is estimated by the management based on their principles and assumptions according to International Financial Reporting Standards.
- The financial year is charged with its related income tax in accordance with regulations.
- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the consolidated statement of profit or loss.
- The outstanding claim reserve and technical reserve are estimated based on technical studies and according to insurance administration regulations and filed actuarial studies.
- A provision on lawsuits 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 consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

Recognition of financial assets

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

Financial Assets at Fair Value through Profit or Loss
It is the financial assets held by the Company for the purpose of trading in the near future and achieving gains from the fluctuations in market prices in the short term or trading margins.
Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded at the consolidated statement of profit or loss upon acquisition) and subsequently measured at fair value. Moreover, changes in fair value are recorded in the consolidated statement of profit or loss including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of profit or loss.
Dividends from these financial assets are recorded in the consolidated statement of profit or loss.

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

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability

Financial assets at amortized cost
They are the financial assets which the Company's management intends according to its business model to hold for the purpose of collecting contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the outstanding principal.
Those financial assets are stated at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount are amortized using the effective interest rate method, and recorded to the interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or part therefore are deducted, and any impairment loss in its value is recorded in the consolidated statement of profit or loss.
The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

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

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

Financial Assets at Fair Value through Other Comprehensive Income
These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.
Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.
Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the consolidated statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or Loss from the sale of these investments should be recognized in the statement of comprehensive income and within owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings and not to the consolidated statement of profit or loss.
These assets are not subject to impairment testing.
Dividends are recorded in the consolidated statement of profit or loss on a separate line item.

Impairment of financial assets

The Company has changed the loan loss impairment method by replacing IAS 39's incurred loss approach with an expected credit loss approach as described by the provisions of IFRS 9.

The expected credit loss allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12 months' expected credit loss is the portion of lifetime expected credit loss that represent the expected credit loss that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its assets that are subject to impairment test into Stage 1, Stage 2, and Stage 3 as described below:

Stage 1: Includes financial instruments that have not deteriorated significantly in credit quality since initial recognition or that has low credit risk at the reporting date. At this stage, a 12-month expected credit losses are recognized and interest revenue is calculated on the gross carrying amount of the asset.

Stage 2: Includes financial instruments that have deteriorated significantly in credit quality since initial recognition but that do not have objective evidence of a credit loss event. At this stage, a lifetime expected credit losses are recognized Interest revenue is still calculated on the asset's gross carrying amount.

Stage 3: Includes financial assets that have objective evidence of impairment at the reporting date. At this stage, a lifetime expected credit losses are recognized Interest revenue is calculated on the net carrying amount (i.e. reduced for expected credit losses).

Investment property

Property held to earn rentals or for capital appreciation purposes as well as those held for undetermined future use are classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment losses. The cost of constructed property includes the cost of material and any other costs directly attributed to bringing the property to a working condition for its intended use.

Investment property is valued in accordance with Insurance Administration regulations, and its fair value is disclosed in the investment property note.

Cash and cash equivalents

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

Reinsurers' accounts

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

Impairment in reinsurance assets

In case there is any indication as to the impairment of the reinsurance assets of the Company, which possesses the reinsured contract, the Company has to reduce the present value of the contracts and record the impairment in the consolidated statement of profit or loss.

The impairment is recognized in the following cases only:

There is 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.

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

Property and equipment

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

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

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

Buildings	2%
Fixture & Furniture	10%
Computers	20%
Vehicles	15%
Machines and Equipment	15-20%

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

Reinsurance

The Company engages within its normal activities a variety of inward and outward reinsurance operations with other insurance and reinsurance companies 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 share of total liability, the Company bears the total loss. 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.

Provisions

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

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

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

A. Technical reserves

Technical reserves are provided for in accordance to the Insurance Commission’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.

B. End of service indemnity reserve

The end of service indemnity reserve for employees is calculated based on the Company’s policy and in accordance with Jordanian labor law.

The paid amounts as end of service for resigned employees are debited to this account. The Company’s obligation for the end of service is recorded in the consolidated statement of profit or loss.

Liability adequacy test

At each consolidated 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 consolidated statement of profit or loss.

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 consolidated statement of profit or loss because the accounting income contains expenditures and revenues that are not tax deductible in the current year but in the preceding years or the accepted accumulated losses or any other undeductibles for tax purposes.

   The taxes are calculated based on enacted tax percentages which are stated by laws and regulation in the Hashemite Kingdom of Jordan.

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 in the event that it will not be possible to benefit from those deferred tax assets partially or in whole, or to pay the tax liability.

Issuance or Purchase Insurance Company Shares

Any costs arise from issuance or purchase the insurance company share is recorded in the retained earnings account (Net of tax effect), if the purchase / issuance not completed and related expenses are charged to the consolidated statement of profit or loss.

Offsetting

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

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 consolidated financial statements and claims expenses are recognized in the consolidated statement of profit or loss based on the expected claim value to compensate 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 interest rate.

Expenditures recognition
All commissions and other costs related to the new or renewed insurance contracts are recorded in the consolidated statement of profit or loss during the period it occurred in and all other 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 include all payments paid during the year whether it's related to the current year or prior years. Outstanding claims represent the highest estimated amount to settle the claims resulting from events occurring before the date of consolidated financial statements but not settled yet.
Outstanding claim reserve is recorded based on the best available information at the date of consolidated financial statements and includes the IBNR.

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

Administrative expenses
Administrative expenses are distributed to each insurance division separately. Moreover, 80% of the non-distributable general and administrative expenses are allocated to different insurance departments based on the ratio of written premiums of the department to total premiums.

Employees' expenses
The traceable employees' expenses are allocated directly to insurance departments, and 80% of un-allocated employees' expenses are allocated based on earned premiums per department to total premiums.

Insurance policy acquisition cost
Acquisition costs represent the cost incurred by the Company for selling, underwriting or issuing new insurance contract, the acquisition cost is recorded in consolidated statement of profit or loss.

Short-term-leases and leases of low-value assets
The company applies the short-term lease recognition exemption to some of its short-term leases (I.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Foreign currency
Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the consolidated statement of profit or loss.

3 . Bank Deposits

	2022				2021
	Deposits mature within (1) month	Deposits mature after (1) month till (3) months	Deposits mature after (3) months till (1) year	Total	Total
Inside Jordan	-	-	7,305,300	7,305,300	8,587,354
Less: provision for expected credit losses /Deposits*	-	-	(7,305)	(7,305)	(8,587)
Total	**-**	**-**	**7,297,995**	**7,297,995**	**8,578,767**

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

	2022	2021
Balance at the beginning of the year	8,587	7,256
Provision for the year	-	1,331
Unneeded provision	(1,282)	-
Balance at the end of the year	**7,305**	**8,587**

- The annual interest rates on the deposits ranged between (%3.5) to (%6) during the year 2022, (3.5% to 4.25%: 2021).
- Deposits pledged to the favor of the Central Bank of Jordan Governor amounted to JOD (650,000) as at 31 December 2022 and (225,000) as at 31 December 2021.
- Total restricted deposits against credit facilities amounting to JOD (1,412,972) as at 31 December 2022.

4 . Financial Assets at Fair Value Through Other Comprehensive Income

	2022	2021
Inside Jordan:		
Investments in listed shares	1,125,582	1,587,533
Investments in unlisted shares	108,116	108,116
Total	**1,233,698**	**1,695,649**
Outside Jordan:		
Investments in unlisted shares*	276,480	276,480
Total	**1,510,178**	**1,972,129**

* The last valuation of the stock is based on the financial statements for the year 2021, since the financial statements for the year 2022 were not issued until the date of these financial statements.

5 . Financial Assets at Fair Value Through Profit or Loss

This item represents Company's investment in unquoted financial assets presented in fair value estimated by management.

6 . Financial Assets at Amortized Cost

	2022	2021
Inside Jordan:		
Arab Real Estate Development Company bonds – net *	-	-

	2022	2021
Outside Jordan:		
NCH.NAC (Global Kuwait bonds) – net **	190,142	190,142
AL Dar Investment bonds / Kuwait - net ***	-	-
Total	**190,142**	**190,142**

* Arab Real Estate Development Company bonds matured during the year 2011 but not yet collected, a provision for the expected credit loss has been recorded for the full value of the bonds which amounted to JOD (500,000).

** This item represents investment in bonds issued by Global Investment House - Kuwait (the main shareholder) with an amount of JOD (1) million, these bonds matured on 24 November 2013, the general assembly of bonds holders has resolved in its meeting held on 22 November 2012 to reschedule these bonds and they became to the favor of NAC company with an amount of JOD (750,000) and JOD (250,000) to the favor of NCH company. The provision for expected credit loss amounted to JOD (594,037) has been recorded against these bonds, NAC company has redeemed JOD (131,798) during the year 2015, JOD (6,330) during the year 2016, and JOD (9,230) during the year 2018, also NCH Company has redeemed JOD (68,463) during the year 2018.

	Bond's value	Redemption	Provision for expected credit loss	Total
2022				
NAC	750,000	(147,358)	(412,500)	**190,142**
NCH	250,000	(68,463)	(181,537)	**-**
	1,000,000	**(215,821)**	**(594,037)**	**190,142**
2021				
NAC	750,000	(147,358)	(412,500)	**190,142**
NCH	250,000	(68,463)	(181,537)	**-**
	1,000,000	**(215,821)**	**(594,037)**	**190,142**

*** This item represents investment in bonds issued by AL Dar Investment Company - Kuwait with an amount of JOD (1,333,250) which represents KWD (500,000) with murabaha rate of 7.5% annually, these bonds matured during the year 2009 and haven't been redeemed, as a result, a full provision for expected credit loss has been recorded. During the year 2013 the bonds have been rescheduled and JOD (72,717) was received and the related provision for expected credit loss has been reversed.

7 . Investment Property

	2022	2021
Lands	**1,463,753**	**1,231,586**

The investment property's fair value was valued by real estate experts at an amount of JOD (3,961,103) as at 31 December 2022.

8 . Cash on Hand and at Banks

	2022	2021
Cash on hand	960	365
Current bank accounts	163,065	699,961
	164,025	**700,326**

9 . Checks under Collection

	2022	2021
Checks under collection	2,026,800	2,282,592
Provision for expected credit losses / checks under collection *	(2,026)	(2,283)
	2,024,774	**2,280,309**

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

	2022	2021
Balance at the beginning of the year	2,283	2,382
Unneeded provision	(257)	(99)
Balance at the end of the year	**2,026**	**2,283**

Checks under collection maturity extends to 31/12/2023.

10 . Accounts Receivable

	2022	2021
Policy holders	4,349,056	3,398,283
Agents receivable	348,813	164,577
Brokers receivable	51,222	45,972
Employees receivable	97,919	97,732
Others	80,195	88,555
Total	**4,927,205**	**3,795,119**
Less: provision for expected credit losses / accounts receivable*	(1,681,619)	(1,340,840)
Net Accounts Receivable	**3,245,586**	**2,454,279**

* Movements on the provision for expected credit losses / accounts receivable are as follow:

	2022	2021
Balance at the beginning of the year	1,340,840	1,303,456
Provision for the year	342,055	37,697
Write off	(1,276)	(313)
Balance at the end of the year	**1,681,619**	**1,340,840**

11 . Reinsurers Receivables

	2022	2021
Local reinsurance companies	599,085	407,108
Foreign reinsurance companies	640,222	751,523
Provision for expected credit losses / reinsurance receivables *	(730,077)	(743,974)
Net reinsurers receivables	**509,230**	**414,657**

* Movements on the provision for expected credit losses / reinsurers receivables are as follow:

	2022	2021
Balance at the beginning of the year	743,974	672,631
Provision for the year	-	71,343
Unneeded provision	(13,897)	-
Balance at the end of the year	**730,077**	**743,974**

12 . Income Tax

A- Income tax provision

Income and national contribution tax (expense) excess for the year which appears in the consolidated statement of profit or loss consists of the following:

	2022	2021
(Utilized) addition deferred tax assets	(40,082)	169,953
Income and national contribution tax for the year	-	(1,308)
	(40,082)	**168,645**

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

	2022	2021
Declared loss	(172,459)	(966,748)
Non-taxable income	(1,554,679)	(901,013)
Non-deductible expenses	2,540,188	1,708,988
Taxable profit (loss)	**813,050**	**(158,773)**
National Contribution and statutory tax rate	**%26**	**26%**

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2019.
- The income tax returns for the years 2020 and 2021 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No Income and National Contribution Tax provision has been taken on the Company's results of operations for the year 2022 as the Company has tax accepted losses from prior years.
- In the opinion of management and the tax consultant, the Company will benefit from deferred tax assets in the future according to the future business plan.

B - Deferred tax assets

This item consists of the following:

	2022	2021
Accepted accumulated tax losses	639,903	851,296
Provision for expected credit loss	241,531	241,531
Incurred but not reported claims	341,264	169,953
Deferred tax assets at year end	**1,222,698**	**1,262,780**

* Movements on deferred tax assets are as follow:

	2022	2021
Beginning balance	1,262,780	1,092,827
Additions during the year	171,311	169,953
Utilized deferred tax assets	(211,393)	-
Ending balance	**1,222,698**	**1,262,780**

13 . Property and Equipment – net

	Lands	**Buildings**	**Fixture & Furniture**	**Computers**	**Vehicles**	**Machines & Equipment**	**Total**
Cost							
Balance as at 1/1/2022	2,618,952	2,061,169	211,626	362,772	67,613	166,781	**5,488,913**
Transfers	-	(63,000)	62,370	-	-	630	**-**
Additions	-	-	67,890	86,212	-	18,484	**172,586**
Disposal	-	-	(300)	-	-	(40)	**(340)**
Balance as at 31/12/2022	2,618,952	1,998,169	341,586	448,984	67,613	185,855	**5,661,159**
Accumulated depreciation & impairment							
Balance as at 1/1/2022	41,461	928,230	167,758	274,748	34,821	147,907	**1,594,925**
Transfers	-	(20,173)	15,281	-	-	4,892	**-**
Depreciation	-	39,963	18,121	32,538	6,253	4,599	**101,474**
Reversal of impairment	(41,461)	(135,804)	-	-	-	-	**(177,265)**
Disposal	-	-	(298)	-	-	(38)	**(336)**
Balance as at 31/12/2022	-	812,216	200,862	307,286	41,074	157,360	**1,518,798**
Net book value as at 31/12/2022	**2,618,952**	**1,185,953**	**140,724**	**141,698**	**26,539**	**28,495**	**4,142,361**

	Lands	**Buildings**	**Fixture & Furniture**	**Computers**	**Vehicles**	**Machines & Equipment**	**Total**
Cost							
Balance as at 1/1/2021	1,019,311	2,061,169	191,587	295,487	67,613	161,175	**3,796,342**
Additions	1,599,641	-	21,822	69,990	-	6,898	**1,698,351**
Disposal	-	-	(1,783)	(2,705)	-	(1,292)	**(5,780)**
Balance as at 31/12/2021	2,618,952	2,061,169	211,626	362,772	67,613	166,781	**5,488,913**
Accumulated depreciation & impairment							
Balance as at 1/1/2021	41,461	874,330	162,580	260,092	28,568	146,105	**1,513,136**
Depreciation	-	53,900	6,961	17,361	6,253	2,963	**87,438**
Disposal	-	-	(1,783)	(2,705)	-	(1,161)	**(5,649)**
Balance as at 31/12/2021	41,461	928,230	167,758	274,748	34,821	147,907	**1,594,925**
Net book value as at 31/12/2021	**2,577,491**	**1,132,939**	**43,868**	**88,024**	**32,792**	**18,874**	**3,893,988**

14 . Other Assets

	2022	2021
Income tax withholdings	121,414	87,632
Accrued interests revenues	116,244	236,687
Accrued lawsuits revenues	241,488	-
Prepaid commissions and expenses	452,690	143,971
Refundable deposits	17,295	27,078
	949,131	**495,368**

15 . Accounts Payable

	2022	2021
Policy holders	135,791	151,420
Brokers payable	90,158	93,288
Employees payable	11,853	3,000
Agents payable	102,916	126,585
Other	1,012,357	983,541
	1,353,075	**1,357,834**

16 . Reinsurers Payables

	2022	2021
Local reinsurance companies	443,044	295,855
Foreign reinsurance companies	2,187,731	1,784,280
	2,630,775	**2,080,135**

17 . Credit facilities

Credit Type	**Currency**	**Interest rate**	**Maturity date**	**Facility Limit**	**Balance**
Loan	JOD	3.5%	2023-2026	1,169,931	**1,169,931**

The above credit facilities granted to the Company against cash guarantees.

18 . Other provisions

	2022	2021
Employees vacation provision	40,644	40,644
Other provisions	22,000	22,000
	62,644	**62,644**

19 . Other Liabilities

	2022	2021
Reinsurers' withholdings	447,484	638,960
Uncleared checks withholdings	404,936	571,484
Sales tax withholdings	200,100	52,501
Unearned commissions revenues	126,883	-
Other withholdings	66,141	72,088
Accrued expenses	31,012	10,680
Accrued compensations	21,417	8,385
Shareholders' withholdings	20,872	20,872
Income tax withholdings	16,348	17,245
	1,335,193	**1,392,215**

20 . Paid-in Capital

The Company's authorized, subscribed and paid-in capital is JOD (5,600,000) divided equally into (5,600,000) shares with a par value of JOD (1) each as at 31 December 2022 and 2021.

21 . Share discount

The share discount is JOD (69,118) as at 31/12/2022 and 2021 resulted from issuing some of the Company's shares with price below the a par value amounted to JOD (1).

22 . Statutory Reserve

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

23 . Voluntary Reserve

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

24 . Cumulative Changes in Fair Value

	2022	2021
Balance at the beginning of the year	(306,657)	(483,583)
Changes in fair value of financial assets through other comprehensive income	139,446	138,468
Sale of financial assets at fair value through other comprehensive income	(199,230)	38,458
Balance at the end of the year	**(366,441)**	**(306,657)**

25 . Accumulated losses

	2022	2021
Balance at the beginning of the year	(757,882)	369,561
Gain (loss) from sale of financial assets at fair value through other comprehensive income	199,230	(38,458)
Loss for the year	(212,541)	(798,103)
Shares discount redemption	-	(290,882)
Balance at the end of the year	**(771,193)**	**(757,882)**

26 . Interest Income

	2022	2021
Interest on time deposits	**247,641**	**306,942**

27 . Gains from Financial Assets and Investments, net

	2022	2021
Received cash dividends	76,900	18,171
Income from investment in financial assets at amortized cost	11,899	40,016
	88,799	**58,187**

28 . Other Revenues

	2022	2021
Recovery of bad debts	241,863	-
Revenues from accounts payable write off	64,643	-
Unneeded impairment provision for property and equipment	177,265	-
Others	32,515	4,151
	516,286	**4,151**

29 . Administrative Expenses

	2022	2021
Board of directors expenses	83,900	87,400
Security	9,233	10,925
Water, electricity and heating	37,502	37,263
Stationery and printing	31,259	30,738
Professional fees	138,295	83,242
Advertisements	16,720	17,520
Maintenance	54,443	16,905
Subscriptions	23,430	21,781
Postage and telecommunications	18,234	19,018
Insurance	7,506	6,975
Lawsuits expenses & lawyers' fees	33,854	59,970
Governmental fees	3,892	2,118
Rent	53,720	56,204
Bank charges	108,238	41,521
Tenders fees	3,180	2,909
Others	172,743	176,524
Total	**796,149**	**671,013**
Allocated administrative expenses to underwriting accounts	636,919	536,810
Unallocated administrative expenses to underwriting accounts	159,230	134,203
	796,149	**671,013**

30 . Employees Expenses

	2022	2021
Salaries and bonuses	1,234,778	1,210,423
Company's contribution in social security	143,065	138,735
Medical expenses	110,139	94,864
Employees other expenses	7,543	7,478
Employees' vacation provision	-	7,374
Total	**1,495,525**	**1,458,874**
Allocated employees expenses to underwriting accounts	1,196,420	1,167,099
Unallocated employees expenses to underwriting accounts	299,105	291,775
	1,495,525	**1,458,874**

31 . Basic and Diluted losses Per Share

	2022	2021
Loss for the year	(212,541)	(798,103)
Weighted average number of shares	5,600,000	5,600,000
Basic and diluted Losses per share	**(0.038)**	**(0.143)**

32 . Cash and Cash Equivalents

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

	2022	2021
Cash on hand and at banks (Note 8)	164,025	700,326
Deposits at banks mature within three months (Note 3)	–	2,158,983
	164,025	**2,859,309**

33 . Related Parties Transactions

- The Company has engaged into transactions with major shareholders, sister companies, board members and directors in the Company within the normal activities of the Company using interest rates and commercial commissions.
- The remunerations of members of key management (salaries, bonuses, and other benefits) are as follow:

	2022	2021
Salaries and bonuses of key management	273,643	430,318
Board of directors' remunerations and transportations	83,900	87,400
	357,543	**517,718**

34 . Fair Value of Financial Instruments Not Presented at Fair Value

This item includes receivables, payables and other financial assets and liabilities.

There are no significant differences between the book value and fair value of the financial assets and financial liabilities not presented at fair value.

35 . Fair Value Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash on hand and at banks, bank deposits, other assets, accounts receivable, reinsurers' receivables, checks under collection, financial assets at fair value through other comprehensive income and financial assets at amortized cost. Financial liabilities of the Company include accounts payable, reinsurers' payables and other liabilities.

There are no significant differences between the book value and fair value of the financial assets and financial liabilities.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	90,091	-	90,091
Financial assets at fair value through other comprehensive income	1,125,582	276,480	108,116	1,510,178
	1,125,582	**366,571**	**108,116**	**1,600,269**

2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	**1,587,533**	**276,480**	**108,116**	**1,972,129**

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.

36 . Risk Management

First: Descriptive Disclosures

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

Risk management process

The risk management process and its policy are mainly concerned with risk control by reducing the frequency of its occurrence and reducing the expected losses on the other hand at the lowest possible cost. Therefore, the risk management responsibility is to discover the potential risks in the first place and then analyze and classify these risks for the purpose of calculating the probability of the risks and the magnitude of the expected losses in the event of danger are examined in order to quantify the risks. Based on the above, the best and most effective means of coping with these risks were selected and their effects were reduced with a focus on the concept of reducing the costs associated with the risk.

Second: Quantitative Disclosures

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. As regards the application of the probability theory on pricing and the reserve, the primary risks facing the Company are that incurred claims and the related payments may exceed the book value of the insurance obligations. This may happen if the probability and risk of claims are greater than expected. As insurance accidents are unstable and vary from one year to another, estimates may differ from the related statistics.

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

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

Following are the major insurance types and their risks:

Fire and other property damages insurance

Property insurance is designed to compensate policy holders for damages suffered to properties assets or for the value of property loss, also the policy holders may be compensated for the forfeited profit form disability to use his insured property.

The main risks for property insurance contracts are fire and business interruption, in recent years the Company has only insured highly classified properties containing fire detection and fighting equipment.

These contracts are written by reference to the replacement value of the properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions. These represent the main factors that influence the level of claims.

The Company has reinsurance cover for such damages amounting to JOD (6,600,000) for any individual claim during the year 2022 (JOD 6,600,000 for the year 2021).

Motors insurance

Motors insurance is designed to compensate policy holders for damages suffered to their vehicles or liability to third parties arising from accidents, in addition policy holders may be compensated for vehicle burning and theft.

The main risks of motors insurance are compensation for death, injuries and replacement vehicles parts. In recent years the Company has issued comprehensive insurance policies only for vehicle manufactured on the year 2000 and above.

The amounts paid for compensation for death, injuries and cost of replacement vehicles parts are the main factors affecting the claims volume.

The Company has reinsurance cover for such damages for any losses above JOD (50,000) during the year 2022 (JOD 50,000 for the year 2021).

Marine insurance

Marine insurance is designed to compensate policy holders for damages and liability arising from loss or damage to marine and land units, or exposure to accidents, resulting in the total or partial loss of cargo.

The followed strategy for the marine class of business is to ensure that policies are well diversified in terms of used shipping methods and shipping routes covered.
The Company has reinsurance cover for such damages amounting to JOD (4,000,000) for any individual claim during the year 2022 (JOD 4,000,000 for the year 2021)

Medical insurance

Medical insurance is designed to compensate policy holders for medical costs arising from illness or inability as a one time or regular compensations. The Company has reinsurance cover with foreign reinsurers for such damages.

2 - Claims Development

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

Motors **The accident year**	2018 & before	2019	2020	2021	2022	**Total**
At the end of the year	84,436,819	13,656,833	11,409,788	17,686,787	10,875,582	**138,065,809**
After one year	84,064,481	13,884,655	12,196,798	12,891,120	-	**123,037,054**
After two years	83,827,906	13,703,258	6,046,009	-	-	**103,577,173**
After three years	83,508,776	5,950,704	-	-	-	**89,459,480**
After four years	83,544,621	-	-	-	-	**83,544,621**
Present expectation for the accumulated claims	83,544,621	5,950,704	6,046,009	12,891,120	10,875,582	**119,308,036**
Accumulated payments	83,278,164	5,749,614	5,592,948	11,572,677	7,539,326	**113,732,729**
Liability as in the statement of financial position	266,457	201,090	453,061	1,318,443	3,336,256	**5,575,307**
Surplus in the preliminary estimate for reserve	**892,198**	**7,706,129**	**5,363,779**	**4,795,667**	**-**	**18,757,773**

Marine **The accident year**	2018 & before	2019	2020	2021	2022	**Total**
At the end of the year	1,163,893	30,960	25,368	51,181	163,608	**1,435,010**
After one year	1,199,773	28,060	37,814	41,860	-	**1,307,507**
After two years	1,200,923	27,910	26,551	-	-	**1,255,384**
After three years	1,224,673	7,951	-	-	-	**1,232,624**
After four years	1,220,467	-	-	-	-	**1,220,467**
Present expectation for the accumulated claims	1,220,467	7,951	26,551	41,860	163,608	**1,460,437**
Accumulated payments	1,193,010	7,951	25,551	37,534	11,590	**1,275,636**
Liability as in the statement of financial position	27,457	-	1,000	4,326	152,018	**184,801**
(Deficit) Surplus in the preliminary estimate for reserve	**(56,574)**	**23,009**	**(1,183)**	**9,321**	**-**	**(25,427)**

Aviation **The accident year**	2018 & before	2019	2020	2021	2022	**Total**
At the end of the year	409,114	-	-	-	-	**409,114**
After one year	409,114	-	-	-	-	**409,114**
After two years	409,114	-	-	-	-	**409,114**
After three years	685,830	-	-	-	-	**685,830**
After four years	685,830	-	-	-	-	**685,830**
Present expectation for the accumulated claims	685,830	-	-	-	-	**685,830**
Accumulated payments	409,114	-	-	-	-	**409,114**
Liability as in the statement of financial position	276,716	-	-	-	-	**276,716**
Deficit in the preliminary estimate for reserve	**(276,716)**	**-**	**-**	**-**	**-**	**(276,716)**

Fire and other property damage **The accident year**	2018 & before	2019	2020	2021	2022	**Total**
At the end of the year	14,688,270	698,370	571,948	718,980	192,160	**16,869,728**
After one year	14,868,255	824,783	1,108,718	390,642	-	**17,192,398**
After two years	14,869,427	1,604,145	393,666	-	-	**16,867,238**
After three years	14,748,601	799,100	-	-	-	**15,547,701**
After four years	14,415,069	-	-	-	-	**14,415,069**
Present expectation for the accumulated claims	14,415,069	799,100	393,666	390,642	192,160	**16,190,637**
Accumulated payments	14,123,704	644,111	359,712	304,945	32,790	**15,465,262**
Liability as in the statement of financial position	291,365	154,989	33,954	85,697	159,370	**725,375**
Surplus (deficit) in the preliminary estimate for reserve	**273,201**	**(100,730)**	**178,282**	**328,338**	**-**	**679,091**

Liability **The accident year**	2018 & before	2019	2020	2021	2022	**Total**
At the end of the year	642,709	62,410	460	37,345	23,300	**766,224**
After one year	1,698,034	22,545	460	40,883	-	**1,761,922**
After two years	1,658,170	22,693	150	-	-	**1,681,013**
After three years	1,655,311	310	-	-	-	**1,655,621**
After four years	1,659,711	-	-	-	-	**1,659,711**
Present expectation for the accumulated claims	1,659,711	310	150	40,883	23,300	**1,724,354**
Accumulated payments	510,153	310	150	19,191	900	**530,704**
Liability as in the statement of financial position	1,149,558	-	-	21,692	22,400	**1,193,650**
(Deficit) surplus in the preliminary estimate for reserve	**(1,017,002)**	**62,100**	**310**	**(3,538)**	**-**	**(958,130)**

Medical **The accident year**	2018 & before	2019	2020	2021	2022	**Total**
At the end of the year	5,716,229	903,476	1,357,865	1,629,832	2,175,000	**11,782,402**
After one year	5,716,229	903,476	1,357,865	1,629,832	-	**9,607,402**
After two years	5,716,229	903,476	1,357,865	-	-	**7,977,570**
After three years	5,716,229	903,476	-	-	-	**6,619,705**
After four years	5,716,229	-	-	-	-	**5,716,229**
Present expectation for the accumulated claims	5,716,229	903,476	1,357,865	1,629,832	2,175,000	**11,782,402**
Accumulated payments	5,716,229	903,476	1,357,865	1,629,832	2,089,413	**11,696,815**
Liability as in the statement of financial position	-	-	-	-	85,587	**85,587**
Surplus in the preliminary estimate for reserve	**-**	**-**	**-**	**-**	**-**	**-**

Others **The accident year**	2018 & before	2019	2020	2021	2022	**Total**
At the end of the year	1,125,422	307,426	20,480	84,687	16,528	**1,554,543**
After one year	1,120,897	316,289	68,119	78,159	-	**1,583,464**
After two years	1,111,567	14,377	61,432	-	-	**1,187,376**
After three years	808,727	14,727	-	-	-	**823,454**
After four years	1,117,605	-	-	-	-	**1,117,605**
Present expectation for the accumulated claims	1,117,605	14,727	61,432	78,159	16,528	**1,288,451**
Accumulated payments	1,089,662	7,322	40,982	38,320	7,498	**1,183,784**
Liability as in the statement of financial position	27,943	7,405	20,450	39,839	9,030	**104,667**
Surplus (deficit) in the preliminary estimate for reserve	**7,817**	**292,699**	**(40,952)**	**6,528**	**-**	**266,092**

3 - Insurance Risk Concentrations

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

2022

Insurance type	Motors	Marine	Aviation	Fire	Liability	Medical	Others	Total
Gross	**12,530,349**	**240,539**	**279,192**	**1,644,904**	**1,464,037**	**1,076,254**	**340,955**	**17,576,230**
Net	**10,198,115**	**30,648**	**2,476**	**79,593**	**75,074**	**850,403**	**184,018**	**11,420,327**

2021

Insurance type	Motors	Marine	Aviation	Fire	Liability	Medical	Others	Total
Gross	**14,311,288**	**80,801**	**279,185**	**829,132**	**1,393,508**	**868,324**	**269,991**	**18,032,229**
Net	**11,677,220**	**15,708**	**2,469**	**51,481**	**38,017**	**319,011**	**130,295**	**12,234,201**

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

	2022		2021	
	Assets	**Liabilities**	**Assets**	**Liabilities**
A- According to geographical area:				
Inside Jordan	4,635,021	17,576,230	4,390,026	18,032,229

	2022		2021	
	Accounts receivable	**Accounts payable**	**Accounts receivable**	**Accounts payable**
B- According to sector:				
Public sector	25,000	1,000	20,000	1,000
Companies and corporations	2,013,812	1,285,421	2,278	1,296,631
Individuals	1,206,774	66,654	2,432,001	60,203
	3,245,586	**1,353,075**	**2,454,279**	**1,357,834**

4 - Reinsurance Risk

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

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

5 - Insurance Risk Sensitivity

The table below shows the possible reasonable effect of the change in earned revenues from written premiums on the consolidated statement of profit or loss and equity keeping all other affecting variables fixed:

Insurance type	Change	Effects on the earned revenues from written premiums	Current year underwriting Profit before tax	Equity*
Motor	10%	1,191,248	994,317	735,795
Marine	10%	1,652	108,854	80,552
Aviation	10%	269	3,123	2,311
Fire & Property	10%	7,112	145,324	107,540
Liability	10%	5,847	68,900	50,986
Medical	10%	134,075	(244,004)	(244,004)
Others	10%	18,486	143,841	106,442
		1,358,689	**1,220,355**	**839,622**

* Net after deducting income tax effect.

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

The table below shows the possible reasonable effects of the change in claims cost on the consolidated statement of profit or loss and equity keeping all other affecting variables fixed:

Insurance type	Change	Effects on the claims cost	Current year underwriting Profit (loss) before tax	Equity*
Motor	10%	1,059,625	(1,256,556)	(1,256,556)
Marine	10%	2,408	104,794	77,548
Aviation	10%	-	2,854	2,112
Fire & Property	10%	2,909	135,303	100,124
Liability	10%	3,715	59,338	43,910
Medical	10%	129,528	(507,607)	(507,607)
Others	10%	8,068	117,287	86,792
		1,206,253	**(1,344,587)**	**(1,453,677)**

* Net after deducting income tax effect.

If there is a 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 market risk, credit risk and liquidity 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 as a result of changes in market prices such as interest rates, currency prices and stock prices. Market risks arise as a result of having opened positions in interest rates, currencies and investment in stocks. These risks are monitored according to specific policies and procedures and through specialized committees and business units.

Market risks and its monitoring are measured using sensitivity analysis.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in interest rates.

The annual interest rates on the deposits ranged between (3.5%) to (6%) during the year 2022, (3.50% to 4.25%: 2021), the Company always aims to mitigate this risk through monitoring the changes in interest rates in the market, suitability of maturities between assets and liabilities and interest rate re-pricing gap, if interest rates had increased or decreased by 1% annually the net results for the year would have been increased /reduced by JOD (73,053) during the year 2022 (2021: JOD 85,874)

Foreign currencies risk

The foreign currencies risk is the risk relating to the change in the value of the financial instruments due to the change in the foreign currencies exchange rates. 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.

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

Equity price risk

Equity price risk result from the change in the fair value of equity securities. The Company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the comprehensive income for the year would been reduced / reduced by JOD (112,558) during the year 2022 (2021: JOD 158,753).

2- Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

The balance of the largest client represent (6.6%) of accounts receivable balance as at 31 December 2022 (2.7%: 2021).

3- Liquidity Risk

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

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

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

2022	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Accounts payable	350,000	400,000	350,000	253,075	-	-	**1,353,075**
Reinsurers payables	550,000	500,000	350,000	634,407	596,368	-	**2,630,775**
Other provisions	30,000	10,000	10,000	10,000	2,644	-	**62,644**
Other liabilities	400,000	300,000	300,000	300,000	35,193	-	**1,335,193**
Income tax provision	-	-	27,802	-	-	-	**27,802**
Credit facilities	22,223	66,669	66,669	111,119	900,000	3,251	**1,169,931**
Total	**1,352,223**	**1,276,669**	**1,104,471**	**1,308,601**	**1,534,205**	**3,251**	**6,579,420**
Total Assets (According to its expected maturity)	**2,913,127**	**3,000,000**	**2,800,000**	**7,277,934**	**5,027,278**	**1,791,625**	**22,809,964**

2021	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
Accounts payable	350,000	400,000	350,000	250,000	7,834	-	**1,357,834**
Reinsurers payables	550,000	500,000	350,000	639,945	40,190	-	**2,080,135**
Other provisions	30,000	10,000	10,000	10,000	2,644	-	**62,644**
Other liabilities	400,000	300,000	300,000	300,000	92,215	-	**1,392,215**
Income tax provision	27,380	-	-	-	-	-	**27,380**
Credit facilities	22,223	66,669	66,669	111,119	900,000	269,930	**1,436,610**
Total	1,379,603	1,276,669	1,076,669	1,311,064	1,042,883	269,930	**6,356,818**
Total Assets (According to its expected maturity)	**3,500,000**	**3,000,000**	**2,800,000**	**7,771,623**	**4,831,005**	**1,571,703**	**23,474,331**

37 . Analysis of Main Sectors

A – Background information on the Company's business segments

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

B – Geographical distribution

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

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

	Inside Jordan		Outside Jordan		Total	
	2022	2021	2022	2021	2022	2021
Total revenues	15,947,723	15,293,086	11,899	-	**15,959,622**	**15,293,086**
Capital expenditures	404,713	1,698,351	-	-	**404,713**	**1,698,351**

38 . Capital Management

a. The Company manages its capital in line with the regulations of Insurance Administration. These requirements were designed to ensure a suitable margin. Additional targets have been assigned by the Company to maintain strong credit rating and high capital margin in order to support its business and maximize shareholders value.

b. The Company manages its capital structure and makes necessary adjustments in light of changes in business conditions. No changes were made in the objectives, policy or processes during the current and previous years.

c. The Company's solvency margin as at 31 December 2022 is below the minimum margin determined by Central Bank of Jordan which amounts to (150%).

	2022	2021
Available capital (A)	**7,539,735**	**6,687,028**
Capital requirements to meet		
Assets risks	3,572,134	3,368,628
Underwriting liabilities	1,670,695	1,704,777
Reinsurers' credit risk	99,293	83,904
Total capital requirements (B)	**5,342,122**	**5,157,309**
Solvency margin (A) / (B)	**141%**	**130%**

39 . 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	Up to one year	More than one year	Total
Assets			
Bank deposits	7,297,995	-	**7,297,995**
Financial assets at fair value through other comprehensive income	1,510,178	-	**1,510,178**
Financial assets at fair value through profit or loss	-	90,091	**90,091**
Financial assets at amortized cost	190,142	-	**190,142**
Investment property	-	1,463,753	**1,463,753**
Cash on hand and at banks	164,025	-	**164,025**
Checks under collection	2,024,774	-	**2,024,774**
Accounts receivable - net	3,245,586	-	**3,245,586**
Reinsurers receivables	509,230	-	**509,230**
Deferred tax assets	-	1,222,698	**1,222,698**
Property and equipment - net	100,000	4,042,361	**4,142,361**
Other assets	949,131	-	**949,131**
Total Assets	**15,991,061**	**6,818,903**	**22,809,964**
Liabilities			
Unearned premiums reserve - net	5,555,350	-	**5,555,350**
Outstanding claims reserve - net	4,864,977	1,000,000	**5,864,977**
Accounts payable	1,353,075	-	**1,353,075**
Credit facilities	266,680	903,251	**1,169,931**
Reinsurers payables	2,034,407	596,368	**2,630,775**
Other provisions	60,000	2,644	**62,644**
Income tax provision	27,802	-	**27,802**
Other liabilities	1,300,000	35,193	**1,335,193**
Total Liabilities	**15,462,291**	**2,537,456**	**17,999,747**
Net Assets	**528,770**	**4,281,447**	**4,810,217**

2021	Up to one year	More than one year	Total
Assets			
Bank deposits	8,578,767	-	**8,578,767**
Financial assets at fair value through other comprehensive income	1,972,129	-	**1,972,129**
Financial assets at amortized cost	190,142	-	**190,142**
Investment property	-	1,231,586	**1,231,586**
Cash on hand and at banks	700,326	-	**700,326**
Checks under collection	2,266,149	14,160	**2,280,309**
Accounts receivable - net	2,454,279	-	**2,454,279**
Reinsurers receivables	414,657	-	**414,657**
Deferred tax assets	-	1,262,780	**1,262,780**
Property and equipment - net	87,438	3,806,550	**3,893,988**
Other assets	407,736	87,632	**495,368**
Total Assets	**17,071,623**	**6,402,708**	**23,474,331**
Liabilities			
Unearned premiums reserve - net	6,457,188	-	**6,457,188**
Outstanding claims reserve - net	4,777,013	1,000,000	**5,777,013**
Accounts payable	1,350,000	7,834	**1,357,834**
Credit facilities	266,680	1,169,930	**1,436,610**
Reinsurers payables	2,039,945	40,190	**2,080,135**
Other provisions	60,000	2,644	**62,644**
Income tax provision	27,380	-	**27,380**
Other liabilities	1,300,000	92,215	**1,392,215**
Total Liabilities	**16,278,206**	**2,312,813**	**18,591,019**
Net Assets	**793,417**	**4,089,895**	**4,883,312**

40 . Lawsuits Against the Company

There are lawsuits filed against the Company amounting to JOD (2,667,363) as at 31 December 2022, (2021: JOD 2,594,300).

In the opinion of the Company's management and its lawyer, no obligations shall arise that exceeds the allocated amounts within the net claims reserve.

41 . Contingent Liabilities

The company is contingently liable against bank letters of guarantee amounting to JOD (50,860) with a cash margin amounted to JOD (5,086).

42 . Subsequent Events

No subsequent events have a material impact on the consolidated financial statement as at 31 December 2022.

43 . Reissuing the consolidated financial statements

The Company's board of directors reissued the consolidated financial statements for the year ended 31 December 2022, in coordination with the Central Bank of Jordan, where unqualified audit opinion was issued after obtaining sufficient audit evidence that enable us to estimate the amounts expected to be recovered from the parties that cause Motors accidents, which fall within the refund cases stipulated in the compulsory vehicle insurance system