UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

UNITED INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
DECEMBER 31, 2021

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Independent Auditor's Report

AM/ 008607

To the Shareholders of
United Insurance Company
(Public Shareholding Limited Company)
Amman – Jordan

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of United Insurance Company (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Key Audit Matters
Key audit matters, in our professional judgment, were of most significant matters in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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A description was provided on how to examine each of the matters referred to below in the audit procedures:

Key audit matter	How our audit addressed the key audit matter
Technical Provisions	
As at 31 December 2021, the Company had technical reserves of JD 17,9 million, which includes claims incurred but not reported (IBNR) and other technical reserves. The Company uses a range of actuarial methodologies to estimate these claims. This requires significant judgements to be applied and estimates to be made, for example inflation rates, claims development patterns and interpretations of regulatory requirements. The measurement of technical reserves is a key judgmental area for management given the level of subjectivity inherent in estimating the impact of claim events that have occurred for which the ultimate outcome remains uncertain. We have determined that this area is a key audit matter due to the significance of the amounts involved and of the level of significant judgements applied by management in the process for determination of gross outstanding claims. Refer to note x in the financial statements for more details relating to this matter.	We evaluated the design and tested the implementation and operating effectiveness of key controls over management's processes for claims processing, including controls over the completeness and accuracy of the claim estimates recorded. We performed substantive tests on the amounts recorded for a sample of claims notified and paid, including comparing the outstanding claims amount to appropriate source documentation to evaluate the valuation of outstanding claims. We assessed the competence, skills, independence and objectivity of management's expert and reviewed the terms of engagement between the expert and the Company to determine if the scope of their work was sufficient for audit purposes. We assessed the completeness and accuracy of the data used in calculating the technical provisions. We compared the actuary's current year report to the prior year to assess that there are no material differences in the estimates and assumptions adopted. We assessed any differences noted (in case of any) in the estimates and assumptions to determine if these differences were reasonable. We utilized our internal actuarial specialists to assess the valuation methodologies applied and estimates applied by the Actuary in his calculation of the technical reserves. We performed test of details and analytical procedures on a selected sample to verify the completeness and accuracy of calculating the technical provisions of the Company and the extent to which these provisions are consistent with the results reached by the actuaries of the Company. We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRSs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Legal and Other Regulatory Requirements

The Company maintains proper accounting records that are consistent, in all material respects, with the financial statements, and we recommend that the General Assembly of Shareholders approve the financial statements.

Deloitte & Touche

Deloitte & Touche (M.E) - Jordan

Amman – Jordan
February 28, 2022

Deloitte & Touche (M.E.)
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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	December 31, 2021	December 31, 2020
Investments:		JD	JD
Deposits at banks	3	8,310,717	9,449,992
Financial assets at fair value through profit or loss	4	125,322	151,356
Financial assets at fair value through other comprehensive income	5	5,429,328	4,631,716
Financial assets at amortized cost	6	4,547,001	2,985,001
Investment property - net	7	4,774,382	4,860,268
		23,186,750	22,078,333
Cash on hand and at banks	8	628,387	3,486,117
Cheques under collection	9	2,014,578	1,927,342
Receivables - net	10	6,678,416	6,815,016
Re-insurance and local insurance companies' accounts receivables - net	11	351,384	600,780
Deferred tax assets	12	687,298	863,953
Property and equipment - net	13	4,653,596	4,905,570
Intangible assets - net	14	15,639	33,365
Other assets	15	2,188,027	652,846
		17,217,325	19,284,989
TOTAL ASSETS		40,404,075	41,363,322
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Unearned premiums provision - net		6,728,139	6,277,497
Claims provision - net		11,081,144	11,462,580
Mathematical provision	16	50,368	40,712
Total Insurance Contracts Liabilities		17,859,651	17,780,789
Payables	17	2,372,209	1,660,699
Re-insurance and local insurance companies' accounts payable	18	3,031,891	5,571,761
Accrued expenses and various provisions	19	176,127	174,479
Provision for income tax	12	260,857	479,762
Deferred tax liabilities	12	26,864	26,864
Other liabilities	20	159,527	264,395
TOTAL LIABILITIES		23,887,126	25,958,749
SHAREHOLDERS' EQUITY			
Authorized and paid-up capital	21	8,000,000	8,000,000
Issuance premium	21	41,507	41,507
Statutory reserve	22	2,000,000	2,000,000
Financial assets valuation reserve - net	23	(308,460)	(898,691)
Retained earnings	24	6,783,902	6,261,757
Total Shareholders' Equity		16,516,949	15,404,573
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		40,404,075	41,363,322

Chairman of the Board of Directors

General Manager

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

UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31, 2021	2020
		JD	JD
Revenue:			
Gross written premiums - general insurance		22,150,163	21,456,819
Gross written premiums - life		340,833	312,452
Less: Re-insurers' share - general insurance		7,984,429	6,728,552
Reinsurance share premiums - life		241,322	234,607
Net Written Premiums		14,265,245	14,806,112
Net change in unearned premiums reserve		(450,642)	1,140,669
Net change in mathematical reserve		(9,656)	40,861
Net Earned Written Premiums		13,804,947	15,987,642
Commissions' revenue		502,400	462,761
Insurance policies issuance fees		824,580	778,824
Interest revenue	25	638,003	605,314
Net gain from financial assets and investments	26	263,744	161,544
Other revenue - net	27	16,660	49,710
Total Revenue		16,050,334	18,045,795
Claims, Losses and Expenses:			
Paid claims - general insurance		24,375,722	16,752,973
Paid claims - life insurance		278,661	200,150
Less: Claims Recoveries		1,650,001	1,215,393
Re-insurers' share		11,982,540	4,518,132
Net paid claims		11,021,842	11,219,598
Net change in claims reserve		(381,435)	693,332
Allocated employees' expenses	28	1,243,890	1,319,395
Allocated general and administrative expenses	29	406,447	531,029
Excess of loss premiums		285,983	116,275
Policies acquisition cost - commissions paid		589,454	494,694
Other expenses related to underwriting		424,847	452,244
Net Claims Costs		13,591,028	14,826,567
Unallocated employees' expenses	28	175,657	186,824
Depreciation and amortization		380,700	382,557
Unallocated general and administrative expenses	29	101,612	132,757
Expected credit loss	30	100,000	502,000
Other expenses	31	30,000	40,835
Total Expenses		787,969	1,244,973
Profit for the year before Tax		1,671,337	1,974,255
Income tax expense	12	(349,192)	(472,727)
Profit For The Year		1,322,145	1,501,528
Earnings per Share for the Year	32	-/165	-/188

Chairman of the Board of Directors | General Manager

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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Profit for the year	1,322,145	1,501,528
Items that will not be transferred to the statement of profit or loss in future:		
Change in the valuation reserve of financial assets at fair value through statement of other comprehensive income - net	590,231	(286,810)
Total Comprehensive Income	1,912,376	1,214,718

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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Authorized & Paid - up Capital	Issuance Premium	Statutory Reserve	Financial Assets Valuation Reserve	Retained Earnings *		Total
					Realized	Unrealized	
	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2021							
Balance - beginning of the year	8,000,000	41,507	2,000,000	(898,691)	6,219,096	42,661	15,404,573
Profit for the year	-	-	-	-	1,322,145	-	1,322,145
Dividends paid **	-	-	-	-	(800,000)	-	(800,000)
Change in the valuation reserve of financial assets - net	-	-	-	590,231	-	-	590,231
Total Comprehensive Income	-	-	-	590,231	522,145	-	1,112,376
Balance - End of the Year	8,000,000	41,507	2,000,000	(308,460)	6,741,241	42,661	16,516,949
For the Year Ended December 31, 2020							
Balance - beginning of the year	8,000,000	41,507	2,000,000	(611,881)	4,717,568	42,661	14,189,855
Profit for the year	-	-	-	-	1,501,528	-	1,501,528
Change in the valuation reserve of financial assets - net	-	-	-	(286,810)	-	-	(286,810)
Total Comprehensive Income	-	-	-	(286,810)	1,501,528	-	1,214,718
Balance - End of the Year	8,000,000	41,507	2,000,000	(898,691)	6,219,096	42,661	15,404,573

* Retained earnings include JD 687,298 as of December 31, 2021 restricted against deferred tax assets (JD 863,953 as of December 31, 2020).

** On April 12, 2021, the General Assembly approved the board of directors' recommendation, according to the General Assembly meeting held on January 24, 2021 to approve the dividends distribution of JD 800,000 representing 10% from the nominal value of the shares as cash dividends to the shareholders related to the year 2020.

- According to Jordan Securities Commission's instructions, the negative balance of the fair value reserve is restricted.

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

	Note	For the Year Ended December 31, 2021	2020
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before tax		1,671,337	1,974,255
Adjustments to non-monetary items:			
Depreciation and amortization		380,700	382,557
Expected credit loss - net	30	100,000	502,000
Provision for other liabilities - net	19	153,167	215,127
Change in the fair value of financial assets at fair value through profit or loss	26	26,034	(9,317)
Interest income		(638,003)	(605,314)
Unearned premium reserve - net		450,642	(1,140,669)
Mathematical reserve - net		9,656	(40,861)
Claims reserve - net		(381,435)	693,332
Cash Flows from Operating Activities before Changes in Working Capital Items		1,772,098	1,971,110
(Increase) Decrease in checks under collection		(87,236)	1,207,160
Decrease (Increase) in receivables		36,600	(671,037)
Increase in re-insurance and local insurance companies' accounts receivable		249,396	914,808
(Increase) Decrease in other assets		(1,535,181)	20,502
Increase (Decrease) in payables		711,510	(1,310,042)
(Decrease) Increase in re-insurance and local insurance companies' accounts payable		(2,539,870)	2,393,322
(Decrease) in other liabilities		(104,868)	(18,372)
Net Cash Flows (Used in) From Operating Activities before Provisions and Tax Paid		(1,497,551)	4,507,451
Provisions paid	19	(151,519)	(282,899)
Income tax paid	12	(598,820)	(399,938)
Net Cash Flows (Used in) From Operating Activities		(2,247,890)	3,824,614
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in deposits at banks		4,642,384	337,757
(Purchase) Maturity of financial assets at amortized cost		(1,562,000)	(1,986,000)
Proceeds (Purchase) of financial assets at fair value through other comprehensive income		797,612	98,644
(Purchase) of property and equipment		(14,316)	(9,182)
(Purchase) of intangible assets	14	(10,798)	-
Interest income received		638,003	605,314
Net Cash From (Used in) Investing Activities		4,490,885	(953,467)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends distributed to shareholders		(800,000)	-
Net Cash (used in) Financing Activities		(800,000)	-
Net Increase in Cash		5,306,191	2,871,147
Cash and cash equivalents - beginning of the year		2,242,995	2,435,044
Cash and Cash Equivalents - End of the Year	33	7,549,186	5,306,191

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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	Motor		Marine and Transportation		Fire and Other Damages for Properties		Liability	
	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:								
Direct premium	9,329,277	8,796,417	309,841	284,589	2,389,257	2,267,632	292,474	262,114
Re-insurers' inward premium	792,720	601,831	838	-	409,474	523,436	227	968
Gross Earned Premiums	10,121,997	9,398,248	310,679	284,589	2,798,731	2,791,068	292,701	263,082
Less: Local re-insurance share	604,184	371,390	-	-	187,428	375,913	-	-
Foreign re-insurance share	94,908	92,524	271,226	245,942	2,378,869	2,208,602	179,183	164,324
Net Earned Premiums	9,422,905	8,934,334	39,453	38,647	232,434	206,553	113,518	98,758
Unearned premiums reserve - beginning of the year	4,954,163	5,352,992	72,788	72,983	832,877	762,428	86,599	173,079
Re-insurers share - beginning of the year	101,763	113,263	63,632	63,129	753,593	678,887	58,625	133,013
Net Unearned Premiums Reserve - Beginning of the Year	4,852,400	5,239,729	9,156	9,854	79,284	83,541	27,974	40,066
Unearned premiums reserve - end of the year	5,235,489	4,954,163	81,362	72,788	926,302	832,877	78,147	86,599
Re-insurers' share - end of the year	119,408	101,763	69,724	63,632	833,600	753,593	45,970	58,625
Net Unearned Premiums Reserve - End of the Year	5,116,081	4,852,400	11,638	9,156	92,702	79,284	32,177	27,974
Net Change in Unearned Premiums	(263,681)	387,329	(2,482)	698	(13,418)	4,257	(4,203)	12,092
Net Earned Revenue from the Underwritten Premiums	9,159,224	9,321,663	36,971	39,345	219,016	210,810	109,315	110,850

	Medical		Aviation		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:								
Direct premium	8,481,788	8,695,081	99,990	-	44,062	24,458	20,946,889	20,330,288
Re-insurers' inward premium	-		-	-	215	298	1,203,474	1,126,531
Gross Earned Premiums	8,481,788	8,695,081	99,990	-	44,277	24,756	22,150,363	21,456,819
Less: Local re-insurance share	1,064,448	(1,985)	-	-	-	-	1,856,060	745,328
Foreign re-insurance share	3,097,305	3,268,642	94,138	-	12,740	2,200	6,128,309	5,983,234
Net Earned Premiums	4,320,035	5,427,424	5,852	-	31,537	22,556	14,165,734	14,728,267
Unearned premiums reserve - beginning of the year	2,050,752	2,866,119	-	77,555	10,883	27,643	8,008,062	9,332,799
Re-insurers share - beginning of the year	745,313	834,689	-	24,027	7,639	17,625	1,730,565	1,914,633
Net Unearned Premiums Reserve - Beginning of the Year	1,305,439	2,031,430	-	3,528	3,244	10,018	6,277,497	7,418,166
Unearned premiums reserve - end of the year	2,869,415	2,050,752	16,525	-	20,105	10,883	9,227,345	8,008,062
Re-insurers' share - end of the year	1,407,635	745,313	15,579	-	7,290	7,639	2,499,206	1,730,565
Net Unearned Premiums Reserve - End of the Year	1,461,780	1,305,439	946	-	12,815	3,244	6,728,139	6,277,497
Net Change in Unearned Premiums	(156,341)	725,991	(946)	3,528	(9,571)	5,774	(450,642)	1,140,669
Net Earned Revenue from the Underwritten Premiums	4,163,694	6,153,415	4,906	3,528	21,966	29,330	13,715,092	15,868,936

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITORS' REPORT

UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	Motor		Marine and Transportation		Fire and Other Damages for Properties		Liability		Medical		Aviation		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	8,829,915	7,284,675	36,319	65,049	7,939,096	919,616	43,169	17,155	7,518,912	8,461,364	-	-	2,310	9,104	24,375,722	16,757,973
Less: Recoveries	1,582,690	1,169,402	19,796	48,984	42,478	1,007	5,007	-	-		-	-	-	-	1,650,001	1,219,393
Local re-insurers' share	92,617	170,838	-	-	-	-	-	-	902,453	(2,880)	-	-	-	-	995,070	167,958
Foreign re-insurers' share	-	-	25,014	27,616	7,004,164	849,297	8,370	3,880	2,818,872	3,318,823	-	-	-	-	10,756,420	4,199,396
Net Paid Claims	7,154,608	5,944,435	(8,491)	(7,551)	(7,546)	69,312	35,792	13,935	3,797,588	5,145,421	-	-	2,310	5,104	10,974,231	11,170,226
Add: Claims Reserve - End of the Year	11,378,409	11,153,601	129,189	125,606	2,330,731	11,327,403	81,511	317,157	343,070	182,075	-	-	12	1,262	14,114,222	22,951,104
Incurred but not reported claims (IBNR)	1,100,000	1,100,000	2,584	2,592	25,307	25,959	810	1,172	438,874	598,319	-	-	-	13	1,565,384	1,729,055
Less: Re-insurers share - end of the year	1,023,514	922,134	102,189	102,010	2,173,311	11,146,548	50,631	70,447	377,335	315,874	-	-	11	761	3,717,001	12,557,774
Recoveries	970,990	736,071	-	-	-	-	-	-	-	-	-	-	-	-	970,990	736,071
Net Claims Reserve - End of the Year	10,483,905	10,615,396	29,574	30,188	182,727	206,814	32,090	47,882	305,009	464,520	-	-	1	514	11,031,855	11,385,314
Less: Claims Reserve - Beginning of the Year	11,153,601	10,509,033	129,606	143,797	11,327,403	23,364,165	317,157	78,558	182,075	333,660	-	-	1,262	1,262	22,951,104	34,431,255
Incurred but not reported claims (IBNR)	1,100,000	1,100,000	2,592	2,876	25,959	20,842	1,172	786	598,319	715,553	-	-	13	13	1,729,055	1,839,070
Less: Re-insurers' share - beginning of the year	922,134	1,090,978	102,010	116,743	11,146,548	23,163,127	70,447	42,052	315,874	403,170	-	-	761	761	12,557,774	24,816,831
Recoveries	736,071	763,702	-	-	-	-	-	-	-	-	-	-	-		736,071	763,702
Net Claims Reserve - Beginning of the Year	10,615,396	9,754,933	30,188	29,930	206,814	221,880	47,882	37,292	464,520	646,243	-	-	514	514	11,385,314	10,690,592
Net change in claims reserve	(131,491)	860,463	(614)	258	(26,087)	(14,866)	(15,792)	10,590	(159,511)	(181,723)	-	-	(513)	-	(353,459)	694,722
Net Paid Claims Cost	7,023,157	6,824,898	(9,105)	(7,293)	(33,633)	54,446	19,979	24,595	3,638,577	4,963,698	-	-	1,797	5,104	10,620,772	11,864,948

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

UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	Motor		Marine and Transportation		Fire and Damages Other for Properties		Liability		Medical		Aviation		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD	JD	JD			JD	JD	JD	JD	JD	JD
Net earned revenue from the underwritten premiums	9,159,224	9,321,663	36,971	39,346	235,016	160,812	109,315	110,550	4,163,494	4,185,419	4,906	3,520	21,946	25,339	13,715,092	15,660,826
Less: Net paid claims cost	7,003,157	6,834,846	(9,305)	(7,253)	(32,633)	14,446	19,979	24,095	3,638,377	4,985,695	-	-	1,797	5,124	10,620,772	11,864,946
	2,155,067	2,496,755	46,076	46,622	282,649	156,366	89,336	86,235	525,117	1,199,717	4,906	3,529	20,149	20,215	3,094,320	4,093,969
Add: Received commissions	3,963	20,062	186,799	130,629	289,282	277,214	17,256	6,792	10,144	(88)	-	-	837	(175)	502,339	446,594
Insurance policies issuance fees	453,963	387,449	14,206	15,454	97,971	85,581	12,007	10,046	234,948	267,222	2,045	-	1,631	5,055	816,764	775,007
Other revenue	-	-	-	-	-	13,270	-	-	-	-	-	-	-	-	-	13,270
Total Revenue	457,526	412,511	198,016	162,083	387,193	392,635	29,263	16,838	245,092	267,134	2,045	-	2,468	5,880	1,319,093	1,235,871
Less: Policies acquisition cost - commissions paid	298,202	252,741	7,710	4,418	83,671	28,716	19,912	15,158	67,346	37,331	-	-	20,724	4,320	384,640	492,672
Excess of loss premiums	253,982	84,275	-	-	33,000	32,000	-	-	-	-	-	-	-	-	286,983	116,275
Employees and administrative expenses related to underwriting accounts	760,478	838,104	59,467	62,767	207,013	205,956	14,434	15,449	376,324	569,310	4,931	-	2,363	1,458	1,805,990	1,693,078
Other expenses related to underwriting accounts	290,550	274,339	3,964	2,093	5,947	20,134	121	139	124,722	152,843	-	-	150	325	425,555	439,564
Total Expenses	1,712,198	1,550,459	71,141	69,178	325,631	285,816	34,467	30,749	798,525	759,485	4,931	-	13,957	6,092	2,920,738	2,891,487
Net Written Profit (Loss)	901,527	1,305,017	169,952	139,528	318,211	185,415	84,132	72,847	7,283	691,366	2,020	3,528	8,470	20,362	2,467,675	2,355,872

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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING REVENUES FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2021	2020
Written Premiums:	JD	JD
Direct premium	340,833	312,452
Re-insurance inward premium	-	-
Gross Written Premiums	340,833	312,452
Less: Foreign re-insurance premiums	241,322	234,607
Local re-insurance premiums	-	-
Net Written Premiums	99,511	77,845
Add: Mathematical reserve - beginning of the year	150,712	123,475
Less: Re-insurers' share - beginning of the year	110,000	41,902
Net Mathematical Reserve - beginning of the year	40,712	81,573
Less: Mathematical reserve - end of the Year	161,832	150,712
Re-insurers' share - end of the year	111,464	110,000
Net mathematical reserve - end of the year	50,368	40,712
Net Change in Mathematical Reserve	(9,656)	40,861
Net Earned Revenue from Written Premiums	89,855	118,706

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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Paid claims	278,661	200,150
Less: Foreign re-insurers' share	231,050	150,778
Net Paid Claims	47,611	49,372
Add: Reported claims reserve - end of the year	160,644	392,674
Unreported claims reserve - end of the year	10,000	10,000
Less: Re-insurers' share	121,355	325,409
Net Outstanding Claims Reserve - End of the Year	49,289	77,265
Less: Reported claims reserve - beginning of the year	392,674	10,000
Unreported claims reserve - beginning of the year	10,000	369,442
Less: Re-insurers' share	325,409	300,787
Net Claims Reserve - Beginning of the Year	77,265	78,655
Net Change in Claims Provision	(27,976)	(1,390)
Net Paid Claims Cost	19,635	47,982

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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Net earned revenue from written premiums	89,855	118,706
Less: Net paid claims cost	19,633	47,982
	70,222	70,724
Add: Received commissions	71	14,167
Insurance policies insurance fees	7,816	7,217
Total Revenue	7,887	21,384
Less: Polices acquisition cost - commission paid	4,814	1,022
Other expenses related to underwriting accounts	16,807	18,348
Other expenses related to underwriting	(1,738)	12,680
Total Expenses	19,883	32,050
	58,226	60,058

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UNITED INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	December 31, 2021	December 31, 2020
ASSETS	JD	JD
Deposits at banks	400,000	100,000
Total Investments	400,000	100,000
Accounts receivable	100,661	111,350
Re-insurance companies' accounts receivable	116,717	175,519
Property and equipment	21	31
TOTAL ASSETS	617,399	386,900
LIABILITIES AND HEAD OFFICE'S EQUITY		
LIABILITIES		
Accounts payable	48,345	13,051
Re-insurance companies' Account Payable	276,993	296,609
TECHNICAL RESERVES		
Claims reserve - net	49,289	77,265
Mathematical reserve - net	50,368	40,712
Total Technical Reserves	99,657	117,977
TOTAL LIABILITIES	424,995	427,637
HEAD OFFICE'S EQUITY		
Head Office's current account	134,178	(100,795)
Net Written Profit	58,226	60,058
Surplus in Head Office's Equity	192,404	(40,737)
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	617,399	386,900

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

1. General

a. United Insurance Company was established in 1972 and registered as a Jordanian Public Shareholding Limited Company under Number (74) according to the Companies Law and its amendments. Moreover, United Insurance Company was merged with Egyptian Orient Insurance Company and New India Insurance Company in Jordan. The merger took effect from the beginning of 1988 and the Company resulting from the merger (United Insurance Company) has become the general success of the Company. In addition, more capital adjustments were made, the last of which was during the year 2008, so that authorized, paid-up capital became JD 8 million, divided into 8 million shares at a par value of JD 1 each.

The Company's address is Zahran Street, Building No. (188), P.O. Box 7521 – 11118 Amman, Jordan.

The Company's objective is conducting all types of insurance, including life insurance.

b. The accompanying financial statements were approved by Board of Directors in their meeting held December 17,2022 and they are subject to the approval of the General Assembly of Shareholders.

2. Accounting Policies

Basis of Preparation

- The financial statements have been prepared according to the standards issued by the International Accounting Standards Board interpretations issued by the International Financial Reporting Standards Committee enacted local laws and regulations; as well as the forms prescribed by the Jordanian Insurance Commission.

- The financial statements have been prepared according to the historical cost convention except for the financial assets at fair value through profit or loss and financial assets at fair value through statement of other comprehensive income and financial liability, which are stated at fair value in the financial statements.

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

- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2020, except for what is mentioned in Note (42).

- The following are the significant accounting policies:

Sector Information

- The business sector represents a set of assets and operations that jointly provide products and services subject to risks and returns different from those of other business sectors. These risks and returns are measured according to the reports used by the Company's Chief Executive Officer and Key decision maker.

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

Financial Instruments

Initial recognition and measurement:

Financial assets and liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions.

Financial assets and financial liabilities are initially measured at fair value. Moreover, transaction costs directly attributable to the acquisition or issue of financial assets and liabilities are added to the fair value of the financial assets or financial liabilities, or deducted from them, where necessary, at initial recognition. The transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized directly in the statement of profit and loss.

If the transaction price is different from the fair value at initial recognition, the Company treats this difference as follows:

- If fair value is determined at an active market price for identical assets or liabilities or based on a valuation method that uses only observable inputs in the market, the difference in profit or loss is recognized on initial recognition (i.e., gain or loss on the first day).

- In all other cases, fair value is adjusted to the transaction price (that is, the first day gain or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be taken to the statement of profit or loss on a rational basis, only to the extent that a change in factor (including time) is taken by the market participants when pricing the asset or liability or when this instrument is derecognized.

Financial Assets

Initial recognition

All financial assets are recognized on the trade date when the purchase or sale of a financial asset under a contract requires the terms of delivery of the financial asset within a time frame determined by the relevant market. Moreover, the financial asset is initially measured at fair value plus transaction costs except for those financial assets classified as at fair value through the statement of profit or loss. Transaction costs directly attributable to the acquisition of financial assets designated at fair value through profit or loss are recognized in the statement of profit or loss.

Subsequent measurement

Measurement of all recognized financial assets within the scope of IFRS 9 requires subsequent measurement at amortized cost or fair value based on the entity's business model for managing financial assets and their contractual cash flow characteristics.

Specifically:

- Financial instruments held in the business model for collecting contractual cash flows with contractual cash flows that are only principal and interest payments on the principal outstanding, and are subsequently measured at amortized cost; and

- Financial instruments held in the business model for both collecting contractual cash flows and selling debt instruments with contractual cash flows that are only principal and interest payments on the principal outstanding and are subsequently measured at fair value through other comprehensive income.

- All other financing instruments (such as debt instruments managed at fair value or held for sale) and equity investments are subsequently measured at fair value through the statement of profit or loss.

However, the Company may, after initial recognition of the financial asset, may make an irrevocable choice/designation concerning the financial asset on an individual basis, as follows:

- The Company may make an irrevocable choice to include in other comprehensive income the subsequent changes in the fair value of the equity investment not held for trading or potential replacement recognized by the acquirer within the business combinations to which IFRS 3 applies; and

The Company may irrevocably determine the financial instruments that fulfill the standards of amortized cost or fair value through other comprehensive income and are measured at fair value through the statement of profit or loss if it significantly eliminates or reduces the accounting mismatch (referred to as the fair value option).

Debt Instruments at Amortized Cost or at Fair Value through Comprehensive Income

The Company evaluates the classification and measurement of the financial asset based on the contractual cash flow characteristics and the Company's business model for asset management.

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

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

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

Evaluating the Business Model

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

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

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

- The portfolio stated policies and objectives and the application of those policies and whether the management strategy focuses on obtaining a contractual revenue, maintaining a specific profit rate, matching the period of financial assets with the period of financial liabilities that finance those assets, or achieving cash flows through the sale of assets.

- How to evaluate the performance of the business model and financial assets held in this business model and to report to key management personnel;

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

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

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

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

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

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

Impairment
The Company recognizes the expected credit loss provisions on the following financial instruments that are not measured at fair value through Profit or Loss statement:

- Balances and deposits with banks and financial institutions.
- Receivables and receivables from reinsurers.
- Financial assets at amortized cost (debt instruments).
- Checks under collection

No impairment loss is recognized in equity instruments.

The Company calculates the impairment of financial statements using the simplified method.

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

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

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

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

Provision for the Expected Credit Losses
The Company has adopted the simplified method to recognize the expected credit losses over their lifetime concerning receivables, checks under collection, and reinsurers' receivable as permitted by IFRS 9. Accordingly, non-impaired receivables, checks under collection, and reinsurers' receivable that do not contain a significant component of finance have been classified within the second stage with the recognition of expected credit losses over their lifetime.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other accounts payable are initially classified as "financial liabilities" at fair value less transaction costs, whereas they are subsequently measured at amortized cost using the effective yield method. Interest expense is recognized on an effective yield basis except for short-term liabilities if it is insignificant to recognize the return.

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

Derecognition of Financial Liabilities:
The Company derecognises financial liabilities when it is discharged from its obligations, or when such obligations are canceled or expired. The difference between the carrying amount of the derecognised financial liability and the consideration payable or payable is recognized in profit or loss.

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

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

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

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

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

Fair Value
Closing market prices (acquiring assets /selling liabilities) in active markets at the date of the financial statements represent the fair value of traded financial derivatives.

In case declared market prices do not exist, some financial derivatives are not actively trading, or the market is inactive, fair value is estimated by one of several methods including the following:

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

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

Real Estate Investments
Real estate investments are stated at cost net of accumulated depreciation (excluding land). Moreover, these investments are depreciated over their useful lives using the straight-line method at an annual rate of 2%. In addition, impairment in their value is taken to the statement of profit or loss. The operating revenues or expenses of these investments are included in the statement of profit or loss.

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

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

Reinsurers' shares of insurance premiums and contributions, paid claims, technical provisions, and all the rights and obligations resulting from reinsurance based on agreements between the Company and reinsurers are accounted for on the 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 contracts, the Company reduces the present value of the contracts and records the impairment loss in the statement of profit or loss. The impairment is only recognized in the following two cases:

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

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

Acquisition Costs of Insurance Policies
Acquisition costs represent the costs incurred by the Company against selling, underwriting, or starting new insurance contracts. The acquisition costs are recorded in the statement of profit or loss.

Property and Equipment
Property and equipment are stated at cost net of accumulated depreciation and any accumulated impairment. Moreover, property and equipment (except for land) are depreciated, when ready for their intended use, according to the straight-line method over their estimated useful lives using the following annual rates. In addition, the depreciation expense is recorded in the statement of profit or loss:

	%
Office furniture and fixtures	10
Computers	20
Vehicles	15
Machinery and equipment	15
Electrical appliances	10
Buildings	2
Air-conditioning & cooling equipment	15
Fire alarm system	15
Elevators	15

Property and equipment under construction, for the Company's use, trading, or for purposes not determined yet, are stated at cost net of accumulated impairment.

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

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

The gain or loss resulting from the disposal or derecognition of property and equipment, representing the difference between the property and equipment sale proceeds and their book value, are recorded in the statement of profit or loss.

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

Mortgaged Financial Assets
These are the financial assets mortgaged to other parties while the other party has the right of disposal thereof (sale or re-mortgage). Evaluation of these assets continues to be performed according to the accounting policies adopted for the evaluation of each according to its original classification.

Intangible Assets
Intangible assets obtained through merger are stated at fair value on their acquisition date, and the intangible assets obtained through other than merger are stated at cost.

Intangible assets represent computer systems recorded at cost under a separate item in the financial statements.

Intangible assets are classified according to their estimated lives: definite or indefinite. Intangible assets with a definite useful life are amortized at a rate of 20% during that life, and amortization is recorded in the statement of profit or loss. Intangible assets with indefinite lives are reviewed for impairment at the date of the financial statements, and the impairment is taken to the statement of profit or loss.

The value of intangible assets is tested for impairment at the date of the financial statements and reduced if there are indications that their value has been impaired in case the estimated recoverable amount of their cash-generating unit(s) is / are less than the recorded amount of the cash generating unit(s). The impairment in value is taken to the statement of profit or loss.

Internally generated intangible assets are not capitalized by the Company but recorded in the profit or loss statement in the same year.

The estimated life of those assets is reviewed, and any changes are made in the subsequent periods.

Any indications to the impairment of these financial assets are reviewed as of the date of the financial statements.

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

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

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

Technical Reserves

Technical reserves are taken and maintained according to the regulations of the Insurance Regulatory Commission as follows:

1. The reserve for unearned premiums for general insurance activities is calculated according to the remaining days up to the expiry date of the insurance policy on the basis of a 365-day per year, except for marine and land transport insurance for which the provision is calculated on the basis of written premiums of the effective policies and in accordance with the related laws and regulations on the date of the financial statements.

2. The reserve for reported claims is computed by determining the maximum total expected costs for each claim on an individual basis.

3. Additional reserves for incurred but not reported claims are calculated based on the Company's experience and estimates and with the corporation with the actuary expert.

4. The relatively large claims are studied separately, and the related provision is booked based on the accredited loss adjustor report and based on the Company and actuary expert's experience and estimates.

5. The reserve for unearned premiums for life insurance activities is calculated based on the Company's experience and estimates.

6. The mathematical reserve for life insurance policies is calculated based on the actuarial equations which are reviewed periodically by an independent actuary.

Provision for end- of-service indemnity

The provision for employees' end-of-service indemnity is calculated in accordance with the Company's policy that complies with the Jordanian Labor Law.

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

Income Tax

Income tax expenses represent accrued taxes and deferred taxes.

a. Accrued Taxes

Accrued tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the statement of profit or loss since the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, as well as unallowable and non-taxable items.

Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions in Jordan.

b. Deferred Taxes

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

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

The balances of deferred tax assets and liabilities are reviewed at the statement of financial position date and reduced in case they are expected not to be utilized or are no longer needed, wholly or partially.

Cost of Issuing or Purchasing of Own Shares

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

Liability Adequacy Test

The adequacy and suitability of the insurance liabilities are evaluated through the calculation of the present value of the future cash flows relating to the general insurance and its adequacy and creditability to the insurance liabilities.

If the evaluation shows that the present value of the insurance liabilities (various purchase expenses less suitable and related intangible assets) is inadequate compared to the expected future cash flows, the full impairment is recorded in the statement of profit or loss.

Offsetting

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

Revenue Recognition

1. Insurance Contracts

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

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

2. Dividends and Interest

Dividends from investments are recorded when the right of the shareholders to receive dividends arises upon the related resolution of the General Assembly of Shareholders.

Interest income is calculated according to the accrual method based on the maturities of the time periods, original principals, and earned interest rate.

3. Rental Income

Rental income from real estate investments of operating lease contracts is recognized based on the straight-line method over the contract term. Moreover, other expenses are recognized on the accrual basis.

Expense Recognition

All commissions and other costs relating to the acquisition of new or renewed insurance policies are amortized in the statement of profit or loss upon their occurrence. Other expenses are recognized on the accrual basis.

Insurance Compensation

Insurance compensations represents claims paid and change in claims reserves.

Insurance compensations represent all amounts paid during the year whether they relate to the current year or previous years. Moreover, outstanding claims represent the highest estimated amount for settlement of all claims resulting from events prior to the financial statements date but still unsettled at that date. Moreover, outstanding claims are calculated on the basis of the best information available at the date of the financial statements and include the provision for unreported claims.

Salvage and Subrogation Compensation

Estimates of salvage and subrogation compensations are considered in the measurement of the insurance liability for claims.

General and Administrative Expenses

All distributable general and administrative expenses are allocated to the insurance branches separately. Moreover, 80% of the general and administrative expenses have been allocated to the various insurance departments based on the earned premiums of each department in proportion to total premiums.

Employees Expenses

All distributable employees' expenses are allocated to the insurance branches separately. Moreover, 80% of employees' expenses have been allocated to the various insurance departments based on the earned premiums of each department in proportion to total premiums.

Significant Accounting Judgments and Key Sources of Uncertainty

Preparation of the financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions in general and expected credit loss in specific as well as changes in the fair value shown within comprehensive income and shareholders' equity. Management is required to issue significant judgments to assess future cash flows and their timing. The aforementioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and conditions of those estimates in the future.

Judgments, estimates, and assumptions are reviewed periodically. Moreover, the effect of the change in estimates is recognized in the financial period in which the change occurs if the change affects only the financial period. On the other hand, the effect of the change in estimates is recognized in the financial period in which the change occurs and in future periods if the change affects the financial period and future financial periods.

We believe that the estimates in the financial statements are reasonable. Details are as follows:

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

- The financial year is charged with its share from income tax according to the prevailing laws and regulations in Jordan.

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

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

- A provision for lawsuits against the Company is based on a legal study by the Company's lawyers according to which probable future risks are determined. A review of such studies is performed periodically.

- Management reviews the financial assets, shown at cost, to evaluate any impairment in their value. Such impairment is taken to the statement of profit or loss.

- Real estate investments are evaluated by independent real estate experts according to decision issued by the Jordanian Insurance Commission to evaluate any impairment in their value in the financial statements.

- Fair Value Hierarchy: The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When evaluating the fair value of the financial assets and liabilities the Company uses market information when these are available. In case Level 1 inputs are not available, the Company deals with independent and qualified parties to prepare evaluation studies. Furthermore, the suitable evaluation methods and inputs used in preparing the evaluation studies are reviewed by management.

- Business model evaluation
  The classification and measurement of financial liability are based on the results of repayment the principle and the associated interest as well the business model test. The company determines the business model at a level that reflects the way in which the company manage financial assets together in order to achieve a specific business objective. This evaluation includes a judgment that reflects all relevant evidence, including how to assess the performance of assets, measure their performance, the risks that affect the performance of assets, how it managed, and how assets managers are compensate. The Company monitors the financial assets that measured at amortized cost and derecognized before its maturities to understand the reason for derecognized and whether the reasons are consistent with the objective of the business that has been retained. The balance is part of the company's continuous evaluation of whether the business model in which the financial assets were retained remains appropriate and if it is not appropriate whether there is a change in the business model and consequently a future change to the classification of those assets. No such those changes were required during the periods shown.

- Significant increase in credit risks
  Expected credit loss measured, as it was discussed in note 2, as provision equal expected credit loss for 12 months for the assets from the first stage, or equal to expected credit loss over lifetime of the assets from the second or third stage. The asset is transferred to the second stage if the credit risk has seen a significant increase since the initial recognition. International financial reporting standard (9) does not specify what represents a significant increase in credit risk. The company takes into consideration when assessing whether the credit risk of the asset has increased substantially, quantitative and qualitative information that can be obtained.

  Calculation of provision for expected credit losses
  The management is required to use important judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risk of significant increase in credit risk for financial assets after the initial recognition and future measurements information for expected credit losses.

  The expected credit loss is measured as an allowance equivalent to the expected credit loss over the life of the asset.

- Determining the number and relative weight of forward-looking scenarios for each type of products / market and the identification of future information relevant to each scenario.

  When measuring the expected credit loss, the company uses reasonable and supporting future information based on assumptions about the future movement of significant economic variables and how those variables affect the calculation of the expected credit loss.

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

- Loss given default
  Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account cash flows from collaterals and credit adjustments.

- Revenue Recognition
  The Company's management uses significant estimates and assumptions to determine the amount and timing of the recognition of revenue under IFRS 15 *"Revenue from Contracts with Customers"*.

3. Deposits at Banks

This item consists of the following:

	December 31, 2021			December 31, 2020
	Deposits Maturing Within One Month to Three Months	Deposits Maturing after Three Months and up to One Year	Total	Total
Inside Jordan:	JD	JD	JD	JD
Société General Bank	1,580,799	-	1,580,799	2,445,074
Invest Bank	1,750,000	1,100,000	2,850,000	2,725,000
Arab Jordan Investment Bank	1,890,000	-	1,890,000	2,290,000
Egyptian Arab Land Bank	2,000,000	-	2,000,000	2,000,000
Balance	7,220,799	1,100,000	8,320,799	9,460,074
Expected credit loss *	-	(10,082)	(10,082)	(10,082)
Adjusted Balance	7,220,799	1,089,918	8,310,717	9,449,992

- During the year 2021, annual interest rates on deposits at banks in Jordanian Dinar ranged from 4.25% to 4.5%. (2020: 4.25% to 4.5%)

- Moreover, deposits collateralized to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 800,000 as of December 31, 2021 at the Invest Bank.

- Restricted balances amounted to JD 300,000 as of December 31, 2021. These balances represent cash deposits against an overdraft facility granted to the Company, in addition to the deposits mortgaged to the order of the General Director of the Insurance Commission.

  Balances with banks are assessed to have low credit risk of default since this bank are highly regulated by the Central Bank of Jordan. Accordingly, the Company's management estimates the provision of loss on balances with banks at the end of the reporting period at an amount equal to 12 months expected credit loss. Taking into account the historical default experience and the current credit ratings of the banks, the Company's management have assessed that there is no impairment, hence no provision was recorded on these balances.

4. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31	
	2021	2020
Inside Jordan:	JD	JD
Quoted shares or listed	125,322	151,356
	125,322	151,356

5. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	December 31	
	2021	2020
Inside Jordan	JD	JD
Quoted shares at Amman Stock Market	5,229,063	4,435,776
Unquoted shares at Amman Stock Market *	8,762	8,389
	5,237,825	4,444,165
Outside Jordan		
Arab Reinsurance Company – Lebanon *	191,503	187,551
	5,429,328	4,631,716

* This investment has been evaluated according to the equity method used and the Company's last audited financial statements, The Company has conducted a detailed study of the investee company and the company believes that there is no impairment, in terms of market value exceeding the book value.

6. Financial Assets at Amortized Cost

This item consists of the following:

	December 31	
	2021	2020
	JD	JD
Inside Jordan		
Arab Corp Company bonds *	50,000	50,000
Less: Provision for impairment in Arab Corp Company bonds	(49,999)	(49,999)
	1	1
Ahli Bank bonds **	1,000,000	1,000,000
Jordanian Government Bonds ***	3,124,000	1,988,000
	4,124,000	1,988,000
Outside Jordan		
Turkish Government Bonds ****	426,000	-
Balance	4,550,001	2,988,001
Less: Expected credit loss *****	(3,000)	(3,000)
Adjusted Balance	4,547,001	2,985,001

* Arab Corp bonds matured on April 1, 2014 and the original bond and any interest for the company were not paid, a provision was made for the entire value of this bond and the suspension of interest recognition during the past years.

** On October 12, 2017, the Company invested in (10) loan bonds with a nominal value of 100,000 JD / loan bond with a total value of one million JD from the Jordan Ahli Bank with a contribution rate of 4% in the bonds, these bonds are due on November 12, 2023, with the benefit of issuing 6.75% for the first six months, at a variable interest rate, where the interest is recalculated every six months during the life of the bond, so that the interest at the beginning of each period is equal to the discount interest rate at the Central Bank plus a margin of 2%.

*** On June 17, 2020, the Company invested in (13) Jordanian government loan bonds and on April 13, 2021 invested in (7) Jordanian government loan bonds and on October 31, 2021 invested in (1) Jordanian government loan bond with a nominal value of $ 200,000 / loan bond and a total value of $ 4,200,000 through Housing Bank. These bonds are due on October 10, 2047, and at a fixed interest rate of 7.375% annually, it is calculated based on the number of actual days divided by 360 days.

**** On April 5, 2021, the company invested in (3) Turkish government loan bonds with a nominal value of $200,000 / loan bond with a total value of $600,000 through the Housing Bank. These bonds are due on January 14, 2041, at an interest rate of 6% annually and calculated based on the actual number of days divided by 360 days.

***** Movement on the Expected Credit Loss for Financial Assets at Amortized Cost:

	2021	2020
	JD	JD
Balance - beginning of the year	3,000	1,000
Additions during the year	-	2,000
Balance - End of the Year	3,000	3,000

7. Investment Property - Net

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Lands	646,985	646,985
Buildings	5,007,455	5,007,455
Less: Accumulated depreciation	(880,058)	(794,172)
Buildings - net of accumulated depreciation	4,127,397	4,213,283
	4,774,382	4,860,268

- The movement on the accumulated depreciation account was as follows:

	2021	2020
	JD	JD
Balance – beginning of the year	794,172	708,050
Depreciation expense	85,886	86,122
Balance at Year-End	880,058	794,172

- Buildings are depreciated at an annual rate of 2% and are stated at the carrying amount.

- The fair value of investments property has been assessed by three real estate evaluators at JD 7,558,758 as of December 31, 2021.

8. Cash on Hand and at Banks

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Cash on hand	1,182	2,965
Current accounts at banks	627,205	3,483,152
	628,387	3,486,117

9. Cheques under Collection

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Balance	2,021,536	1,934,300
Expected credit losses	(6,958)	(6,958)
Balance	2,014,578	1,927,342

* The maturities of cheques under collection extends to December 15, 2023. These cheques include cheques due from related parties totaling JD 126,747.

10. Receivables - Net

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Policyholders' receivables	4,199,874	4,809,029
Agents' receivables	928,597	992,629
Broker's receivables	1,477,469	1,202,291
Employee's receivables	20,036	22,847
Legal cases receivables	436,758	436,677
Related parties' receivables (Note 40)	1,521,000	1,265,394
Other receivables	226,017	117,484
	8,809,751	8,846,351
Less: Expected Credit Losses *	(2,131,335)	(2,031,335)
Receivables – Net	6,678,416	6,815,016

* The movement on the expected credit losses as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	2,031,335	1,531,335
Additions during the year (Note 30)	100,000	500,000
Balance – End of the Year	2,131,335	2,031,355

The aging of receivables is as follows:

	December 31, 2021	December 31, 2020
	JD	JD
Less than 90 days	2,550,650	2,186,298
90 – 180 days	2,129,145	2,617,062
181 – 270 days	2,341,825	1,475,002
271 – 360 days	299,422	1,017,579
More than 360 days**	1,488,709	1,550,410
	8,809,751	8,846,351

** There are receivables due from related parties amounted to JD 1,521,000 of which an amount of JD 387,627 aging more than 365 days for which a full provision has been taken as of December 31, 2021.

- In the opinion of the Company's management, there is no need to record any additional provisions.

- The company always measures the provision for loss for debtors at an amount equal to the expected credit losses over the life of the debt using the simplified approach. The expected credit losses on debtors are estimated using an allowance matrix by referring to previous experiences with the customer and an analysis of the debtor's current financial position, adjusting it according to the debtors' factors, the general economic conditions of the field in which the debtors operate and an assessment of the current trend as well as the expected trend of conditions at the date of the report.

11. Re-insurance and Local Insurance Companies' Accounts Receivable

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Local insurance companies	330,144	389,526
Foreign re-insurance companies	56,447	246,461
	386,591	635,987
Less: Expected credit loss for re-insurance accounts *	(35,207)	(35,207)
Re-insurance Companies' Accounts - Net	351,384	600,780

The aging of re-insurance companies' accounts receivable is as follows:

	December 31, 2021	December 31, 2020
	JD	JD
Less than 90 days	226,813	357,331
90 - 180 days	50,662	175,947
181 - 270 days	51,041	25,648
271 - 360 days	2,691	75,789
More than 360 days	15,384	1,272
	386,591	635,987

- A provision is booked for reinsurers' expected credit Loss with due age of more than one year and with no repayments and according to the management estimates. Thus, The Company always measures the loss provision for reinsurance receivables at an amount equal to the expected credit losses over the life of the liability, using the simplified approach. The expected credit losses are estimated on the receivables of reinsurers using a matrix of allocations by referring to previous experiences with the repeater and an analysis of the current financial position of the repeater, with adjustments according to factors specific to the reinsurer's receivables, the general economic conditions of the field in which the reinsurer operates and an assessment of the current trend as well as the expected direction of the conditions on the date of the report.

12. Income Tax

a. Income tax provision

- Movement on the income tax provision was as follows:

	2021	2020
	JD	JD
Balance at the beginning of the year	479,762	296,344
Income tax paid	(568,216)	(364,782)
Income tax expense for the year*	336,332	536,179
National contribution fees	31,094	47,177
Tax paid on interest deposits	(30,604)	(35,156)
Income tax expense prior years	12,489	-
Balance - End of the Year	260,857	479,762

* Income tax in the statement of profit or loss represents the following:

	2021	2020
	JD	JD
Income tax for the year	363,332	536,179
National contribution fees	31,094	47,177
Income tax for prior years	12,489	-
Deferred tax assets	(30,723)	(110,629)
	376,192	472,727

b. Deferred Tax Assets / Liabilities

The details are as follows:

Accounts Included	December 31, 2021							December 31, 2020
	Balance at the Beginning of the Year	Amounts Released	Amounts Added	Balance at Year – End	Deferred Tax	Transferred to the Statement of Profit or Loss	Transferred to Valuation Reserve	Deferred Tax
a. Deferred Tax Assets	JD	JD	JD	JD	JD	JD	JD	JD
Expected credit losses provision *	2,086,581	-	100,000	2,186,581	568,511	(26,000)	-	542,511
Reserve of financial assets valuation – net	1,214,452	797,610	-	416,842	108,379	-	207,378	315,757
End of service provision	21,865	-	18,167	40,032	10,408	(4,723)	-	5,685
	3,322,898	797,610	118,167	2,643,455	687,298	(30,723)	207,378	863,953
b. Deferred Tax Liabilities								
Effect of adopting standards (9)	111,934	-	-	111,934	26,864	-	-	26,864
	111,934	-	-	111,934	26,864	-	-	26,864

* This item represents the total amount of expected credit losses for deposits at banks, financial assets at amortized costs, investment property, cheques under collection, receivables and re-insurance and local insurance companies' accounts receivable.

- The movement on deferred tax assets and liabilities as follows:

	December 31,			
	2021		2020	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
Balance at the beginning of the year	863,953	26,864	652,554	26,864
Added / (released)	(176,655)	-	211,399	-
Balance at Year – End for the Year	687,298	26,864	863,953	26,864

- Summary of the reconciliation of accounting profit with taxable profit:

	2021	2020
	JD	JD
Declared accounting profit	1,671,337	1,974,255
Non-taxable item	(1,875,655)	(1,925,045)
Non-deductible expenses	1,608,281	2,202,506
Taxable net-profit for the external investment	150,756	-
Taxable Profit	1,554,719	2,251,716
Income Tax Rate	24%	24%
National contribution fees	2%	2%
External Investment Tax Rate	10%	10%

- The company's tax status has been finalized and settled until the end of 2018, knowing that self-assessment statements have been submitted for the year 2020 and have not yet been reviewed by the Income and Sales Tax Department.

13. Property and Equipment - Net

The details of this item are as follows:

	Office Furniture and Fixtures	Computers	Vehicles	Machinery and Equipment	Electrical Appliances	Building	Air-conditioning and Cooling Equipment	Fire Alarm Systems	Elevators	Total
December 31, 2021	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:										
Balance at the beginning of the year	258,371	186,727	228,033	9,734	53,349	5,113,388	347,443	29,601	286,365	6,513,011
Additions	1,350	6,255	-	113	6,598	-	-	-	-	14,316
Balance at End of the Year	259,721	192,982	228,033	9,847	59,947	5,113,388	347,443	29,601	286,365	6,527,327
Accumulated Depreciation:										
Balance at the beginning of the year	168,236	175,915	100,051	4,737	40,340	571,697	289,079	17,434	239,952	1,607,441
Depreciation for the year	20,612	5,120	34,195	1,464	3,658	103,130	52,116	3,040	42,955	266,290
Balance at End of the Year	188,848	181,035	134,246	6,201	43,998	674,827	341,195	20,474	282,907	1,873,731
Net Book Value of Property and Equipment at End of the Year	70,873	11,947	93,787	3,646	15,949	4,438,561	6,248	9,127	3,458	4,653,596
December 31, 2020										
Cost:										
Balance at the beginning of the year	252,616	184,747	228,033	9,734	51,902	5,113,388	347,443	29,601	286,365	6,503,829
Additions	5,755	1,980	-	-	1,447	-	-	-	-	9,182
Balance at End of the Year	258,371	186,727	228,033	9,734	53,349	5,113,388	347,443	29,601	286,365	6,513,011
Accumulated Depreciation:										
Balance at the beginning of the year	148,119	170,157	65,763	3,273	36,393	468,284	236,820	14,386	196,880	1,340,075
Depreciation for the year	20,117	5,758	34,288	1,464	3,947	103,413	52,259	3,048	43,072	267,366
Balance at End of the Year	168,236	175,915	100,051	4,737	40,340	571,697	289,079	17,434	239,952	1,607,441
Net Book Value of Property and Equipment at End of the Year	90,135	10,812	127,982	4,997	13,009	4,541,691	58,364	12,167	46,413	4,905,570

- Fully depreciated assets amounted to JD 422,168 as of December 31, 2021 (JD 384,254 as of December 31, 2020).

14. Intangible Assets - Net

This item consists of the following:

	Computer Programs
	JD
December 31, 2021	
Cost - Beginning of the Year:	286,061
Additions	10,798
Balance - End of the Year	296,859
Accumulated Amortization:	
Balance at the beginning of the year	252,696
Amortization for the year	28,524
Balance at Year-End	281,220
Net Book Value of Intangible Assets	15,639

	Computer Programs
	JD
December 31, 2020	
Cost:	
Balance - Beginning and End of the Year	286,061
Accumulated Amortization:	
Balance at the beginning of the year	223,627
Amortization for the year	29,069
Balance at Year-End	252,696
Net Book Value of Intangible Assets	33,365

15. Other Assets

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Accrued revenues not received	196,079	181,746
Prepaid expenses	10,335	13,806
Recovered claims paid – net *	244,308	179,828
Refundable deposits	3,426	3,426
Arab War Risks Insurance Syndicate	329,935	274,040
Sales tax deposits	1,403,944	-
	2,188,027	652,846

* During the year, the Company assessed other insurance companies' recoveries and deducted the related amounts from the compensations paid.

16. Mathematical Reserve

The movement on the mathematical reserve is as follows:

	December 31,	
	2021	2020
	JD	JD
Balance at the beginning of the year	40,712	81,573
Added / (Released) during the year	9,656	(40,861)
Net Mathematical Reserve – End of the Year	50,368	40,712

17. Accounts Payable

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Agents payable	255,737	278,767
Employees' payable	311	346
Brokers payable	296,859	383,311
Policyholders (compensations)	799,786	36,756
Car workshops and spare parts	43,980	50,549
Third party administrative – medical insurance	713,909	631,540
Legal cases payable	30,359	29,971
Others	231,268	249,459
	2,372,209	1,660,699

18. Re-insurance and Local Insurance Companies' Accounts Payable

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Foreign re-insurance companies	2,554,483	5,311,742
Local insurance companies	477,408	260,019
	3,031,891	5,571,761

19. Accrued Expenses and Various Provisions

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Provision for the Insurance Commission's fees	4,924	4,924
End of service provision	40,032	21,865
Accrued bonuses	131,171	147,690
	176,127	174,479

The following table illustrates the movement on accrued expenses and the various provisions:

	Balance Beginning of the Year	Booked for the Year	Released During the Year	Balance ending of the Year
	JD	JD	JD	JD
Accrued expense for the Insurance Administration	4,924	-	-	4,924
End of service indemnity	21,865	18,167	-	40,032
Accrued bonuses	147,690	135,000	151,519	131,171
	174,479	153,167	151,519	176,127

20. Other Liabilities

This item consists of the following:

	December 31, 2021	December 31, 2020
	JD	JD
Revenues received in advance	63,746	56,326
Board of Directors' bonuses	32,125	42,958
Other	63,656	165,111
	159,527	264,395

21. Authorized and Paid - up Capital and Issuance Premiums

- Authorized and paid-up capital amounted to JD 8,000,000 million, distributed over 8,000,000 shares with a par value of JD 1 each.

- Share premium amounted to JD 41,507.

22. Reserves

Statutory Reserve

The amounts in this account represent appropriations from annual Profit before tax at 10% according to the Companies Law. This reserve may not be distributed to shareholders. The total accumulated balance at the account shouldn't exceed 25% of the Company's paid-up capital. The statutory reserve reached 25% of the company's paid-up capital and there is no need to take any additional statutory reserves.

Voluntary Reserve

The amounts accumulated in this account represent appropriations from annual profit before tax at a rate not exceeding 20%. The voluntary reserve is used for the purposes decided by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to distribute this amount fully or partially as profits to shareholders.

23. Financial Assets Valuation Reserve - Net

This item consists of the following:

	2021	2020
	JD	JD
Balance at the beginning of the year	(898,691)	(611,881)
Change during the year	(382,853)	387,580
Released from deferred tax assets	207,378	100,770
Net Change during the Year	590,231	(286,810)
Balance – End of Year	(308,460)	(898,691)

24. Retained Earnings

The movement on this item as the following:

	2021	2020
	JD	JD
Balance at the beginning of the year	6,261,757	4,760,229
Profit for the year	1,322,145	1,501,528
Dividends distributed to shareholders	(800,000)	-
Balance – End of Year	6,783,902	6,261,757

25. Interest Revenue

This item consists of the following:

	2021	2020
	JD	JD
Bank interest	487,561	474,706
Euro Bond Interest	95,442	75,608
Commercial Bond Interest	55,000	55,000
	638,003	605,314

26. Net Gain from Financial Assets and Investments

This item consists of the following:

	2021	2020
	JD	JD
Net Change in fair value of financial assets fair value through profit or loss	(26,034)	9,318
Cash dividends (from financial assets at fair value through other comprehensive income)	286,536	77,577
Net rental income	3,242	74,650
	263,744	161,544

27. Other Revenue - Net

This item consists of the following:

	2021	2020
	JD	JD
Prior year income from reinsurers	-	13,271
Cheques issuance fees	16,649	4,445
Other revenue	11	203
	16,660	17,919

28. Employees' Expenses

This item consists of the following:

	2021	2020
	JD	JD
Salaries and bonuses	1,042,497	1,066,337
Company's social security contributions	120,693	124,684
Medical expense	82,242	82,212
Provision for bonuses *	160,175	225,725
Travel and transportation	13,940	7,261
	1,419,547	1,506,219
Employees Expenses Related Directly to Underwriting Accounts	541,257	572,100
Employees' Administrative Expenses Allocated to underwriting Accounts	702,633	747,295
Total Employees' Expenses Allocated to Underwriting Accounts	1,243,890	1,319,395
Employees' Expenses Unallocated to Underwriting Accounts	175,657	186,824

* This item represents employees' bonuses allocated to entitled personnel according to the Board of Directors' decision at the time.

29. General and Administrative Expenses

This item consists of the following:

	2021	2020
	JD	JD
Legal expenses and fees	135,348	146,942
Insurance Commission fees	104,868	129,715
Rent	7,392	6,782
Printing and stationery	16,504	10,247
Advertising and marketing	4,745	3,563
Bank charges	26,182	26,415
Bank interest	24	93
Travel and transportation	2,509	4,162
Maintenance	27,035	42,646
Post and telephone	675	28,237
Hospitality	5,569	4,513
Companies' controller's fees	1,409	610
Donations	5,530	11,326
Subscriptions	13,384	17,549
Government fees	8,306	9,473
Professional fees	8,750	16,583
Assets insurance	4,955	3,366
Cars expenses	17,236	20,864
Computer expenses	19,969	17,345
Actuary's fees	13,569	3,046
Other expenses	84,100	160,309
	508,059	663,786
Total General and Administrative Expenses Allocated to Underwriting Accounts *	406,447	531,029
Total General and Administrative Expenses Unallocated to Underwriting Accounts	101,612	132,757

* Expenses were allocated as follows:

	2021	2020
	JD	JD
Life	6,159	7,622
Motor	182,920	229,256
Marine and transportation	5,614	6,942
Fire and other damages	50,577	68,084
Liability	5,290	6,417
Medical	153,279	212,103
Aviation	1,808	-
Others	800	605
	406,447	531,029

30. Expected credit losses

This item consists of the following:

	2021	2020
	JD	JD
Account receivables	100,000	500,000
Financial assets at amortized cost	-	2,000
	100,000	502,000

31. Other Expenses

This item consists of the following:

	2021	2020
	JD	JD
Board of Directors' bonuses	30,000	40,835
	30,000	40,835

32. Earnings per Share

Earnings per share have been computed by dividing profit for the year by the outstanding shares during the year and as follows:

	2021	2020
	JD	JD
Profit for the year	1,322,145	1,501,528
	Share	Share
Outstanding shares	8,000,000	8,000,000
	JD / Share	JD / Share
Earnings per Share for the Year	-/165	-/188

33. Cash and Cash Equivalent

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Cash on hand	1,182	2,965
Deposits at banks maturing within three months	7,220,799	2,445,074
Current accounts at banks	627,205	3,483,152
Less: Restricted deposits	(1,100,000)	(625,000)
	6,749,186	5,306,191

34. Risk Management

The Company manages risks by various methods, using a comprehensive strategy to restrict and mitigate risks. Moreover, the Company sets up appropriated controls and monitors their effectiveness in a manner that achieves the optimal risk-return balance. Management of risks included constantly identifying, measuring, managing, and monitoring the financial and non-financial risks that may negatively affect the Company's performance and reputation. In addition, the Company guarantees the allocation of capital to achieve the optimal average return on risks. The Company is also exposed to the following risks: insurance risks and, financial risks, representing market risks, liquidly risks, interest rate risks, and commission rate risks.

a. Insurance Risk

1. Insurance Risks

Insurance risks are the risks of uncertainty as to the occurrence, timing, and amount of insurance claims. Moreover, insurance risks can be managed through following up on the size and all types of new insurance, soundness of pricing, and actual claims against the expected claims.

Risk according to the insurance policy is the probability of occurrence of an accident to the insured and the consequential claims of uncertain amounts due to the nature of the insurance policy. The occurrence of the risk is sudden, and therefore, cannot be expected.

The key risk that the insurance companies face according to the insurance policies arises from actual claims and benefits payments exceeding the amount stated under insurance liabilities. In addition, there is the probability of improper pricing of risks and underwriting in bad, uninsurable risks. Consequently, the inflow of claims, benefits, and their severity exceed the assessed incurable amounts of insurance claims. Moreover, the actual amounts, claims amounts, and benefits differ, from year to year, from the expected assessments.

The more diversified the insurance portfolio, the less susceptible it becomes to the impact of the changes to any of its components. Moreover, the Company has developed the strategy of underwriting through insurance policies to diversify the insurance risks it accepts. Such diversification included every category to broaden the risks base and reduce the percentage of change in the expected result.

The Company signed insurance policies with other companies to mitigate the risks arising from large claims.

The re-insurance policies do not resolve the Company's liabilities toward others. Instead, the Company remains liable to others concerning the reinsured share even if the re-insured Company does not fulfill its liabilities.

The Company manages these risks through a sound underwriting strategy, excellent category of re-insurance treaties, and dealing effectively with accidents. Moreover, the Company sets the underwriting bases that make available the criteria for risk selection.

The risk analysis below is determined based on the exposure to risks related to unearned premiums as of the financial statements date. Moreover, the analysis has been prepared, assuming that the amount of unearned premiums as of the date of the financial statements was outstanding for the whole year. An increase or decrease of (5%) is used, representing management's evaluation of the probable and acceptable extent of accuracy of the provision for unearned premiums calculation.

	+5%		-5%	
	December 31,		December 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Statement of profit or loss	336,407	313,875	(336,407)	(313,875)
Shareholders' equity	336,407	313,875	(336,407)	(313,875)

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 vehicles insurance claims were reported as follows:

Gross - Motor Insurance:

Year of Accident	2017 and prior years	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	26,759,830	3,403,958	3,382,100	6,088,647	8,748,558	48,383,093
After one year	26,759,830	3,424,833	3,382,100	6,088,647	-	39,655,410
After two years	26,768,539	3,424,833	2,582,100	-	-	32,775,472
After three years	26,752,485	3,334,833	-	-	-	30,087,318
After four years	25,376,047	-	-	-	-	25,376,047
Current expectations of cumulative claims	25,339,592	3,334,833	2,582,100	6,088,647	8,748,558	46,093,730
Cumulative payments	23,869,881	2,356,119	2,044,004	4,427,127	4,301,971	36,999,103
Liabilities as stated in the statement of financial position	2,753,140	1,090,999	1,528,406	1,509,277	4,446,587	11,328,409
Unreported claims	-	-	-	-	1,100,000	1,100,000
Deficit from the preliminary assessment of the provision	136,809	(43,161)	(190,311)	152,243	-	55,581

Gross - Medical Insurance:

Year of Accident	2017 and prior years	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	1,080,420	248,925	333,860	182,075	243,970	2,089,250
After one year	-	-	-	-	-	-
After two years	-	-	-	-	-	-
After three years	-	-	-	-	-	-
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	1,080,420	248,925	333,860	182,075	243,970	2,089,250
Cumulative payments	1,080,420	248,925	333,860	333,860	-	1,912,130
Liabilities as stated in the statement of financial position	-	-	84,935	(151,785)	243,970	177,120
Unreported claims	-	-	-	-	438,874	438,874
Surplus (deficit) from the preliminary assessment of the provision	-	-	-	-	-	-

Gross - Fire and Other Damages to Properties Insurance:

	2017 and prior years	2018	2019	2020	December 31, 2021	Total
Year of Accident	JD	JD	JD	JD	JD	JD
As of year-end	4,509,646	947,281	21,884,209	1,529,113	141,752	29,021,001
After one year	4,509,646	947,281	9,310,879	1,529,113	-	16,296,919
After two years	4,509,646	1,088,438	9,310,879	-	-	14,908,963
After three years	4,509,646	1,088,438	-	-	-	5,598,084
After four years	4,347,951	-	-	-	-	4,347,951
Current expectations of cumulative claims	4,509,646	1,088,438	9,310,879	1,529,113	-	16,438,076
Cumulative payments	3,327,241	843,495	7,733,443	791,541	114,791	12,810,512
Liabilities as stated in the statement of financial position	1,163,245	47,294	38,438	1,054,794	26,961	2,330,731
Unreported claims	-	-	-	-	23,307	23,307
Surplus in the preliminary estimate of the provision	19,159	56,492	14,112,328	(317,222)	-	13,870,757

Gross - Marine and Transportations Insurance:

	2017 and prior years	2018	2019	2020	December 31, 2021	Total
Year of Accident	JD	JD	JD	JD	JD	JD
As of year-end	988,283	47,554	22,502	66,947	54,312	1,179,598
After one year	988,283	47,554	16,528	66,947	-	1,119,312
After two years	988,283	26,045	16,528	-	-	1,030,856
After three years	893,071	26,045	-	-	-	919,116
After four years	893,071	-	-	-	-	893,071
Current expectations of cumulative claims	893,071	47,554	22,502	66,947	54,312	1,084,386
Cumulative payments	884,005	47,554	18,802	49,978	46,978	1,047,317
Liabilities as stated in the statement of financial position:	102,066	-	3,700	16,089	7,334	129,189
Unreported claims	-	-	-	-	2,584	2,584
Surplus in the preliminary estimate of the provision	2,212	-	-	880	-	3,092

Gross - Liability Insurance:

Year of Accident	2017 and prior years	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	139,332	21,623	13,317	17,815	2,312	333,731
After one year	139,332	21,623	51,900	17,815	-	370,002
After two years	139,332	23,675	23,675	-	-	326,014
After three years	138,512	23,675	-	-	-	340,649
After four years	138,512	-	-	-	-	274,996
Current expectations of cumulative claims	149,470	63,625	23,675	17,815	2,312	406,366
Cumulative payments	93,398	15,944	6,462	17,165	812	227,177
Liabilities as stated in the statement of financial position	12,986	63,625	3,500	300	1,500	81,911
Reported claims	-	-	-	-	819	819
(Deficit) in the preliminary estimate of the provision	32,949	(57,946)	3,356	350	-	24,643

Gross - Personal Insurance

Year of Accident	2017 and prior years	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	10,375	360	630	5,104	2,310	18,779
After one year	10,375	360	630	5,104	-	16,469
After two years	10,916	360	630	-	-	11,906
After three years	10,916	360	-	-	-	11,276
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	-	-	-	2,130	2,310
Cumulative payments	9,574	360	360	5,104	2,310	17,978
Liabilities as stated in the statement of financial position:	-	-	-	12	-	12
Unreported claims	-	-	-	-	-	-
(Deficit) in the preliminary estimate of the provision	801	-	-	(12)	-	789

Gross - Life Insurance:

Year of Accident	2017 and prior years	2018	2019	2020	December 31, 2021	Total
	JD	JD	JD	JD	JD	JD
As of year-end	590,320	166,981	87,495	134,864	-	979,660
After one year	590,320	166,981	87,495	134,864	-	979,660
After two years	590,320	166,981	87,495	-	-	844,796
After three years	590,320	166,981	-	-	-	757,301
After four years	590,320	-	-	-	-	590,320
Current expectations of cumulative claims	590,320	166,981	87,495	134,864	-	979,660
Cumulative payments	525,894	107,235	68,225	134,864	-	819,016
Liabilities as stated in the statement of financial position:	64,426	59,746	23,472	13,000	-	160,644
Unreported claims	-	-	-	-	10,000	10,000
Surplus (Deficit) in the preliminary estimate of the provision	-	-	-	-	-	-

3. Concentration of Insurance Risks

Concentration of assets and liabilities and off-statement of financial position items related to unearned premiums provision, claims provision, and mathematical provision is as follows:

	For the Year Ended December 31,			
	2021		2020	
	Risks Type			
Type of Insurance	Gross	Net	Gross	Net
	JD	JD	JD	JD
Motor	16,563,898	15,600,027	17,247,764	15,487,794
Marine and transportation	210,551	41,212	204,987	39,345
Fire and other damages to properties insurance	3,257,034	273,430	12,186,239	286,099
Liability	160,058	64,276	204,928	75,856
Medical	3,113,385	1,767,290	2,831,146	1,769,958
Other insurance	20,117	12,816	12,158	3,758
Aviation	16,525	946	-	-
Life insurance	322,476	99,654	553,385	117,976
	23,664,044	17,859,651	33,240,607	17,780,786

Concentration of the assets and liabilities according to the geographical distribution is as follows:

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to Geographical Area:				
Inside Jordan	39,730,125	22,582,242	40,399,317	21,151,165
Europe	475,951	1,100,875	240,283	4,066,137
Other Middle East countries	197,999	204,009	723,722	741,447
	40,404,075	23,887,126	41,363,322	25,958,749

Concentration of accounts receivable and accounts payable according to sector is as follows:

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to Sector:				
Private Sector	6,678,416	2,372,209	6,815,016	1,660,699
Total	6,678,416	2,372,209	6,815,016	1,660,699

4. Re-insurance Risks

The Company signed re-insurance contracts with other companies to mitigate the risks arising from large claims.

The Company evaluated the financial position of the contracted re-insurance company. Its concern hinges on credit risks resulting from the geographical distribution and nature of work and activities of the re-insurance companies.

The Company entered re-insurance contracts that enable it to face risks with competitive pricing and to maintain the optimal level of risks, taking into consideration financial resources such as reserves, volume of securities portfolio, and ready assets.

The size of retained risks is in line with scientific criteria and the general comparison index. More important for the Company is keeping a high liquidity ratio.

The re-insurance premiums do not replace the Company's liabilities toward others. Instead, the Company remains liable to others in terms of the reinsured share even if the Company does not fulfill its insurance obligations.

b. Financial Risks

The Company adopts financial policies for managing the different risks within a specified strategy. Moreover, the Company's management monitors and controls risks and performs the optimal strategic distribution for both financial assets and financial liabilities. Risks include interest rate risks, credit risks, foreign currency risks, and market risks.

The Company adopts a financial hedging policy for financial assets and financial liabilities, when necessary. This hedging relates to the expected future risks.

1. Market Risk

Market risks are the risks arising from the fluctuation in fair value or cash flows of financial instruments as a result of the change in market prices. Moreover, market risks arise from open positions relating to interest rates, currencies, and investments in shares. These risks are monitored according to certain policies and procedures through competent committees and the concerned work centers. Additionally, market risks include interest rates, exchange rates risks, and equity instrument risks.

2. Liquidity Risk

Liquidity risks relate to the Company's inability to make available the necessary financing to meet its obligations on their maturity dates. Furthermore, management of risks include the following:

- Keeping highly marketable assets that can be easily liquidated as a safeguard against unforeseeable shortfall in liquidity.
- Monitoring liquidity indicators according to the internal requirements and regulatory authorities' requirements.
- Managing concentrations and debts maturity dates.
- The following table summarizes the maturities of financial liabilities (on the basis of the remaining period of the maturity from the date of the financial statements):

	Less than One Month	From 1 Month to 3 Months	From 3 Months to 6 Months	From 6 Months to 1 Year	From 1 Year to 3 Years	More than 3 Years	Total
December 31, 2021	JD	JD	JD	JD	JD	JD	JD
Financial Liabilities:							
Re-insurance companies'	537,628	194,773	785,098	569,802	855,713	-	2,943,014
Account Payables	1,047,174	679,423	106,060	217,637	321,915	-	2,372,209
Other liabilities	63,764	-	32,126	63,747	-	-	159,636
Total	1,648,566	874,196	923,284	851,186	1,177,628	-	5,447,860
Total Assets (according to their expected maturities)	4,268,387	3,580,799	5,446,497	4,346,497	2,529,329	20,232,566	40,404,075

December 31, 2020	Less than One Month	From 1 Month to 3 Months	From 3 Months to 6 Months	From 6 Months to 1 Year	From 1 Year to 3 Years	More than 3 Years	Total
Financial Liabilities:	JD	JD	JD	JD	JD	JD	JD
Re-insurance companies'	3,284,717	106,687	615,747	1,282,694	281,916	-	5,571,761
Account Payables	818,774	96,571	140,065	206,932	398,357	-	1,660,699
Other liabilities	99,286	165,109	-	-	-	-	264,395
Total	4,202,777	368,367	755,812	1,489,626	680,273	-	7,496,855
Total Assets (according to their expected maturities)	2,513,049	2,445,074	12,135,871	4,509,980	2,343,424	17,415,924	41,363,322

3. Currency Risks

The Company's main operations are in Jordanian Dinar. Moreover, currency risk relates to the risk of changes in currency rates that relate to payments denominated in foreign currencies. As for transactions in US Dollars, management believes that the foreign currency risk relating to the US Dollar is immaterial as the Jordanian Dinar (the functional currency) is pegged to the US Dollar.

The following illustrates the Company's major foreign currency risks:

	Foreign Currency		Jordanian Dinar	
	December 31,			
Type of Currency:	2021	2020	2021	2020
	JD	JD	JD	JD
US Dollar	3,550,000	7,038,165	5,014,124	4,983,021

Management believes that the Company's foreign currency risks and their impact on the financial statements are immaterial.

4. Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Moreover, the Company manages interest rate risks through applying the sensitivity analysis of interest rate instruments in a manner that does not negatively affect net interest income.

The Company also manages its interest rate risk regularly by evaluating the different alternatives such as funding and renewing current positions and alternative funding.

The sensitivity analysis below has been determined based on the exposure to interest rates of deposits at the financial statements date. The analysis is prepared assuming that the amount of deposits at the statement of financial position date was outstanding for the whole year. A "0.5%" increase or decrease is used which represents management's assessment of the reasonable probable net change in market interest rates.

	+0/5%		(0/5%)	
	December 31,		December 31,	
	2021	2020	2021	2020
	JD	JD	JD	JD
Statement of profit or loss	41,554	47,250	(41,554)	(47,250)
Shareholders' equity	41,554	47,250	(41,554)	(47,250)

5. Sensitivity of Insurance Risks

	December 31, 2021		December 31, 2020	
	Statement of profit or loss	Changes in Equity	Statement of profit or loss	Changes in Equity
	JD	JD	JD	JD
Profit or loss / shareholders' equity	1,322,145	16,516,949	1,501,528	15,404,573
Impact of decreasing gross compensations by 5% while holding other factors constant	(1,124,550)	(1,124,550)	(1,088,464)	(1,088,464)
	197,595	15,392,399	413,064	14,316,109
Profit or loss / shareholders' equity	1,322,145	16,516,949	1,501,528	15,404,573
Impact of increasing gross compensations by 5% while holding other factors constant	(1,232,719)	(1,232,719)	(847,656)	(847,656)
	89,426	15,284,230	653,872	14,556,917

6. Share Price Risks

These risks represent the decrease in equity investments due to the changes in the indicators level of subscribed shares in the Company's portfolio.

The following is the impact of a +5% or -5% change in the index of the stock exchange in which the shares are traded:

	Change in Index	Impact on Profit for the year 2021	Impact on shareholders' Equity 2021	Impact on Profit for the year 2020	Impact on Shareholders' Equity 2020
	JD	JD	JD	JD	JD
Stock Exchanges	%5 increase	6,266	261,453	7,568	221,788
Stock Exchanges	%5 decrease	(6,266)	(261,453)	(7,568)	(221,788)

7. Credit Risk

Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of losses by the Company. Moreover, the Company adopts a policy of dealing with creditworthy parties in order to mitigate the financial losses arising from the Company's default on its liabilities. The Company does not follow a policy of taking guarantees against accounts receivable. Consequently, accounts receivables are not guaranteed.

The Company's financial assets consist primarily of holders of documents and financial investments at fair value through the statement of profit or loss, financial investment at fair value through the statement of comprehensive income, property investments, cash and cash equivalents, and other debit accounts. Moreover, holders of documents represent debts due from the locally insured parties, governmental bodies, large projects, and external customers. Moreover, the Company's management believes that the ratio of the debts owed to the Company is high. However, the probability of no collection of all or part of these debts is very low. Moreover, these debts represent significant concentration of risk in the customers' geographical areas. In addition, stringent credit risks control is maintained, as each customer's account is monitored separately and constantly. Customer's concentration according to their geographical areas is as follows:

	Assets	
	2021	2020
Geographical Area	JD	JD
Inside Jordan	32,195,647	27,865,520
Outside Jordan	673,950	577,077
	32,869,597	28,442,597

35. Main Segments Analysis

a. Information on the Company's Operating Segments

For managerial purposes, the Company was organized into two sectors; the General Insurance Sector which includes motor, marine transportation, fire and other damages on properties, liability, and medical and the Life Insurance Sector. These two sectors represent the main sectors that the Company uses to demonstrate the information related to the main sectors. The above-mentioned sectors also include investments and management of cash for the Company's own account. Moreover, transactions among the operational sectors are based on estimated market prices at the same terms used for others.

b. Information on Geographical Distribution

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

The following is the distribution of the Company's revenue and capital expenditures according to geographical sector:

	Inside Jordan		Outside Jordan		Total	
	For the Year Ended December 31,					
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total revenue	15,141,183	17,468,624	916,082	536,171	16,057,165	18,004,795
Capital expenditures	280,603	276,549	-	-	280,603	276,549

	December 31,					
	2021	2020	2021	2020	2021	2020
	JD	JD	JD	JD	JD	JD
Total assets	40,404,075	40,574,992	-	788,330	40,404,075	41,363,322

36. Capital Management

- Achieving Capital Management Objectives:
  The Company aims to achieve capital management objectives through growing the Company's operations; achieving surplus in operating profits and revenues; and optimal employment of available resources. This is to achieve the targeted growth in shareholders' equity through growing the statutory reserve at 10% of the realized profits and the voluntary reserve at no more than 20% (if necessary) and retained earnings.

  The Company takes into consideration that the size of capital should be compatible with the size and nature of risks that the Company is exposed to. This is carried out in a manner that does not contradict the regulations and instructions in force and is reflected in the Company's strategies and budgets. Moreover, the effect on capital adequacy ratio is considered upon acquiring investments. Additionally, capital and its adequacy are monitored periodically.

- The solvency margin as of December 31, 2021 and 2020 is as follows:

	December 31,	
	2021	2020
	JD	JD
First: Available capital *	15,631,060	17,216,941
Second: Required capital		
Capital required against assets risks	7,226,430	5,925,431
Capital required against underwriting liabilities	2,785,946	2,956,932
Capital required against life insurance	41,849	45,177
Capital required against reinsurance risk	159,122	158,068
Total Required Capital	10,213,347	9,085,608
Third: Solvency margin ratio (available capital / required capital)	%180	%189

* Available capital consists of the following:

	December 31,	
	2021	2020
	JD	JD
Primary Capital:		
Paid-up capital	8,000,000	8,000,000
Statutory reserve	2,000,000	2,000,000
Insurance premium	41,507	41,507
Retained earnings	6,783,902	6,261,757
Less: Proposed dividends	800,000	800,000
	16,025,409	15,503,264
Plus: Supplementary Capital:		
Financial assets cumulative change in fair value	(308,463)	(898,691)
(Decrease) increase in investment properties fair value	(85,886)	2,612,368
Total Supplementary Capital	(349,348)	1,713,677
	15,631,060	17,216,941

37. Assets and Liabilities Maturities

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

December 31, 2021	Within One Year	More than One Year	Total
	JD	JD	JD
Assets			
Deposits at banks	8,310,717	-	8,310,717
Financial assets at fair value through profit or loss	125,322	-	125,322
Financial assets at fair value through other comprehensive income	-	5,429,328	5,429,328
Financial assets at amortized cost	-	4,547,001	4,547,001
Investment property	-	4,774,382	4,774,382
Cash on hand and at banks	628,387	-	628,387
Cheques under collection	1,480,714	533,864	2,014,578
Receivable – net	6,678,416	-	6,678,416
Re-insurance and local insurance companies' accounts receivables	351,384	-	351,384
Deferred tax assets	-	687,298	687,298
Property and equipment – net	-	4,653,596	4,653,596
Intangible assets - net	-	15,639	15,639
Other assets	908,386	1,279,641	2,188,027
Total Assets	18,483,326	21,920,749	40,404,075
Liabilities			
Unearned premiums provision – net	6,728,139	-	6,728,139
Claims provision – net	7,716,215	3,364,929	11,081,144
Mathematical provision – net	50,368	-	50,368
Payables	1,513,210	858,999	2,372,209
Re-insurance and local insurance companies' accounts payables	2,713,262	318,629	3,031,891
Various provisions	136,095	40,032	176,127
Income tax provision	260,857	-	260,857
Deferred tax liabilities	-	26,864	26,864
Other liabilities	159,527	-	159,527
Total Liabilities	19,277,673	4,609,453	23,887,126
Net	(794,347)	17,311,296	16,516,949

December 31, 2020	Within One JD	More than One JD	Total JD
Assets			
Deposits at banks	9,449,992	-	9,449,992
Financial assets at fair value through profit or	151,356	-	151,356
Financial assets at fair value through other	-	4,631,716	4,631,716
Financial assets at amortized cost	-	2,985,001	2,985,001
Investment property	-	4,860,268	4,860,268
Cash on hand and at banks	3,486,117	-	3,486,117
Cheques under collection	1,202,019	725,323	1,927,342
Receivable – net	6,815,016	-	6,815,016
Re-insurance and local insurance companies'	600,780	-	600,780
Deferred tax assets	-	863,953	863,953
Property and equipment – net	-	4,905,570	4,905,570
Intangible assets - net	-	33,365	33,365
Other assets	375,390	277,456	652,846
Total Assets	22,080,670	19,282,652	41,363,322
Liabilities			
Unearned premiums provision – net	6,277,497	-	6,277,497
Claims provision – net	7,742,001	3,720,579	11,462,580
Mathematical provision – net	40,712	-	40,712
Payables	1,262,342	398,357	1,660,699
Re-insurance and local insurance companies'	5,289,845	281,916	5,571,761
Various provisions	174,479	-	174,479
Income tax provision	479,762	-	479,762
Deferred tax liabilities	-	26,864	26,864
Other liabilities	264,395	-	264,395
Total Liabilities	21,531,033	4,427,716	25,958,749
Net	549,637	14,854,936	15,404,573

38. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents. Moreover, the lawsuits at courts with determined amounts totaled JD 6,029,845 as of December 31, 2021 (JD 6,310,122 as of December 31, 2020). In the opinion of the Company's management and its lawyer, no obligations exceeding the provisions booked within the claims provision will arise.

There are lawsuits claimed by the company against others and the totaled valuated lawsuits amounted to approximately JD 4,020,874 as of December 31, 2021.

39. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for the following:

- Bank guarantees of JD 179,683.
- Bank credits of JD 1,441.

40. Transactions with Related Parties

- The Company entered transactions with major shareholders, members of the Board of Directors, and executive management within its regular activities. All insurance credit granted to related parties are considered operating.

- The following is a summary of the transactions with related parties during the year:

	December 31, 2021	December 31, 2020
Statement of Financial Position Items:	JD	JD
Accounts receivable:		
Jordan Projects for Tourism Development *	456,187	265,397
Jordan Paper and Cardboard Company * / **	387,627	387,627
Modern Arab Distribution Company Ltd *	359,789	184,941
Yousef Nader & Sons Company *	118,009	95,797
General Investment Company *	125,245	120,744
Abu Jaber Brothers Company *	12	107,185
Board of Directors and Shareholders Receivables	9,930	9,313
Communication Development Company *	7,233	7,233
Sad Abu Jaber and Sons Company	13,786	12,772
Al Awael Distribution and General Trading Company	2,440	4,655
Arabian Italian Trading Company	3,287	6,136
Specialized Distributors for consumer goods Company	12,233	30,811
Bidfood Service Middle East- Jordan Company	5,345	6,695
Jordan Distribution Company and Agencies	16,797	14,498
Al-Yadouda Trading Company *	3,080	3,695
Aqaba Packaging company-Aqaba Special Economic Zone	-	3,095
Jordan Spectrum For Information Technology Company	-	4,800
	1,521,000	1,265,394
Checks under Collection:		
Jordan Projects for Tourism Development Company *	-	190,419
Orient Insurance Company *	-	92,803
Abu Jaber Brothers Company *	126,747	-
	126,747	283,222

- Checks under collection mainly represent the amount of rent related to the current year.

	2021	2020
Accounts Payable:		
Marina Plaza Hotel	169	169
Specialized Logistics Services Company	286	286
Yousef Nader & Sons Company – higher management	-	441
Board of directors and shareholders payables	20,603	22,555
	21,058	23,451

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Profit or Loss Statement Items:	JD	JD
Revenues and commissions on underwritten installments	925,259	985,042
Compensation paid	579,108	622,756
Rental income	10,879	96,242
Cash dividends	44,788	74,676

- The following is a summary of the benefits (salaries, bonuses, and other benefits) for executive management:

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Description	JD	JD
Salaries and other benefits	744,620	783,345

* The Company is partially owned by a member of the Board of Directors.

** There are receivables due from related parties amounted to JD 1,521,000 of which an amount of JD 387,627 aging more than 365 days with provision as of December 31, 2021.

41. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Company are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets / Financial Liabilities	Fair Value December 31, 2021	Fair Value December 31, 2020	The Level of Fair Value	Valuation Method and Inputs used	Important Intangible Inputs	Relation between the fair value and the important intangible inputs
	JD	JD				
Financial Assets at Fair Value Through Profit or Loss Statement						
Shares without market prices *	-	-	Level Two	Owners' equity	Not Applicable	Not Applicable
Shares with available market prices	125,322	151,356	Level One	Stated Rates in financial markets	Not Applicable	Not Applicable
	125,322	151,356				
Financial Assets at Fair Value through statement of Comprehensive Income						
Shares without market prices *	200,265	195,940	Level Two	Owners' equity	Not Applicable	Not Applicable
Shares with available market prices	5,229,063	4,435,776	Level One	Stated Rates in financial markets	Not Applicable	Not Applicable
	5,429,328	4,631,716				

B. The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the Company's financial statements approximate their fair value.

The carrying value of the below items is equivalent to their fair value. This is due to either their short-term maturity or repricing of their interest rates during the year.

	December 31, 2021 Book value	December 31, 2021 Fair Value	December 31, 2020 Book value	December 31, 2020 Fair Value	The Level of Fair Value
Financial Assets of non-specified Fair Value	JD	JD	JD	JD	
Deposits at Banks	8,310,717	8,506,796	9,449,992	9,631,738	Level Two
Investments Properties	4,774,382	7,558,758	4,860,268	7,558,758	Level Two
Total Financial Assets of non-specified Fair Value	13,085,099	16,065,554	14,310,260	17,190,496	

The fair value for the financial assets for the level 2 and level 3 were determined in accordance to agreed pricing models, which reflect the credit risk of the parties dealt with.

42. Adoption of new and revised Standards

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2021, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Interest Rate Benchmark Reform

In the prior year, the Company adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

The was no material impact on the amounts reported for the current year for both the Phase 1 and Phase 2 amendments as the Company does not have material financial instruments linked to IBOR.

COVID-19-Related Rent Concessions beyond June 30, 2021 - Amendment to IFRS 16

In the prior year, the Company early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021.

In March 2021, the Board issued *Covid-19-Related Rent Concessions beyond June 30, 2021* (Amendment *to IFRS 16)* that extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022).
- There is no substantive change to other terms and conditions of the lease

  The adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements as the Company did not have any leases impacted by the amendment.

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

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

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	The effective date is yet to be set. Earlier application is permitted.

New and revised IFRSs	Effective date
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.
Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.	The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references.
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories	January 1, 2022, with early application permitted.

New and revised IFRSs	Effective date
The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	January 1, 2022, with early application permitted.
Amendments to IAS 37 - Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	January 1, 2022, with early application permitted.
Annual Improvements to IFRS Standards 2018-2020 *Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards* The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is	January 1, 2022, with early application permitted.

New and revised IFRSs	Effective date
available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).	
IFRS 9 Financial Instruments The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.	January 1, 2022, with early application permitted.
IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements.	No effective date is stated.
IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	January 1, 2022, with early application permitted.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	January 1, 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

New and revised IFRSs	Effective date
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.	January 1, 2023, with earlier application permitted
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: - Right-of-use assets and lease liabilities - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	January 1, 2023, with earlier application permitted

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

43. Dividend distributed to shareholders

The Company's general assembly approved the recommendation of the Company's board of directors at its meeting hold on January 17, 2022, to distribute dividends of JD 800,000 representing 10% of the nominal value of profit related to the year 2021.