JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
TOGETHER WITH
THE INDEPENDENT AUDITOR'S REPORT

JORDAN INSURANCE COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
DECEMBER 31, 2020

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Audit Report on the Financial Statements

AM/ 007608

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jordan Insurance Company (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss and comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and including a summary of significant accounting policies notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the 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.

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

Key Audit Matters	How our audit addressed the key audit matter
Technical Provisions As at December 31, 2020, the Company had technical reserves of approximately JD 27.8 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 notes (4) and (18) in the financial statements which related to this matter.	We evaluated the design and tested the implementation and operating effectiveness of key controls over management's processes for claims processing and payment, 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 and technical reserves. Using our actuarial specialists we performed re-projections on IBNR relating to selected operating segments, where we compared our re-projected IBNR to those booked by management, and sought to understand any significant differences. We reviewed the competence, skills, independence and objectivity of Company's Actuarial 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. For the remaining operating segments, we assessed the reasonableness of methodologies and assumptions used by management against recognized actuarial practices and industry standards to identify and evaluate any anomalies. We assessed the completeness and accuracy of data used by management in their calculation of technical reserves. We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRSs.

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Key Audit Matters	How our audit addressed the key audit matter
Valuation of Unquoted Investments	
Investments in securities primarily comprise of investments in unquoted securities and amounts to JD 4,261,287 as at December 31, 2020. These investments are classified as financial assets at fair value through other comprehensive income. As disclosed in Note (4) significant accounting judgement and estimates, the valuation of investments in unquoted securities uses inputs other than observable market data and therefore are inherently subjective. It also requires significant judgement to be applied by management in determining the appropriate valuation methodology and use of various assumptions like cash flows, discount rates, market risk adjustments etc. The valuations were performed by management of the Company. Given the inherent subjectivity and judgment required in the valuation of such unquoted investments that are classified under level (3) fair value hierarchy, we determined this to be a key audit matter.	We obtained an understanding of the process adopted by management to determine the fair value of unquoted securities. We evaluated the controls in this area to determine if they had been appropriately designed and implemented. We agreed the valuations performed by management to the amount reported in the financial statements. We reviewed the inputs into the valuation which depend on the latest audited / reviewed financial statements, as applicable. We reperformed the arithmetical accuracy of the valuations. We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRSs.

Other Matter

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

Other Information

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

In connection with the audit of the financial statements, our responsibility regarding other information mentioned above is to read the other Information and consider whether the other information is materially inconsistent with the financial statements or the information obtained in our audit, or otherwise appears to be materially misstated.

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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 the audit process in accordance with ISA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidences 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 statements 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 regarding 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 books of accounts, which are in agreement with the financial statements. We recommend to approve it.

Deloitte & Touche

Amman – Jordan
February 28, 2021

Deloitte & Touche (M.E.) – Jordan

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

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	December 31, 2020	December 31, 2019
		JD	JD
Deposits at banks	5	18,151,137	17,679,286
Financial assets at fair value through profit or loss	6	2,251,681	2,327,354
Financial assets at fair value through comprehensive income	7	16,896,521	19,321,922
Investment properties	8	16,398,445	16,358,790
Life insurance policy holders' loans	9	44,539	45,539
Total Investments		53,742,323	55,732,891
Cash on hand and at banks	10	7,869,376	5,953,442
Notes receivable and checks under collection	11	3,000,514	3,414,659
Accounts receivable - net	12	14,588,428	16,306,247
Reinsurance receivable	13	3,837,982	3,194,157
Deferred tax assets	14/d	3,167,997	1,520,642
Property and equipment - Net	15	1,029,524	1,056,928
Intangible assets - Net	16	237,112	209,223
Other assets	17	2,233,204	2,080,622
TOTAL ASSETS		89,706,460	89,468,811
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Unearned premiums reserve - net		11,438,068	13,037,425
Outstanding claims reserve - net		14,817,111	13,699,919
Mathematical reserve - net	18	1,472,226	1,578,789
Premiums deficiency reserve		113,540	187,201
Total Insurance Contracts Liabilities		27,840,945	28,503,334
Due to Banks	19	11,029,220	11,906,952
Payables	20	2,540,997	3,569,693
Reinsurance payables	21	5,718,710	7,187,303
Various provisions	22	1,199,366	1,223,558
Income tax Provision	14/a	255,662	103,822
Deferred tax liabilities	14/d	275,659	-
Other liabilities	23	842,319	933,407
TOTAL LIABILITIES		49,702,878	53,428,069
SHAREHOLDERS' EQUITY			
Paid-up capital	24	30,000,000	30,000,000
Statutory reserve	25	7,500,000	7,500,000
Financial assets valuation reserve	26	(2,736,253)	(4,197,641)
Retained earnings	27	5,239,835	2,738,383
Total Shareholders' Equity		40,003,582	36,040,742
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		89,706,460	89,468,811

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN -THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31, 2020	2019
		JD	JD
Revenue:			
Gross written premiums - general insurance		44,009,486	48,414,878
Gross written premiums - life		21,025,986	20,270,026
Less: Re-insurers' share - general insurance		(20,235,930)	(20,721,811)
Re-insurer's share - life		(12,795,032)	(11,915,237)
Net Written Premiums		32,004,510	36,047,856
Net change in unearned premiums reserve		1,599,357	1,133,383
Net change in mathematical reserve		106,563	(16,192)
Net change in premiums deficiency reserve		73,661	(102,701)
Net Earned Premium Revenue		33,784,091	37,062,346
Commissions' revenue		2,183,908	2,744,383
Insurance policies issuance fees		1,386,138	1,465,105
Interest income	28	270,994	445,450
Net gains from financial assets and investments	29	603,112	1,320,424
Other revenue - Net	30	818,987	294,406
Total Revenue		39,047,230	43,332,114
Claims, Losses and Expenses			
Paid claims		42,774,542	48,747,717
Less: Recoveries		(3,146,002)	(4,830,586)
Reinsurance share		(19,184,591)	(18,011,899)
Add: Matured and dissolved policies		141,906	46,059
Net paid claims		20,585,855	25,951,291
Net change in outstanding claims reserve		1,117,192	(443,535)
Allocated employees' expenses	31	4,502,124	4,732,276
Allocated general and administrative expenses	32	2,067,116	2,156,342
Excess of loss premiums		563,333	577,735
Policies acquisition cost		3,192,203	3,627,299
Other expenses related to underwritings		1,616,406	1,850,740
Net Paid Claims Costs		33,644,229	38,452,148
Unallocated employees' expenses	31	795,605	838,695
Depreciation and amortization		248,236	243,957
Unallocated general and administrative expenses	32	379,341	379,470
(Release) allowance for expected credit losses- net	12 & 13	(93,000)	81,625
Bank interest and charges		875,414	1,559,564
Other expenses	33	158,449	188,923
Total Expenses		2,364,045	3,292,234
Income for the Year before Tax		3,038,956	1,587,732
Income tax (expense)	14/b	(27,260)	(116,820)
Profit for the Year		3,011,696	1,470,912
Earning per share for the year - (Basic and Diluted)	34	-/100	-/049

Chairman of the Board of Directors

General Manager

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JORDAN INSURANCE COMPANY

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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2020	2019
	JD	JD
Profit for the year	3,011,696	1,470,912
Other Comprehensive Income Statement Items:		
Items that will not be reclassified subsequently to the statement of profit or loss:		
Change in fair value reserves - net after tax	1,461,388	953,789
(Loss) from sale of financial assets at fair value through comprehensive income	(510,244)	(60,601)
Total Other Comprehensive Income Statement Items	951,144	893,188
Total Comprehensive Income for the Year	3,962,840	2,364,100

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY
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AMMAN - THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid - up Capital	Statutory Reserve	Financial Assets Valuation Reserve	Retained Earnings			Total
For the Year Ended December 31, 2020				Realized	Unrealized	Total	
	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	30,000,000	7,500,000	(4,197,641)	1,217,741	1,520,642	2,738,383	36,040,742
Profit for the year	-	-	-	3,011,696	-	3,011,696	3,011,696
Other Comprehensive Income	-	-	1,461,388	(510,244)	-	(510,244)	951,144
Total Comprehensive income for the year	-	-	1,461,388	2,501,452	-	2,501,452	3,962,840
Balance - End of the Year	30,000,000	7,500,000	(2,736,253)	3,719,193	1,520,642	5,239,835	40,003,582
For the Year Ended December 31, 2019							
Balance - beginning of the year	30,000,000	7,500,000	(5,151,430)	-	1,328,072	1,328,072	33,676,642
Profit for the year	-	-	-	1,470,912	-	1,470,912	1,470,912
Other Comprehensive Income	-	-	953,789	-	(60,601)	(60,601)	893,188
Total Comprehensive income for the year	-	-	953,789	1,470,912	(60,601)	1,410,311	2,364,100
Net change during the year	-	-	-	(253,171)	253,171	-	-
Balance - End of the Year	30,000,000	7,500,000	(4,197,641)	1,217,741	1,520,642	2,738,383	36,040,742

a. Retained earnings includes a restricted amount of JD 2,285,042 as of December 31, 2020, against deferred tax assets (JD 1,520,642 as of December 31, 2019).

b. Retained earnings include a restricted balance of JD 1,221,061 as of December 31, 2020, representing the effect of the early adoption of IFRS (9). This amount represents revaluation differences which are restricted until realized according to the directives of Securities Exchange Commission.

c. According to the regulations of the Securities Exchange Commission, an amount equivalent to the negative accumulated change in fair value balance of JD 1,515,192 as of December 31, 2020 may not be used after taking into consideration what is mentioned in paragraph (b) above.

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the year before tax		3,038,956	1,587,732
Adjustments:			
Depreciation and amortization		259,295	243,962
(Surplus) allowance for expected credit losses - Net	12 & 13	(93,000)	81,625
Loss on revaluation of financial assets at fair value through statement of profit or loss	29	75,673	153,002
(Gains) on sale of financial assets at fair value through statement profit or loss	29	-	(58,438)
(Gains) on sale of Investment properties		-	(280,131)
Net change in unearned premiums reserve		(1,599,357)	(1,133,383)
End-of-service indemnity expense	22	103,449	134,242
Net change in outstanding claims reserve		1,117,192	(443,540)
Net change in mathematical reserve		(106,563)	16,192
Net change in premiums deficiency reserve		(73,661)	102,701
Cash Flows from Operating Activities before Changes in Working Capital Items		2,721,984	403,964
Change in financial assets at fair value through statement of profit or loss		-	1,130,349
Decrease (increase) in checks under collection and notes receivable		414,145	(183,157)
Decrease in receivables		1,910,819	2,318,545
(Increase) decrease in reinsurance receivable		(743,825)	116,538
(Increase) in other assets		(152,582)	(116,670)
(Decrease) increase in payables		(1,028,696)	565,247
(Decrease) in reinsurance payable		(1,468,593)	(1,594,906)
(Decrease) increase in various provisions and other liabilities		(106,332)	95,939
Net Cash Flows from Operating Activities before Provisions and Tax Paid		1,546,920	2,735,849
Income tax paid	14/a	(364,160)	(141,188)
Paid from end-of-service indemnity provision	22	(112,395)	(10,712)
Net Cash Flows from Operating Activities		1,070,365	2,583,949
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in deposits at banks maturing after more than three months		94,290	(15,381)
Decrease in financial assets at fair value through comprehensive income statement		-	161,701
Decrease (increase) in life insurance policy holders' loans		1,000	(25,250)
Change in property and equipment	15	(42,758)	(28,145)
(Increase) in intangible assets	16	(95,473)	(201,233)
Additions in investments properties		(161,204)	(51,990)
Proceed from sale of investment properties	8	-	3,024,933
Proceeds from selling in financial assets at fair value through comprehensive income		2,493,587	
Net Cash Flows from investing Activities		2,289,442	2,864,635
CASH FLOWS FROM FINANCING ACTIVITIES:			
Paid from due to banks		(1,980,380)	(3,053,741)
Added to due to banks	19	1,102,648	
Total Cash Flows (Used in) Financing Activities		(877,732)	(3,053,741)
Net Increase in Cash and Cash Equivalents		2,482,075	2,394,843
Cash and cash equivalents - beginning of the year		21,104,815	18,709,972
Cash and Cash Equivalents - End of the Year	35	23,586,890	21,104,815

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

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AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums:														
Direct operations	12,744,772	13,688,201	746,797	966,032	10,170,989	9,994,303	625,349	506,690	8,297,979	9,696,391	87,602	100,001	32,673,488	34,951,618
Inward voluntary re-insurers'	301,984	673,357	172,375	165,868	3,389,766	2,937,468	27,309	1,400	-	-	470	492	3,891,904	3,778,585
Gross Earned Premiums	13,046,756	14,361,558	919,172	1,131,900	13,560,755	12,931,771	652,658	508,090	8,297,979	9,696,391	88,072	100,493	36,565,392	38,730,203
Less: Local re-insurers' share	-	-	173,834	161,040	3,828,283	3,198,264	26,000	1,509	-	-	-	-	4,028,117	3,360,813
Foreign re-insurers' share	385,138	427,118	600,271	788,697	9,411,460	9,239,719	605,389	480,208	3,078,884	3,392,450	38,407	45,903	14,119,549	14,374,095
Net Earned Premiums	12,661,618	13,934,440	145,067	182,163	321,012	493,788	21,269	26,373	5,219,095	6,303,941	49,665	54,590	18,417,726	20,995,295
Add: Unearned premiums reserve - beginning of the year	6,904,531	6,906,548	229,337	294,561	6,367,567	6,597,278	292,891	400,468	4,250,587	3,863,027	48,237	37,669	18,093,150	18,099,551
Less: Re-insurers share - beginning of the year	166,284	168,625	186,022	244,983	6,210,153	6,431,430	286,961	393,331	1,531,542	1,406,306	22,746	21,940	8,403,708	8,666,615
Net Unearned Premiums Reserve - Beginning of the Year	6,738,247	6,737,923	43,315	49,578	157,414	165,848	5,930	7,137	2,719,045	2,456,721	25,491	15,729	9,689,442	9,432,936
Less: Unearned premiums reserve - end of the year	6,511,859	6,904,531	195,325	229,337	5,529,699	6,367,567	352,176	292,891	3,557,676	4,250,587	40,016	48,237	16,186,751	18,093,150
Re-insurers' share - end of the year	154,928	166,284	158,471	186,022	5,430,957	6,210,153	346,339	286,961	1,220,931	1,531,542	18,229	22,746	7,329,855	8,403,708
Net Unearned Premiums Reserve - End of the Year	6,356,931	6,738,247	36,854	43,315	98,742	157,414	5,837	5,930	2,336,745	2,719,045	21,787	25,491	8,856,896	9,689,442
Net Revenue Earned from the Underwritten Premiums	13,042,934	13,934,116	151,528	188,426	379,684	502,222	21,362	27,580	5,601,395	6,041,617	53,369	44,828	19,250,272	20,738,789

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PAID CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	10,839,735	15,148,219	1,143,121	280,947	2,385,553	1,581,518	7,557	40,029	6,336,258	6,842,685	20,719	1,200	20,732,943	23,894,598
Recoveries	1,885,430	2,998,615	93	33,102	4,656	289,803	2,040	31,492	-	-	-	-	1,892,219	3,353,012
Local re-insurers' share	(362)	100	-	-	622,193	3,455	-	-	-	-	-	-	621,831	3,555
Foreign re-insurers' share	177,235	335,287	905,103	203,808	1,650,026	1,221,918	3,881	11,469	2,753,379	3,059,009	14,455	1,020	5,504,079	4,832,511
Net paid claims	8,777,432	11,814,217	237,925	44,037	108,678	66,342	1,636	(2,932)	3,582,879	3,783,676	6,264	180	12,714,814	15,705,520
Add: Incurred and reported claims reserve - end of the Year	9,894,976	8,785,252	936,012	1,262,744	9,804,972	5,892,222	1,419,037	2,034,812	301,205	329,310	221,310	192,733	22,577,512	18,497,073
Incurred but not reported claims reserve (IBNR)	2,670,000	1,973,000	18,000	18,000	5,000	5,000	6,000	6,000	534,532	500,000	-	-	3,233,532	2,502,000
Less: Re-insurers share - end of the year	302,345	276,600	755,610	951,989	9,592,044	5,693,981	1,403,739	2,018,361	354,219	373,190	166,042	145,968	12,573,999	9,460,089
Recoveries	2,367,608	2,465,486	-	-	-	-	-	-	-	-	-	-	2,367,608	2,465,486
Net Claims Reserve - End of the Year	9,895,023	8,016,166	198,402	328,755	217,928	203,241	21,298	22,451	481,518	456,120	55,268	46,765	10,869,437	9,073,498
Less: Incurred and reported claims reserve - beginning of the year	8,785,252	9,216,206	1,262,744	1,127,400	5,892,222	6,812,050	2,034,812	2,030,184	329,310	313,738	192,733	164,923	18,497,073	19,664,501
Incurred but not reported claims reserve (IBNR)	1,973,000	1,492,452	18,000	18,000	5,000	5,000	6,000	6,000	500,000	631,052	-	-	2,502,000	2,152,504
Less: Re-insurers' share - beginning of the year	276,600	428,481	951,989	912,011	5,693,981	6,532,712	2,018,361	2,004,296	373,190	426,457	145,968	123,508	9,460,089	10,427,465
Recoveries	2,465,486	2,918,038	-	-	-	-	-	-	-	-	-	-	2,465,486	2,918,038
Net claims reserve - beginning of the year	8,016,166	7,362,139	328,755	233,389	203,241	284,338	22,451	31,888	456,120	518,333	46,765	41,415	9,073,498	8,471,502
Net Paid Claims Cost	10,656,289	12,468,244	107,572	139,403	123,365	(14,755)	483	(12,369)	3,608,277	3,721,463	14,767	5,530	14,510,753	16,307,516

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR JORDAN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the written premiums	13,042,934	13,934,116	151,528	188,426	379,684	502,222	21,362	27,580	5,601,395	6,041,617	53,369	44,828	19,250,272	20,738,789
(Less): Net paid claims cost	10,656,289	12,468,244	107,572	139,403	123,365	(14,755)	483	(12,369)	3,608,277	3,721,463	14,767	5,530	14,510,753	16,307,516
	2,386,645	1,465,872	43,956	49,023	256,319	516,977	20,879	39,949	1,993,118	2,320,154	38,602	39,298	4,739,519	4,431,273
Add: Received commissions	115,049	127,914	199,123	244,131	1,311,849	1,195,303	67,158	73,772	-	-	14,341	16,933	1,707,520	1,658,053
Insurance policies issuance fees	677,944	701,592	13,712	17,912	132,309	129,808	7,716	9,276	239,121	286,879	3,061	3,415	1,073,863	1,148,882
Revenues from investments related to underwriting accounts	63,778	151,912	74,760	130,735	987	-	-	-	998	8,066	-	-	140,523	290,713
Total Revenue	3,243,416	2,447,290	331,551	441,801	1,701,464	1,842,088	95,753	122,997	2,233,237	2,615,099	56,004	59,646	7,661,425	7,528,921
Less: Paid commissions	548,661	618,222	26,131	36,823	231,239	199,600	6,050	4,792	184,856	226,332	4,156	5,748	1,001,093	1,091,517
Excess of loss premiums	159,316	163,282	29,038	30,437	231,145	245,562	-	-	-	-	-	-	419,499	439,281
Administrative expenses related to underwriting accounts	1,063,937	944,155	89,588	137,471	997,153	888,742	53,878	44,896	714,058	943,491	7,323	8,424	2,925,937	2,967,179
Other expenses	445,444	557,124	4,631	6,808	74,702	84,876	-	-	690,007	722,980	-	-	1,214,784	1,371,788
Total Expenses	2,217,358	2,282,783	149,388	211,539	1,534,239	1,418,780	59,928	49,688	1,588,921	1,892,803	11,479	14,172	5,561,313	5,869,765
Net Written Profit	1,026,058	164,507	182,163	230,262	167,225	423,308	35,825	73,309	644,316	722,296	44,525	45,474	2,100,112	1,659,156

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2020	2019
	JD	JD
Written Premiums:		
Direct operations	21,025,986	20,267,398
Inward voluntary re-insurers'	-	2,628
Gross Written Premiums	21,025,986	20,270,026
Less: Local re-insurers' share	252,918	171,963
Foreign re-insurers' share	12,542,114	11,743,274
Net Earned Written Premiums	8,230,954	8,354,789
Add: Mathematical reserve - beginning of the year	2,236,443	2,098,823
Less: Re-insurers' share	657,654	536,226
Net Mathematical Reserve - Beginning of the Year	1,578,789	1,562,597
Less: Mathematical reserve - End of the Year	2,071,353	2,236,443
Less: Re-insurers' share	599,127	657,654
Net Mathematical Reserve - End of the Year (Note 18)	1,472,226	1,578,789
Net Earned Revenue from Written Premiums	8,337,517	8,338,597

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF PAID CLAIMS COST FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31,	
	2020	2019
	JD	JD
Claims paid	16,140,291	15,582,785
Policies settlements and maturities	141,906	46,059
Less: Local re-insurers' share	191,701	121,539
Foreign re-insurers' share	11,686,951	11,142,596
Net Paid Claims	4,403,545	4,364,709
Add: Reported claims reserve - end of the year	7,408,318	4,569,174
Less: Re-insurers' share	6,029,807	3,747,100
Net Claims Reserve - End of the Year	1,378,511	822,074
Add: Reported claims reserve - beginning of the year	4,569,174	4,655,077
Less: Re-insurers' share	3,747,100	3,723,555
Net Claims Reserve - Beginning of the Year	822,074	931,522
Net Claims Paid Cost	4,959,982	4,255,261

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR LIFE INSURANCE ACTIVITIES

	For the Year Ended December 31, 2020 JD	For the Year Ended December 31, 2019 JD
Net earned revenue from the written premiums	8,337,517	8,338,597
Less: Net claims paid cost	4,959,982	4,255,261
	3,377,535	4,083,336
Add: Received commissions	93,373	622,771
Insurance policies issuance fees	307,370	310,373
Revenue from investment related to underwriting accounts	75,000	76,378
Other revenues	748,630	32,229
Total Revenue	4,601,908	5,125,087
Less: Paid commissions	1,391,939	1,551,165
Administrative expenses related to underwriting accounts	1,774,650	1,905,998
Other expenses	193,184	227,560
Total Expenses	3,359,773	3,684,723
Net Underwriting Profit	1,242,135	1,440,364

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING REVENUE FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Written premiums:	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Direct operation	4,546,808	5,680,423	574,568	660,494	825,744	1,051,097	76,314	86,802	1,270,213	1,997,650	118,759	176,878	7,412,406	9,653,344
Inward voluntary re-insurers'	-	-	-	-	31,688	31,331	-	-	-	-	-	-	31,688	31,331
Gross written premium	4,546,808	5,680,423	574,568	660,494	857,432	1,082,428	76,314	86,802	1,270,213	1,997,650	118,759	176,878	7,444,094	9,684,675
Less: Local re-insurance premiums	-	-	-	-	-	133	-	-	419	886	-	-	419	1.019
Foreign re-insurance premiums	113,748	140,415	479,840	555,383	712,300	934,295	66,627	72,731	705,877	1,271,299	9,453	11,761	2,087,845	2,985,884
Net earned premiums	4,433,060	5,540,008	94,728	105,111	145,132	148,000	9,687	14,071	563,917	725,465	109,306	165,117	5,355,830	6,697,772
Add: Unearned premiums reserve - beginning of the year	2,949,600	4,279,738	215,640	190,920	580,312	580,870	51,384	50,958	755,083	803,981	86,558	80,824	4,638,577	5,987,291
Less: Reinsurers' share - beginning of the year	70,966	46,624	179,530	167,341	518,192	501,889	44,102	43,187	474,344	487,268	3,460	3,110	1,290,594	1,249,419
Net unearned premiums reserve - beginning of the year	2,878,634	4,233,114	36,110	23,579	62,120	78,981	7,282	7,771	280,739	316,713	83,098	77,714	3,347,983	4,737,872
Premuims Deficiency Reserve	-	-	34,977	7,500	107,243	37,000	-	-	44,981	40,000	-	-	187,201	84,500
Less: Unearned premiums reserve - end of the Year	2,284,964	2,949,600	89,988	215,640	401,253	580,312	44,620	51,384	619,499	755,083	53,602	86,558	3,493,926	4,638,577
Re-insurers' share - end of the Year	57,215	70,966	73,256	179,530	349,649	518,192	39,357	44,102	390,835	474,344	2,442	3,460	912,754	1,290,594
Net unearned premiums reserve - end of the year	2,227,749	2,878,634	16,732	36,110	51,604	62,120	5,263	7,282	228,664	280,739	51,160	83,098	2,581,172	3,347,983
Premiums Deficiency Reserve	22,023	-	8,901	34,977	55,515	107,243	-	-	27,101	44,981	-	-	113,540	187,201
Net Revenues from the Written Premiums	5,061,922	6,894,488	140,182	65,103	207,376	94,618	11,706	14,560	633,872	756,458	141,244	159,733	6,196,302	7,984,960

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF CLAIMS COST FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	4,464,802	6,979,854	163,856	411,893	460,275	270,077	-	555	799,082	1,594,019	13,293	13,936	5,901,308	9,270,334
Recoveries	1,170,163	1,470,199	-	7,375	83,620	-	-	-	-	-	-	-	1,253,783	1,477,574
Local re-insurers' share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign re-insurers' share	78,798	89,258	122,881	358,816	348,164	187,553	-	501	630,186	1,275,570	-	-	1,180,029	1,911,698
Net Paid claims	3,215,841	5,420,397	40,975	45,702	28,491	82,524	-	54	168,896	318,449	13,293	13,936	3,467,496	5,881,062
Add: Incurred and reported claims reserve - end of the year	2,723,977	3,404,047	758,155	720,812	147,592	396,511	-	-	70,474	99,269	113,931	112,308	3,814,129	4,732,947
Incurred but not reported claims eserve (IBNR)	683,411	1,481,495	53,980	46,369	105,860	42,307	-	-	116,967	129,338	21,478	16,007	981,696	1,715,516
Less: Re-insurers' share - end of the year	466,697	368,361	711,576	674,174	214,355	318,040	-	-	131,824	180,785	-	-	1,524,452	1,541,360
Recoveries	702,210	1,102,756	-	-	-	-	-	-	-	-	-	-	702,210	1,102,756
Net claims provision - end of the year	2,238,481	3,414,425	100,559	93,007	39,097	120,778	-	-	55,617	47,822	135,409	128,315	2,569,163	3,804,347
Less: Incurred and reported claims reserve - beginning of the year	3,404,047	4,253,414	720,812	822,355	396,511	138,903	-	-	99,269	206,307	112,313	109,823	4,732,952	5,530,802
Incurred but not reported claims eserve (IBNR)	1,481,495	1,567,298	46,369	28,000	42,307	1,000	-	-	129,338	216,669	16,007	17,000	1,715,516	1,829,967
Less: Reinsurers' share - beginning of the year	368,361	132,485	674,174	745,328	318,040	126,064	-	-	180,785	338,384	-	-	1,541,360	1,342,261
Recoveries	1,102,761	1,278,078	-	-	-	-	-	-	-	-	-	-	1,102,761	1,278,078
Net claims provision - beginning of the year	3,414,420	4,410,149	93,007	105,027	120,778	13,839	-	-	47,822	84,592	128,320	126,823	3,804,347	4,740,430
Net Cost of Claims	2,039,902	4,424,673	48,527	33,682	(53,190)	189,463	-	54	176,691	281,679	20,382	15,428	2,232,312	4,944,979

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF UNDERWRITING PROFIT FOR GENERAL INSURANCE ACTIVITIES FOR FOREIGN BRANCHES

	Motor		Marine and Transportation		Other Fire and Damages for Properties		Liability		Medical		Other Branches		Total	
	For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net revenue from the written premiums	5,061,922	6,894,488	140,182	65,103	207,376	94,618	11,706	14,560	633,872	756,458	141,244	159,733	6,196,302	7,984,960
(Less): Net paid claims cost	2,039,902	4,424,673	48,527	33,682	(53,190)	189,463	-	54	176,691	281,679	20,382	15,428	2,232,312	4,944,979
	3,022,020	2,469,815	91,655	31,421	260,566	(94,845)	11,706	14,506	457,181	474,779	120,862	144,305	3,963,990	3,039,981
Add: Received commissions	34,125	42,124	119,543	140,869	203,374	250,265	22,428	25,890	-	-	3,545	4,411	383,015	463,559
Insurance policies issuance fees	1,258	2,260	1,343	1,354	1,851	1,683	227	287	41	70	185	196	4,905	5,850
Revenues from investment related to underwritten accounts	13,839	5,012	-	-	-	-	-	-	-	-	-	-	13,839	5,012
Total Revenue	3,071,242	2,519,211	212,541	173,644	465,791	157,103	34,361	40,683	457,222	474,849	124,592	148,912	4,365,749	3,514,402
Less: Paid commissions	537,846	638,721	74,085	71,809	88,780	97,786	9,788	12,696	72,930	142,077	15,742	21,528	799,171	984,617
Excess of loss premiums	55,780	64,917	18,962	17,563	69,092	55,974	-	-	-	-	-	-	143,834	138,454
Administrative expenses related to underwriting accounts	1,274,383	1,373,175	96,987	108,412	198,069	214,757	14,405	10,503	267,793	285,128	17,016	23,465	1,868,653	2,015,440
Other expenses	95,218	99,030	-	-	941	648	71	-	112,092	151,714	116	-	208,438	251,392
Total Expenses	1,963,227	2,175,843	190,034	197,784	356,882	369,165	24,264	23,199	452,815	578,919	32,874	44,993	3,020,096	3,389,903
Net Underwriting Profit	1,108,015	343,368	22,507	(24,140)	108,909	(212,062)	10,097	17,484	4,407	(104,070)	91,718	103,919	1,345,653	124,499

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JORDAN INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF FINANCIAL POSITION FOR LIFE INSURANCE ACTIVITIES

	December 31,	
ASSETS	2020	2019
	JD	JD
Deposits at banks	2,999,439	1,928,479
Financial assets at fair value through profit or loss	446,576	431,958
Life insurance policy holders' loans	44,539	45,539
Total Investments	3,490,554	2,405,976
Cash on hand and balances at banks	2,389,596	1,372,048
Checks under collection	870,106	1,055,869
Accounts receivable	9,642,306	9,728,230
Re-insurance companies' receivable	1,248,529	717,368
Property and equipment	24,937	27,446
Other assets	488,367	474,754
TOTAL ASSETS	18,154,395	15,781,691
LIABILITIES AND HEAD OFFICE'S EQUITY		
LIABILITIES		
Accounts payable	1,348,322	1,495,253
Re-insurance companies' payable	2,453,574	2,471,345
Other liabilities	29,263	20,768
TECHNICAL RESERVES		
Net outstanding claims reserve	1,898,868	822,074
Net mathematical reserve	1,472,226	1,578,789
Other technical reserves	135,539	135,539
TOTAL LIABILITIES	7,337,792	6,523,768
HEAD OFFICE'S EQUITY		
Head Office's current account	9,574,468	7,817,559
Profit for the year	1,242,135	1,440,364
Total Head Office's Equity	10,816,603	9,257,923
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	18,154,395	15,781,691

THE ACCOMPANYING NOTES FROM (1) TO (44) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

1. General

a. Jordan Insurance Company was established in 1951 and registered as a Jordanian public shareholding limited company under Number (11) with an authorized capital of JD 100 thousand. On July 12, 1981, the Company's capital was increased to JD 1.1 million. On May 1, 1988, the General Insurance Society for Near East Company (Al – Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after evaluating both companies' assets. Consequently, the Company's capital was increased to JD 5 million, divided into 5 million shares of JD 1 each. Furthermore, the Company's capital was increased in stages, the last of which was during the year 2006, whereby the Company's authorized and paid-up capital was increased by JD 10 million to JD 30 million, divided into 30 million shares of JD 1 each. The Company's address is Amman - Prince Mohammed Street – P.O. Box 279 Amman - 11118, Jordan.

The Company conducts all types of insurance and has branches in Abu Dhabi, Sharja, and Dubai. It also markets insurance policies in Kuwait through an agency.

b. The accompanying financial statements were approved by the Board of Directors on February 24, 2021 which are subject to General Assembly approval.

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; as well as the forms prescribed by the Jordanian Insurance Management.

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

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

- Basis of Combination of the Financial Statements

  The financial statements include the financial statements of the Company and those of its external branches, while inter-company transactions and balances are eliminated.

- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2019, except for what is mentioned in Note (3.a).

- 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 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 or 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 into account 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 models 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 whether the management strategy focuses on obtaining contractual revenues, maintaining a specific profit rate, matching the period of financial assets with the period of financial liabilities that finance those assets, or achieving cash flows through the sale of assets;

- 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 the 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 provision 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 risk since 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 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 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 expected credit losses at the 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 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 derecognises a financial asset upon expiry 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 derecognises financial assets when there is information indicating that the debtor is experiencing financial difficulties, and there is no realistic probability of recovery, for example. Such derecognition also applies if the debtor is placed under liquidation, or he has filed for bankruptcy, or where trade receivables are past due for more than two years, whichever is earlier. The Company may continue to subject written-off financial assets 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 matter 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 the return recognition is insignificant.

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 the 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:

- Comparing it with the market value of another financial asset with similar terms and conditions.

- Analyzing future cash flows and discounting the expected cash flows based on a rate used for similar instruments.

- Adopting option pricing models.

The valuation methods aim at providing a fair value reflecting market expectations, 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.

Investment properties
Investment properties are stated at cost net of accumulated depreciation (excluding land). 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. Moreover, these investments (excluding land) are depreciated over their useful lives using the straight-line method at an annual rate of 2%.

Investment properties are evaluated according to the decisions issued by the Ministry of Industry and Trade and Insurance Management. Moreover, their fair value is disclosed in the financial statements.

Reinsurance and Reinsurers' 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 loss agreements, facultative reinsurance, and other forms of reinsurance that essentially cover all 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 for each claim.

Reinsurance shares are calculated from insurance premiums and contributions, compensation paid, technical allocations and all rights and obligations arising from reinsurance based on contracts between the Company and reinsurers and according to the accrual basis.

Reinsurers' Accounts
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 losses. Moreover, property and equipment (excluding land) are depreciated when they are ready for use based on the straight-line method over their estimated useful lives using the following annual depreciation rates. The depreciation expense is recorded in the statement of profit or loss:

	%
Buildings	2
Machinery, equipment, and furniture	7 - 25
Vehicles	15

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

When the recoverable values of property and equipment is less than their carrying amounts, assets are written down to their recoverable values, and impairment losses are recorded in the 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 differs from previous estimates, the change in estimate is recorded in the following years, being a change in estimates.

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

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

Intangible Assets
Intangible assets obtained through merger are stated at fair value on their acquisition date.

Intangible assets obtained through other than merger are stated at cost.

Intangibles assets are classified according to their estimated lives: definite or indefinite. Intangible assets with a definite useful life are amortized over their useful 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 recorded in the statement of profit or loss.

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

Any indications to the impairment of these financial assets are reviewed as of the date of the financial statements. Moreover, the life estimate of those assets is reviewed, and any related adjustments are made in the subsequent years.

Computer Programs and Systems

Software and computer systems are stated at cost on acquisition and amortized at 25% per annum.

Provisions

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

Amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as of the date of the financial statements, taking into consideration the risks and 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 current book value represents the present value of these cash flows.

When it is expected that some or all of 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 actually certain and their values can be reliably measured.

Technical Reserves

Technical reserves are taken and maintained according to the regulations of the Insurance 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 after the financial statements date on the basis of a 365-day year except for marine and land transport insurance in which the provision for unearned premiums is calculated on the basis of underwritten premiums of the valid policies on the date of the financial statements according to the laws, regulations, and instructions issued for this purpose.

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

3. The premiums deficiency reserve and provision for incurred but not reported (IBNR) claims are calculated based on the Company's experience and estimates.

4. The reserve for unearned premiums for life insurance activities is calculated based on the Company’s experience and estimates, as well as on the actuary’s recommendation.

5. The mathematical reserve for life insurance policies is calculated based on the actuarial equations which are reviewed periodically by an independent actuary, as well as according to the instructions of the Insurance Management.

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 to the statement of profit or loss.

Liability Adequacy Test

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

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

Income Tax

a. Accrued Taxes

The tax expenses represent accrued taxes and deferred taxes . The accrued taxes is determined based on taxable income. Moreover, taxable income differs from income declared in the statement of income, as declared revenue includes non-taxable revenue, tax expenses not deductible in the current year but deductible in the subsequent years, or accumulated losses acceptable by the tax authorities, or allowable for tax deduction purposes.

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

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

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position when there are binding 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

a. 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 statement of financial position 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.

b. 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 basis based on the maturities of the time periods, original principals, and earned interest rate.

c. 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.

Recognition of Expenses

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 Compensations

Insurance compensations represent paid claims for the period and the change in the claims reserve.

Insurance compensations include all amounts paid during the year whether they relate to the current year or previous years. Moreover, outstanding claims represent the highest estimated amount for settlement of all claims resulting from events prior to the statement of financial position 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 Reimbursements

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

General and Administrative and Employee Expenses

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

Staff Expenses

All employees 'distributable expenses are charged to each insurance branch on the basis of the actual costs of each department. 80% of the non-distributable employees' expenses are distributed to the various insurance departments on the basis of the premiums earned for each department attributed to total premiums.

Cash and Cash Equivalents

This item represents cash and cash equivalents that mature over a period of three months and include cash and balances at banks and banking institutions, less restricted balances.

Lease contracts

The company as a Lessee

The company assesses whether the contract contains lease when starting the contract. The company recognizes the right to use assets and the corresponding lease obligations in relation to all lease arrangements in which the lessee is, except for short-term lease contracts (defined as leases of 12 months or less) and low value asset leases, and for these contracts, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another regular basis is more representative of the time pattern in which the economic benefits are derived from the leased assets.

The lease liabitily is initially measured at the present value of the lease payments that were not paid on the start date of the lease, deducted by using the price implicit in the lease. If this rate cannot be easily determined, the company uses its additional borrowing rate.

The lease payments included in the lease liability measurement include:

- fixed rental payments (essentially including fixed payments), minus incentive rent receivable;
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins;
- The amount expected to be paid by the lessee under the residual value guarantees;
- the price of the exercise of purchase options, if the leasee is reasonably certain of the exercise of the options; and
- Paying the contract termination fines, if the lease reflects the exercise of the lease termination option.

Lease liabilitys are presented as a separate line item in the statement of financial position.

Lease liabilitys are subsequently measured by increasing the carrying amount to reflect the interest in the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the rental payments paid.

The lease liabilitys (and a similar adjustment to the related right-to-use assets) are re-measured whenever:

- The lease term has changed or there has been an important event or change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease liability are re-measured by deducting the adjusted lease payment using the adjusted discount rate.

- Rent payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease liability is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the rental payments change due to a change in the interest rate Floating point, in which case the adjusted discount rate is used.

- The lease contract is modified and the lease agreement is not accounted for as a separate lease, in which case the lease liability is re-measured based on the duration of the modified lease contract by deducting the modified rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right to use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the company expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the start date of the lease.

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

The company applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and calculates any impairment losses as described in the "property and equipment" policy.

Variable rents that are not dependent on an index or rate are not included in the measurement of lease liability and right to use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in "Other Expenses" in the statement of profit or loss.

<u>The company as a lessor</u>
The company enters into lease contract as a lessor in relation to some of its investment properties.

Leases in which the company is leased are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and benefits of ownership to the lessee, the contract is classified as a finance lease and all other leases are classified as operating leases.

When the company is an intermediary lessor, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as finance or operating lease by reference to the original right of use arising from the main lease.

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

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company's net investment in the rental contracts. Finance lease revenue is allocated to accounting periods to reflect a constant periodic rate of return on the company's existing net investment with respect to lease contracts.

When the contract includes leasing components and components other than leasing, the company applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

3. Application of New and Revised International Financial Reporting Standards

a. Amendments not having a material impact on the Company's financial statements:

The following new and revised IFRSs have been adopted and are effective for financial periods beginning on or after January 1, 2020 or thereafter in the preparation of the Company's financial statements that did not materially affect the amounts and disclosures in the financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

New and Revised Standards	**Amendments to the New and Revised International and Standards**
Amendment to the international financial reporting standard number (9) financial instruments , International accounting standard number (39) Financial instruments: Recognition and Measurement and the international financial reporting standard number(7) financial instruments disclosures related to Interest Rate Benchmark Reform	These amendments modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform; those amendments are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform. These amendments are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); These amendments require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.
Amendment to the international financial reporting standard number (3) "Business Combination" in terms of the Definition of a business	The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They • clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together

New and Revised Standards	Amendments to the New and Revised International and Standards
	significantly contribute to the ability to create outputs; • narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. • add guidance and illustrative examples to help entities assess whether a substantive process has been acquired • remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. • add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business
Amendments to References to the Conceptual Framework in IFRS Standards to IFRS 2 Share based payments, IFRS 3 Business combinations, IFRS 6 Exploration for and evaluation of mineral resources, IFRS 14 Regulatory deferral accounts , IAS 1 Presentation of financial statements , IAS 8 Accounting policies, changes in accounting estimates and errors , IAS 34 Interim financial reporting , IAS 37 Provisions Contingent Liabilities and Contingent Assets, IAS 38 Intangible assets, IFRIC 12 Service concession arrangements, IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, IFRIC 22 Foreign Currency Transactions and Advance Consideration, and SIC-32 Intangible assets web site costs to update those pronouncements with regard to references to and quotes from the framework or incase referencing to a different framework from the conceptual framework to clarify it.	The company applied the amendments to IFRS (2),(6),(15);IAS (1),(8),(34),(37),(38) IFRIC (12),(19),(20),(22) and IFRIC (21) in the current year.
Amendments to IAS (1) Presentation of Financial Statements and IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors in term of the definition	Three new aspects of the new definition should especially be noted: • Obscuring. The existing definition only focused on omitting or misstating information, however, the Board concluded that obscuring material

New and Revised Standards	Amendments to the New and Revised International and Standards
of 'material'	information with information that can be omitted can have a similar effect. Although the term obscuring is new in the definition, it was already part of IAS 1 (IAS 1.30A) • Could reasonably be expected to influence. The existing definition referred to 'could influence' which the Board felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote. • Primary users. The existing definition referred only to 'users' which again the Board feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose
Amendments to IFRS (16) Leases in terms of Covid-19 Related Rent Concessions	The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

b. New and revised International Financial Reporting Standards issued and not yet effective:

The Company has not adopted the following new and amended IFRSs issued but not yet effective as at the date of the financial statements, and their details as follows:

Effective for annual periods beginning on or after	**Amendments to new and revised IFRSs**
January 1, 2021	Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS (9) Financial Instruments, IAS (39) Financial Instruments: Recognition and Measurement, IFRS (7) Financial Instruments Disclosures, IFRS (4) Insurance Contracts and IFRS (16) Leases) The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS (9), IAS (39), IFRS (7), IFRS (4) and IFRS (16)) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.
January 1, 2022	Amendments to IFRS (3) *Business Combinations* relating to Reference to the Conceptual Framework. The amendments update an outdated reference to the Conceptual Framework in IFRS (3) without significantly changing the requirements in the standard.
January 1, 2022	Amendments to IAS (16) *Property, Plant and Equipment* relating to 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 while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
January 1, 2022	Amendments to IAS (37) *Provisions, Contingent Liabilities and Contingent Assets* relating to 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 can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or 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).

Effective for annual periods beginning on or after	Amendments to new and revised IFRSs
January 1, 2022	Annual Improvements to IFRS Standards 2018 – 2020 Makes amendments to the following standards: • IFRS (1) *First-Time Adoption of International Financial Reporting Standards* – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS (1) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. • IFRS (9) *Financial Instruments* – The amendment clarifies which fees an entity includes when it applies the '10%' test in paragraph B3.3.6 of IFRS (9) in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. • IFRS 16 *Leases* – The amendment to Illustrative Example (13) accompanying IFRS (1)6 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. • IAS (41) *Agriculture* – The amendment removes the requirement in paragraph 22 of IAS (41) for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
January 1, 2023	Amendments to IAS (1): Presentation of financial statements related to classification of liabilities as current or non-current. The amendments aim to enhance consistency in the application of requirements by helping the entity to determine whether debts and other liabilities should be classified in the statement of financial position to which it has a settlement date uncertain as current (due or likely to be due within one year) or not current.
January 1, 2023	Amendments to IFRS (4) Insurance Contracts extending the temporary exemption from applying the IFRS (9). The amendment changes the expiration date specified for the temporary exemption in the IFRS (4) from the application of the IFRS (9) Financial Instruments, so that companies are required to apply the IFRS (9) for the annual periods that begin on or after January 1, 2023.

Effective for annual periods beginning on or after	Amendments to new and revised IFRSs
January 1, 202*3*	IFRS (17) Insurance Contracts IFRS (17) requires measurement of insurance liabilities at the present value of fulfillment and provides a standardized approach to measurement and presentation for all insurance contracts. These requirements are designed with the goal of being consistent and principled accounting for insurance contracts. IFRS (17) replaces IFRS (4) Insurance Contracts with effect from January 1, 2023.
January 1, 202*3*	Amendments to IFRS (17) Insurance Contracts Amendments to IFRS (17) addresses the concerns and application challenges which have been identified after publishing IFRS (17) in 2017. The main changes includes the following: • Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. • Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk. • Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination. • Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. • Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements. • Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives. • Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held. • Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts. • Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.

Effective for annual periods beginning on or after	Amendments to new and revised IFRSs
Deferred indefinitely, Adoption is still permissible	Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) in terms of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Management expects to apply these new standards, interpretations, and amendments to the Company's financial statements when they are applicable. Moreover, the adoption of these new standards, interpretations, and amendments may have no material impact on the Company's financial statements in the initial application.

4. Judgments, Estimates and Risk Management

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 and changes in the fair value shown within comprehensive income and shareholders' equity. In particular, 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 situations of those estimates in the future.

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

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

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

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

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

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

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

- 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".*

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

- Investment properties are valued on the bases and assumptions that rely mainly on market conditions and prices. The average of three estimates by accredited real estate experts was adopted, the latest of which was at the end of 2020.

- Management estimates the amounts expected to be recovered from the insurance companies and the Jordan Insurance Association for automobile accidents based on studies prepared by the Company's management and according to the available information and documents.

- A contractual option to extend or terminate a lease

  Extension and termination options are included in a number of leases. These terms are used to increase the operational flexibility in terms of contract management, that most of the options for extension and termination held are viable by both the company and the lessor.

- Deduction of lease payments

  Lease payments (if any) are deducted using the company's additional borrowing rate ("IBR"). Management applied provisions and estimates to determine the additional borrowing rate at the start of the lease.

- Fair value hierarchy: The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e. assessing whether inputs are observable and whether the unobservable inputs are significant, which require judgment 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.

  We believe that our used estimates for the preparation of the interim condensed financial information are reasonable and consistent with the estimates approved for the preparation of the financial information for the year 2019, except for the following:

  The Coronavirus (Covid-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity. Also, this event is witnessing continuous and rapid developments, which required the Company’s management to conduct an evaluation of the expected effects on the Company’s business inside and outside the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim financial information as of September 30, 2020. Accordingly, the Company has taken the following measures to contain the crisis as follow:

a. Before announcing any case of infection in Jordan, the Supreme Committee for Emergency has taken all necessary measures to ensure business continuity and customer service in the event of any emergency, through the formation of a specialized team to manage the crisis of the Coronavirus spread in coordination with various sector heads and executives to ensure the implementation of a set of procedures, the most important of which are the following:

   - Providing alternative locations for staff distribution to ensure work continuity and to maintain social distancing among employees.

   - Activating the remote work feature for sensitive jobs in order to ensure the continuity of the provision of customer service.

   - Maintaining the safety of both employees and clients by taking all measures related to the sterilization of branches and workplaces.

b. In the aspect of monitoring the impact of the COVID 19 crisis on the results of the Company's operations, specifically in terms of the adequacy of technical provisions and expected credit losses provision and/or the need for additional provisions, a set of assumptions was used evaluate to the impact, based on the interplay of two main pillars that enable the Company to monitor the impact of the crisis on its business. These two pillars are the following: Global practices for calculating credit losses based on International Financial Reporting Standard No. (9), and amendment of the calculation models developed for this purpose in a manner that leads to taking into account the impact of event, and reaching reasonable expectations for the expected outputs of the impact. In addition to Management's overlay in assessing the impact on specific sectors or specific clients based on the study of each sector or customer separately. Noting that the Company has a strong financial position and a strong capital base that enables it to absorb these traumas.

c. The effect of the coronavirus "COVID-19" outbreak on the Company's liquidity levels. The Company has prepared all scenarios related to stressful situations, and it comfortable levels that enable it to respond to market conditions.

5. Deposits at Banks

This item consists of the following:

	December 31,				
	2020				2019
	Deposits Maturing Within Three Months	Deposits Maturing After Three Months and Up to One Year	Deposits Maturing After One Year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan:					
Arab Jordan Investment Bank	2,019,327	-	-	2,019,327	1,175,797
Jordan Commercial Bank	197,86	-	-	197,86	193,681
Arab Bank *	-	-	485,334	485,334	471,624
Ahli Bank	632,568	-	-	632,568	636,488
Al-Etihad Bank for saving and investment	-	-	-	-	200,000
Societe General Bank	32,906	-	-	32,906	32,601
BLOM Bank	711,570	-	-	711,570	43,190
Jordan Kuwait Bank	5,377	-	-	5,377	5,276
Total Banks Inside Jordan	3,599,574	-	485,334	4,084,908	2,758,657
Outside Jordan:					
Arab Bank	6,264,464	-	1,110,000	7,374,464	2,960,789
Emirates Islamic Bank	4,884,610	-	-	4,884,610	4,774,243
Union National Bank	-	-	-	-	6,239,308
First Abu Dhabi Bank	968,866	-	-	968,866	-
National Kuwait Bank	-	-	838,289	838,289	946,289
Total Banks Outside Jordan	12,117,940	-	1,948,289	14,066,229	14,920,629
Total	15,717,514	-	2,433,623	18,151,137	17,679,286

- Interest rates on bank deposit balances in Jordanian Dinars range from 2% to 4% and US Dollar from 0.05% to 0.25%.

* Deposits pledged to the order of the General Director of the Insurance Commission in addition to his position amounted to JD 325,000 as of December 31, 2020 and 2019.

6. Financial Assets at Fair Value through Statement of Profit or Loss

This item consists of the following:

	December 31,	
	2020	2019
Inside Jordan:	JD	JD
Quoted shares	2,251,127	2,326,573
	2,251,127	2,326,573
Outside Jordan:		
Quoted shares	554	781
Total Financial Assets at Fair Value	2,251,681	2,327,354

7. Financial Assets at Fair Value through Statement Comprehensive Income

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Inside Jordan		
Quoted shares	3,915,061	3,833,950
Unquoted shares	21,843	21,600
	3,936,904	3,855,550
Outside Jordan		
Quoted shares	8,720,173	10,831,013
Unquoted shares *	4,239,444	4,635,359
	12,959,617	15,466,372
Total financial assets at fair value	16,896,521	19,321,922

* This item includes an amount of JD 4,069,983 (net after deducting the effect of the revaluation amounting to JD 731,133 as of December 31, 2020), representing the investment in Asia Insurance Company (Iraq). Moreover, the shares registered in the Company's name amounted to 5,925,000,000 Share/Iraqi Dinar equivalent to 19.75% of the paid-up capital as of December 31, 2020 and 2019.

8. Investment Properties

a. This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Lands	12,753,008	12,617,441
Buildings – Net after depreciation	3,645,437	3,741,349
	16,398,445	16,358,790

b. Additions to investment properties amounted to JD 161,204, and there were no disposals during the year 2020. (Additions of JD 51,990, and disposals to JD 2,716,730 during the year 2019).

c. Investment properties depreciation amounted to JD 110,490 for the year ended December 31, 2020 (JD 138,158 for the year 2019).

d. The fair value of investment properties is evaluated by real estate appraisers at JD 28,116,536 as of December 31, 2020 (JD 29,312,444 for the year 2019).

9. Life Insurance Policy Holders' Loans

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Life insurance policy holders' loans not exceeding the policy liquidation value	44,539	45,539
	44,539	45,539

10. Cash on Hand and at Banks

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Cash on hand	178,688	89,465
Current accounts at banks	7,690,688	5,863,977
	7,869,376	5,953,442

11. Notes Receivable and Checks under Collection

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Notes receivable	60,550	48,175
Checks under collection *	3,106,014	3,532,534
	3,166,564	3,580,709
Less: Expected Credit Loss **	(166,050)	(166,050)
	3,000,514	3,414,659

* The maturity date of the checks under collection extend until August 2022.

** The movement on the allowance for expected credit losses for notes receivable and checks under collection is as follows:

	2020	2019
	JD	JD
Balance – beginning of the year	166,050	166,050
Additions during the year	-	-
Balance – End of the Year	166,050	166,050

12. Receivable - Net

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Policyholders' receivables	13,517,178	15,808,627
Agents' receivables	3,287,171	2,941,337
Employees' receivables	101,074	121,859
Other receivables *	1,111,417	1,146,584
	18,016,840	20,018,407
Less: Expected Credit Loss **	(3,428,412)	(3,712,160)
Receivable – Net	14,588,428	16,306,247

* The details of this item are as follows:

	December 31, 2020	December 31, 2019
	JD	JD
Buildings receivable	529,522	536,000
Settlement of branches' accounts with the Head Office current account	40,651	53,546
Suspended policies receivable	156,784	156,463
Others	384,460	400,575
	1,111,417	1,146,584

The following is the ageing of receivables:

	December 31, 2020	December 31, 2019
	JD	
Undue receivables	2,482,149	3,146,716
Less than 60 days	6,364,558	6,787,713
From 61 to 90 days	911,654	1,069,656
From 91 to 180 days	2,140,096	2,757,424
From 181 to 360 days	2,689,971	2,544,738
Total	14,588,428	16,306,247

** Movement on the allowance for expected credit losses related to receivables are as follows:

	2020	2019
	JD	JD
Balance – beginning of the year	3,712,160	3,699,708
Additions during the year	-	81,625
(Released) during the year	(193,000)	-
Less: Written-off debts	(90,748)	(69,173)
Balance – End of the Year	3,428,412	3,712,160

13. Re-insurance Receivable

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Local insurance companies *	2,539,096	2,537,660
Foreign re-insurance companies **	2,260,528	1,518,139
Less: Expected Credit loss in reinsurance receivable accounts ***	(961,642)	(861,642)
	3,837,982	3,194,157

* The Company follows a settlement policy with local insurance companies within three months from the date of the claim.

** The aging of foreign re-insurance companies' receivable accounts are as follows:

	December 31,	
	2020	2019
	JD	JD
Less than 60 days	76,822	14,637
From 61 to 90 days	1,009,435	565,194
From 91 to 180 days	266,558	513,492
From 181 to 360 days	877,228	371,540
More than 360 days	30,485	53,276
Total	2,260,528	1,518,139

The following are the ageing of local insurance companies and foreign re-insurance companies receivables:

	December 31,	
	2020	2019
	JD	
Less than 60 days	78,564	14,637
From 61 – 90 days	1,412,655	1,350,171
From 91 – 180 days	300,233	559,923
From 181 – 360 days	713,199	369,992
More than 360 days	1,333,331	899,434
Total	3,837,982	3,194,157

*** Movement on the allowance for expected credit losses related to reinsurance receivable are as follows:

	2020	2019
	JD	JD
Balance – beginning of the year	861,642	861,642
Additions during the year	100,000	-
Balance – End of the Year	961,982	861,642

14. Income Tax

a. Income Tax Provision

Movement on the income tax provision is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	103,822	10
Accrued income tax of the year	516,000	245,000
Income tax paid	(364,160)	(141,188)
Balance at the Ending of the Year	255,662	103,822

b. The income tax expense stated in the statement of Profit or Loss represents the following:

	2020	2019
	JD	JD
Accrued Income tax of the profit year	516,000	245,000
Deferred tax impact	(488,740)	(128,180)
	27,260	116,820

c. Summary of the reconciliation between accounting income and taxable income:

	2020	2019
	JD	JD
Accounting profit / Jordan branches	1,355,735	1,027,606
Tax unacceptable expenses	1,052,516	647,249
Tax exempted profits	(299,882)	(621,993)
Taxable profit	2,108,369	1,052,862
Tax Rate	26%	26%

d. Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities resulted from temporary timing differences for the financial statements items of the Company's branches operating in the Hashemite Kingdom of Jordan. The details are as follows:

	December 31, 2020					December 31, 2019
Accounts included	Beginning Balance of the year	Addition amounts	Released amounts	Balance at the End of year	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Allowance expected credit Loss	3,234,637	100,000	83,014	3,251,623	845,422	841,005
End of service Indemnity Provision	336,987	46,471	14,402	369,056	95,955	87,617
IBNR provision	2,277,000	730,608	-	3,007,608	781,978	592,020
Valuation losses for financial assets at fair value through statement of profit or loss	-	2,160,334	-	2,160,334	561,687	-
Valuation losses for financial assets through statement of comprehensive income	-	3,395,983	-	3,395,983	882,955	-
	5,848,624	6,433,396	97,416	12,184,604	3,167,997	1,520,642

- The details on the deferred tax liabilities is as follows:

Accounts included	December 31, 2020 Beginning Balance of the Period	Addition amounts	Released amounts	Balance at the End of Period	Deferred tax	December 31, 2019 Deferred tax
	JD	JD	JD	JD	JD	JD
Gain from valuation of financial assets at fair value through statement of profit or loss	-	2,297,161	-	2,297,161	275,659	-

e. The movement on deferred tax assets is as follows:

	For the Year Ended December 31, 2020	2019
	JD	JD
Balance at the beginning of the year	1,520,642	1,392,462
Additions	1,672,684	146,490
Released	(25,328)	(18,310)
Balance at the Ending of the year	3,167,998	1,520,642

f. The movement on deferred tax liabilities is as follows:

	For the Year Ended December 31, 2020	2019
	JD	JD
Balance at the beginning of the year	-	-
Additions	2,297,161	-
Released	-	-
Balance at the Ending of the year	2,297,161	-

In the opinion of the Company's management and tax advisor, the Company can benefit from deferred taxes resulting from the above provisions in the future.

g. A final settlement of income tax has been reached in Jordan until the end of 2016 and the year 2018. The Company submitted its tax return for 2017 and 2019 and paid the declared tax. However, it is still under consideration by the Income and Sales Tax Department.

- The Company's branches profits in the United Arab Emirates are not taxable, the Company's profit in Kuwait is subject to income tax rate at 10%, which has been settled up to the end of 2018 and the declared taxes were paid for the end of the year of 2018. The Company submitted its tax return for 2019 and paid the declared tax. However, it is still under consideration by the Ministry of Finance - the tax sector in Kuwait.

- The income tax due for the year 2020 has been calculated. In the opinion of the Company's management and tax advisor, the provisions in the financial statement are sufficient for tax purposes for the year and the years not audited by the Income and Sales Tax Department.

15. Property and Equipment - Net

a. The details of this item are as follows:

	Lands	Buildings	Machineries, equipments and Furnitures	Vehicles	Total
For the Year 2020	JD	JD	JD	JD	JD
Cost:					
Balance at the beginning of the year	511,113	591,184	1,503,338	349,638	2,955,273
Additions	-	2,550	40,208	-	42,758
Balance at End of the Year	511,113	593,734	1,543,546	349,638	2,998,031
Accumulated Depreciation:					
Accumulated depreciation at the beginning of the year	-	197,746	1,383,420	317,179	1,898,345
Depreciation for the year	-	10,983	38,299	20,880	70,162
Accumulated Depreciation at End of the Year	-	208,729	1,421,719	338,059	1,968,507
Net Book Value of Property and Equipment at the End of the Year	511,113	385,005	121,827	11,579	1,029,524
Depreciation of Property and Equipment Rate %	-	2	7 - 25	15	
For the Year 2019					
Cost:					
Balance at the beginning of the year	511,113	590,858	1,476,498	348,659	2,927,128
Additions	-	326	26,840	979	28,145
Disposals	-	-	-	-	-
Balance at End of the Year	511,113	591,184	1,503,338	349,638	2,955,273
Accumulated Depreciation:					
Accumulated depreciation at the beginning of the year	-	186,811	1,333,116	293,286	1,813,213
Depreciation for the year	-	10,935	50,374	23,893	85,202
Disposals	-	-	(70)	-	(70)
Accumulated Depreciation at End of the Year	-	197,746	1,383,420	317,179	1,898,345
Net Book Value of Property and Equipment at the End of the Year	511,113	393,438	119,918	32,459	1,056,928
Depreciation of Property and Equipment Rate %	-	2	7 - 25	15	

b. Fully depreciated assets amounted to JD 1,335,427 as of December 31, 2020 (JD 1,318,947 as of December 31, 2019).

16. Intangible Assets - Net

This item consists of the following:

	Computer Systems and Programs	
	December 31,	
	2020	2019
	JD	JD
Balance at the beginning of the year	844,352	643,119
Additions	95,473	201,233
Balance at the end of the year	939,825	844,352
Amortization	(702,713)	(635,129)
Balance at the end of the year	237,112	209,223
Annual Amortization rate	25%	25%

17. Other Assets

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Refundable deposits	1,381,748	1,146,522
Accrued revenues and not received *	35,605	49,723
Prepaid expenses	480,813	552,159
Others	335,038	332,218
	2,233,204	2,080,622

* This item represents dividends accrued from investments in companies received in the subsequent period.

18. Mathematical Reserve - Net

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Net mathematical reserve	1,472,226	1,578,789
Net Mathematical Reserve – Life	1,472,226	1,578,789

19. Due to Banks

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Bank of Jordan *	5,000,000	5,000,000
Cairo Amman Bank **	6,029,220	6,906,952
	11,029,220	11,906,952

* This item represents the utilized balance as of December 31, 2020 of the overdraft facilities granted by the Bank of Jordan and the ceiling of JD 5 million at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the solvency of the financial company. The main objective of these facilities is to finance the Company's activities.

** This item represents the utilized balance as of December 31, 2020 of the overdraft facilities granted by Cairo Amman bank with a ceiling of JD 6.9 million at an interest rate of 8% calculated on a daily basis and credited monthly and is guaranteed by the financial solvency of the Company. The main objective of these facilities is to finance the Company's activities.

- The movement on due to banks is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	11,906,952	14,960,693
Added during the year	1,102,648	7,376,229
Paid during the year	(1,980,380)	10,429,970
Balance at the End of the Year	11,029,220	11,906,952

20. Payable

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Policyholders payable	1,193,947	1,892,184
Workshops and spare parts payable	311,473	481,631
Brokers payable	475,353	644,069
Others	560,224	551,809
	2,540,997	3,569,693

21. Re-insurance Payable

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Local insurance companies	2,355,663	2,929,517
Foreign re-insurance companies	3,363,047	4,257,786
	5,718,710	7,187,303

22. Various Provisions

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Provision for vacation allowances	-	3,278
Provision for collective profits policy commissions	135,539	135,539
Provision for insurance management fees	24,469	36,437
Provision for end-of-service indemnity	1,039,358	1,048,304
	1,199,366	1,223,558

The following table illustrates the movement on the various provisions:

	December 31, 2020				December 31, 2019
	Balance Beginning of the Year	Incurred During the Year	Used During the Year	Balance End of the Year	Balance End of the Year
	JD	JD	JD	JD	JD
Provision for vacation allowances	3,278	-	3,278	-	3,278
Provision for collective profits policy commissions	135,539	-	-	135,539	135,539
Provision for insurance management fees	36,437	329,920	341,888	24,469	36,437
Provision for end-of-service indemnity	1,048,304	103,449	112,395	1,039,358	1,048,304
	1,223,58	433,369	457,561	1,199,366	1,223,558

23. Other Liabilities

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Unearned revenues	95,9893	412,821
Accrued and not paid expenses	212,023	251,962
Ministry of finance deposits	162,934	203,087
Life deposits	117	117
Car parking deposits	4,758	4,735
Unpaid Visa deposits	5,813	-
Individual policies deposits	5,685	5,685
Board of directors bonuses	55,000	55,000
	842,319	933,407

24. Capital

Subscribed and paid capital amounted to JD 30 million distributed over 30,000,000 shares with a par value of JD 1 as of December 31, 2020 and 2019.

25. Statutory Reserve

The amounts in this account represent appropriations from annual income before tax at 10%. Moreover, the reserve balance amounted to 25% of the Company's capital according to the Companies Law. This reserve may not be distributed to shareholders.

26. Financial Assets Valuation Reserve

The movement on the financial assets valuation reserve is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	(4,197,641)	(5,151,430)
Net changes in fair value	1,185,729	953,789
Deferred tax liabilities	275,659	-
Balance at the End of the Year	(2,736,253)	(4,197,641)

27. Retained Earnings

The movement on retained earnings is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	2,738,383	1,328,072
profit for the year	3,011,696	1,470,912
Impact on sale of financial assets at fair value through statement of comprehensive income	(510,244)	(60,601)
Balance at the End of the Year	5,239,835	2,738,383

a. The retained earnings balance includes an amount of JD 2,285,042 restricted against deferred tax assets as of December 31, 2020 (JD 1,520,642 as of December 31, 2019).

b. The retained earnings balance includes an amount of JD 1,221,061 as of December 31, 2020, representing the effect of early adoption of International Financial Reporting Standard No. (9). This item represents the revaluation differences and may not be used until realized according to the regulations of the Jordan Securities Commission.

c. According to the regulations of the Jordan Securities Commission, an amount equivalent to the balance of the accumulated change in the fair value negative balance of JD 1,515,192 may not be used, taking into consideration the effect of what is mentioned in paragraph (b) above as of December 31, 2020.

28. Credit interest

This item consists of the following:

	2020	2019
	JD	JD
Earned bank interest	270,994	445,450
Cash dividends	75,000	76,378
Total	345,994	521,828
Amount transferred to underwriting accounts	(75,000)	(76,378)
	270,994	445,450

29. Net Gain from Financial Assets and Investments

This item consists of the following:

	2020	2019
	JD	JD
Cash dividends *	296,017	712,879
Gains on the sale of financial assets at fair value through statement of profit or loss	-	58,438
(Losses) on the valuation of financial assets at fair value through statement of profit or loss	(75,673)	(153,002)
Rental Income – Net	382,768	421,978
Profit on sale of investment properties	-	280,131
	603,112	1,320,424

* This amount represents cash dividends from the Company's investments in companies' shares, of which an amount of JD 11,446 relates to financial assets at fair value through statement of profit or loss for the year ended December 31, 2020.

30. Other Revenue

This item consists of the following:

	2020	2019
	JD	JD
Currency exchange losses	(172,846)	(145,132)
Help-on-the-road service premiums	13,839	77,658
Treaties profits *	739,847	130,735
Earned discount	52,835	53,782
Others	185,312	177,363
Total	818,987	294,406

* This item represents marine treaties profits from AWRIS and profits on life sharing.

31. Employees Expenses

This item consists of the following:

	2020	2019
	JD	JD
Salaries and bonuses	4,392,578	4,598,535
Company's social security contributions	378,151	390,401
Medical expenses	409,019	372,855
Employees development and training	2,426	23,631
Travel and transportation	115,555	185,549
Total	5,297,729	5,570,971
Employees' administrative expenses allocated to underwriting accounts *	4,502,124	4,732,276
Employees' Expenses Un-allocated to Underwriting Accounts	795,605	838,695

* Allocation:

	2020	2019
	JD	JD
Life	1,216,228	1,309,364
Motor	1,602,530	1,591,938
Marine and transportation	127,866	168,914
Fire and other damages to properties	819,126	758,071
Liability	46,797	38,057
Medical	672,896	844,024
Other branches	16,681	21,908
Total	4,502,124	4,732,276

32. General and Administrative Expenses

This item consists of the following:

	2020	2019
	JD	JD
Rent	97,673	110,632
Printing and supplies	87,887	136,277
Advertising, publishing and marketing	11,576	12,738
Bank interest and commissions	5,262	5,642
Water, electricity and heating	91,051	98,069
Maintenance	5,572	12,764
Post and telephone	144,089	170,157
National agent commissions / external	40,700	40,700
Professional fees	102,712	104,662
Hospitality and gifts	16,469	43,303
Lawyers' expenses and fees	232,975	308,008
Revaluation expenses	13,825	10,590
Computer expenses	17,394	12,051
Utilization of computer program fees	20,183	1,365
Computer program services	158,683	100,054
Subscriptions	18,833	22,115
Board of Directors' transportation	129,296	132,000
Tenders and guarantees expenses	122,495	107,525
Government and other fees	132,440	162,879
Donations and gifts	124,365	37,303
Insurance expenses	62,514	61,258
Marketing expenses	208,639	170,231
Bad debt expenses and allowable discount	74,030	78,096
Others	527,794	597,393
Total	2,446,457	2,535,812
Total General and Administrative Expenses Allocated to Underwriting Accounts *	2,067,116	2,156,342
Total General and Administrative Expenses Unallocated to Underwriting Accounts	379,341	379,470

* Allocation:

	2020	2019
	JD	JD
Life	558,422	596,634
Motor	735,790	725,392
Marine and transportation	58,709	76,969
Fire and other damages to properties	376,096	345,428
Liability	21,486	17,342
Medical	308,955	384,595
Other branches	7,658	9,982
	2,067,116	2,156,342

33. Other Expenses

This item consists of the following:

	2020	2019
	JD	JD
Provision for end-of-service indemnity	103,449	133,923
Board of Directors Bonuses	55,000	55,000
	158,449	188,923

34. Earning Per Share for the Year - (Basic and Diluted)

Earnings per share has been computed by dividing profit for the year by the weighted average number of shares. The details are as follows:

	2020	2019
	JD	JD
Profit for the year	3,011,696	1,470,912
	Share	Share
Weighted average number of shares	30,000,000	30,000,000
	JD / Share	JD / Share
Earnings per Share for the Year (Basic and Diluted)	-/100	-/049

35. Cash and Cash Equivalents

The details of this item are as follows:

	December 31,	
	2020	2019
	JD	JD
Cash on hand	178,688	89,465
Deposits at banks maturing within three months	7,690,688	15,151,373
Current accounts at banks	15,717,514	5,863,977
	23,586,890	21,104,815

36. Risk Management

First: Descriptive Disclosures:

Risks faced by the Company are concentrated in insurance and financial risks. Within the Company's assessment of these risks, a strategy had been developed, including controls to mitigate them, taking into account the risk and return components.

The elements of effective risk management are identification, measurement, management, and control of insurance risks and financial risks that negatively affect the Company’s profitability and reputation, as well as ensuring a return commensurate with the said risks margin.

The risks to which the Company is exposed consist of the following:

a. Material risks, which are natural disasters, fires, accidents and other external risks not related to the Company's business.

b. Legal risks arising from judicial claims or other risks arising from laws and legislations issued by regulatory bodies.

c. Financial risks, representing interest rate risk, credit risk, foreign currency risk and market risk.

d. Unpredictable intangible risks representing the knowledge risks of the Company's key personnel. These risks arise from inadequate knowledge and relations risks, as well as deficient cooperation with customers. All these risks directly reduce the employee’s knowledge productivity and efficiency, downgrade service quality, and detract from reputation, thus affecting the Company’s expenditures and profits.

The Company prioritizes risks, so that risks with large losses and high probability of occurrence are dealt with first, while risks with smaller losses and lower probability of occurrence are dealt with later.

Risk Management Policy

A plan has been developed for the Company's scope of work and risk assessment bases through creating a special department that caters for quality and development and monitors planning efficiency and proper preparation.

Risks are events that produce negative effects upon their occurrence. Therefore, risks consequences should be identified to avert them together with any resultant new risks. This is to enable the Company to address them before they occur. Moreover, there are many ways to identify risks, including goal-based identification, as each of the Company's sections has certain goals to achieve. As such, any event obstructing achievement of these goals is a risk, subject to study and follow-up. There is also a risk identification type whereby identification is based on classification, which is comprehensive and includes potential sources of risk. Moreover, risks are identified through reviewing common risks, especially for similar companies.

The Company deals with potential risks through the following:

a. Transferring the risk to another party through contracting or financial hedging.

b. Avoiding risks through refraining from actions that may lead to risks.

c. Mitigating losses arising from risk occurrence.

d. Accepting unavoidable risks, as acceptance of small risks is an effective strategy.

To avoid losses, a clear and easy-to-manage risk management plan has been developed through a pricing policy that relies on historical statistics. The Company's technical departments also implement the plan to avoid or mitigate the effects of those risks. Moreover, the Risk Department keeps abreast of developments in the Company, and therefore, continuously develops and updates the plan.

The Company follows a risk management strategy through the following:

a. Defining the Company's objectives.
b. Clarifying strategies for the Company's objectives.
c. Distinguishing and assessing risk.
d. Finding ways to address and avoid risk.

Second: Quantitative Disclosures:

a. Insurance Risks

1. Insurance Risk

   The risk of any insurance contract is the probability of occurrence of the insured event and the uncertainty of the amount of the claim related to that event. This is due to the nature of the insurance contract where the risks are volatile and unpredictable for the insurance contracts related to the insurance category. Moreover, the probabilities theory of pricing and reserve can be applied, and the Company's main risks are that the claims incurred and related payments may exceed the carrying amount of the insurance liabilities. This may occur if the probability and severity of the claims are greater than expected. As the insurance events are not constant and vary from year to year, the estimates may differ from the related statistics.

Studies have shown that the more similar insurance contracts are, the more expectations approximate the actual loss rate. Furthermore, diversification in covered insurance risks leads to lower probability of total loss of insurance.

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

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

2. Claims Development

The tables below show the actual claims (based on management's estimates at the end of the year) compared to the expectations for the past four years based on the year in which the accident occurred separately for each branch of insurance, as follows:

Gross - Motor Insurance:

					December 31,	
Accident Year	2016 and before	2017	2018	2019	2020	Total
	JD	JD	JD	JD	JD	JD
As of year-end	144,072,741	20,195,046	15,938,877	14,421,087	10,660,680	205,288,431
After one year	145,384,946	21,745,282	17,511,546	15,865,088	-	200,506,862
After two years	147,024,752	22,452,651	17,938,613	-	-	187,416,016
After three years	146,646,780	22,540,555	-	-	-	169,187,335
After four years	146,865,667	-	-	-	-	146,865,667
Current expectations of cumulative claims	155,919,964	23,179,004	18,564,528	16,694,266	11,471,185	225,828,947
Cumulative payments	153,222,966	22,098,644	16,674,223	14,368,334	6,562,234	212,926,401
Liabilities as stated in the statement of financial position	2,696,998	1,080,360	190,305	2,325,932	4,908,951	11,202,546
(Deficit) from the Preliminary Assessment of the Provision	(11,847,223)	(2,983,958)	(2,625,651)	(2,273,179)	(810,505)	(20,540,516)

Gross - Medical Insurance:

					December 31,	
Accident Year	2016 and before	2017	2018	2019	2020	Total
	JD	JD	JD	JD	JD	JD
As of year-end	7,201,327	9,673,690	8,425,004	8,565,119	7,077,305	40,942,445
After one year	7,311,895	9,284,777	8,108,357	-	-	24,705,029
After two years	7,312,204	9,317,190	-	-	-	16,629,394
After three years	7,319,036	-	-	-	-	7,319,036
After four years	-	-	-	-	-	-
Current expectations of cumulative claims	-	9,317,190	8,108,357	8,565,119	7,077,305	33,067,971
Cumulative payments	-	9,317,190	8,108,357	8,565,119	6,054,127	32,044,793
Liabilities as stated in the statement of financial position	-	-	-	-	1,023,178	1,023,178
Surplus from the Preliminary Assessment of the Provision	7,201,327	356,500	316,647	-	-	7,874,474

Gross - Fire and Other Damages to Properties:

Accident Year	2016 and before	2017	2018	2019	December 31, 2020	Total
	JD	JD	JD	JD	JD	JD
As of year-end	61,549,426	971,941	6,183,432	1,469,330	6,957,749	77,131,878
After one year	61,930,164	1,284,625	5,952,560	1,174,246.00	-	70,341,595
After two years	61,829,808	1,277,904	5,822,004.00	-	-	68,929,716
After three years	61,385,509	1,519,379	-	-	-	62,904,888
After four years	61,108,601	-	-	-	-	61,108,601
Current expectations of cumulative claims	61,249,974	1,549,334	5,822,004	1,174,246	6,957,749	76,753,307
Cumulative payments	58,441,336	1,495,582	4,750,507	774,756	1,227,702	66,689,883
Liabilities as stated in the statement of financial position	2,808,638	53,752	1,071,497	399,490	5,730,047	10,063,424
Surplus from the Preliminary Assessment of the Provision	299,452	(577,393)	361,428	295,084	-	378,571

Gross - Marine and Transportations:

Accident Year	2016 and before	2017	2018	2019	December 31, 2020	Total
	JD	JD	JD	JD	JD	JD
As of year-end	12,877,376	606,915	668,688	1,016,126	1,135,555	16,304,660
After one year	12,920,827	1,147,031	796,357	986,632.00	-	15,850,847
After two years	12,578,321	1,055,519	778,984.00	-	-	14,412,824
After three years	12,218,865	1,057,604	-	-	-	13,276,469
After four years	12,213,087.00	-	-	-	-	12,213,087
Current expectations of cumulative claims	12,220,894	1,057,613	779,909	986,632	1,142,175	16,187,223
Cumulative payments	11,749,375	631,662	585,454	609,300	845,285	14,421,076
Liabilities as stated in the statement of financial position	471,519	425,951	194,455	377,332	296,890	1,766,147
Surplus from the Preliminary Assessment of the Provision	656,482	(450,698)	(111,221)	29,494	(6,620)	117,437

Gross - Liability:

Accident Year	2016 and before	2017	2018	2019	December 31, 2020	Total
	JD	JD	JD	JD	JD	JD
As of year-end	1,397,685	26,942	111,719	31,807	23,701	1,591,854
After one year	1,674,009	28,808	26,691	12,680.00	-	1,742,188
After two years	2,646,289	-	24,691.00	-	-	2,670,980
After three years	2,733,500	-	-	-	-	2,733,500
After four years	2,126,649.00	-	-	-	-	2,126,649
Current expectations of cumulative claims	2,133,868	8,311	26,911	12,687	23,719	2,205,496
Cumulative payments	737,331	8,311	24,911	2,687	5,219	778,459
Liabilities as stated in the statement of financial position	1,396,537	-	-	10,000	18,500	1,425,037
(Deficit) from the Preliminary Assessment of the Provision	(736,183)	18,631	84,808	19,120	(18)	(613,642)

Gross - Life:

Accident Year	2016 and before	2017	2018	2019	December 31, 2020	Total
	JD	JD	JD	JD	JD	JD
As of year-end	14,892,785	19,636,894	14,100,214	16,288,615	16,588,365	81,506,873
After one year	14,689,433	3,059,311	3,361,516	5,424,076	-	26,534,336
After two years	176,848	237,959	798,860.00	-	-	1,213,667
After three years	81,660	370,795	-	-	-	452,455
After four years	366,515.00	-	-	-	-	366,515
Current expectations of cumulative claims	366,515	370,795	798,860	5,424,076	16,588,365	23,548,611
Cumulative payments	27,481	48,049	271,815	4,897,801	10,895,147	16,140,293
Liabilities as stated in the statement of financial position	339,034	322,746	527,045	526,275	5,693,218	7,408,318
Surplus from the Preliminary Assessment of the Provision	14,526,270	19,266,099	13,301,354	10,864,539	-	57,958,262

Gross - Other Branches:

	2016				December 31,	
Accident Year	and before	2017	2018	2019	2020	Total
	JD	JD	JD	JD	JD	JD
As of year-end	1,575,975	80,660	50,140	35,413	83,756	1,825,944
After one year	1,549,605	83,766	63,176	41,014	-	1,737,561
After two years	1,561,979	83,766	63,176	-	-	1,708,921
After three years	1,558,962	83,394	-	-	-	1,642,356
After four years	1,555,962	-	-	-	-	1,555,962
Current expectations of cumulative claims	1,566,928	83,394	63,176	41,014	83,756	1,838,268
Cumulative payments	1,375,917	45,394	27,332	30,914	1,992	1,481,549
Liabilities as stated in the statement of financial position	191,011	38,000	35,844	10,100	81,764	356,719
Surplus from the Preliminary Assessment of the Provision	9,047	(2,734)	(13,036)	(5,601)	-	(12,324)

3. Concentration of Insurance Risks
Concentration of assets and liabilities based on insurance type is as follows:

For the Year Ended December 31, 2020:

	Motor	Marine and Transportation	Fire and other damages to properties insurance	Liability	Medical	Other Branches	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gross	24,791,210	2,060,361	16,049,891	1,821,833	5,227,454	450,37	9,479,671	59,880,757
Net	20,740,207	361,448	462,886	32,398	3,129,645	263,624	2,850,737	27,840,945

For the Year Ended December 31, 2019:

	Motor	Marine and Transportation	Fire and other damages to properties insurance	Liability	Medical	Other Branches	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Gross	25,497,925	2,527,879	13,391,162	2,385,087	6,108,568	455,843	6,805,617	57,172,081
Net	21,047,472	536,164	650,796	35,663	3,548,707	283,669	2,400,863	28,503,334

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

	December 31, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to geographical area:				
Inside Jordan	67,213,554	33,718,346	68,103,039	32,104,980
Other Middle East countries	22,491,906	15,984,532	21,365,772	21,323,089
Europe	-	-	-	-
Asia *	-	-	-	-
Africa *	-	-	-	-
America	-	-	-	-
Other countries	-	-	-	-
	22,491,906	15,984,532	21,365,772	21,323,089
Total	89,706,460	49,702,878	89,468,811	53,428,069

* Excluding Middle East Countries.

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

	December 31, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
According to Sector:				
Public sector	340,228	43,243	547,957	83,201
Private Sector:				
Companies and Institution	15,751,381	7,985,816	16,584,251	10,149,887
Individuals	2,334,801	230,648	2,368,196	523,907
Total	18,426,410	8,259,707	19,500,404	10,756,995

4. Re-insurers Risk

To reduce exposure to risks of financial losses arising from large claims, the Company, within its regular activities, enters into re-insurance contracts with other parties.

Moreover, re-insurance risks are the risks arising from re-insurance companies' failure to meet their commitments related to the signed re-insurance arrangements.

In this regard, the Company's management selects highly solvent re-insurance companies with high credit rankings. It also evaluates the financial position of re-insurance companies it deals with, as well as monitors, credit risk concentrations stemming from those companies' geographical areas and activities, or similar economic components. The issued re-insurance policies do not exempt the Company from its obligations toward the policy holders. Consequently, the Company remains liable in terms of the re-insured claims balance should re-insurers default on their obligations as per re-insurance contracts.

5. Insurance Risks Sensitivity

a. Positive assumption has been adopted. It is the assumption that net underwritten premiums will increase by 5% for the year ended December 31, 2020 for all insurance branches and the subsequent increase in paid commissions.

b. The negative assumption has been adopted. It is the assumption that net underwritten premiums will decrease by 5% for the year ended December 31, 2020 for all insurance branches and the subsequent decrease in paid commissions.

c. The positive assumption has been adopted. It is the assumption that net compensations will decrease by 5% for the year ended December 31, 2020 for all insurance branches and the subsequent decrease in the percentage of recoveries.

d. The negative assumption has been adopted. It is the assumption that net compensations will increase by 5% for the year ended December 31, 2020 for all insurance branches and the subsequent increase in recoveries.

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 irregular risks that vary according industry and include price risks, commercial capability, and competition. These risks can be mitigated through diversifying the Company's investment portfolio. Moreover, risk can be estimated by means of standard deviation if the expected return on investments is equal. If, on the other hand, the expected return is unequal, the variance factor for each investment is calculated by dividing standard deviation by the expected return for each investment. The lower the standard deviation, the lesser the risk degree. Furthermore, the Company monitors the stock exchange prices and prices of securities held by the Company daily to take the necessary action at the end of each quarter of the fiscal year.

The table below summarizes the effect of the increase (decrease) in Amman Stock Exchange and Arabian markets by 5% of the fair value of financial assets at fair value through the statement of profit or loss and through the other comprehensive income statement for the year 2020 and 2019. This effect is reflected in the statement of profit or loss and shareholders' equity as of the statement of financial position date. The sensitivity analysis has been prepared on the assumption that share prices move by the same percentage of market index change.

	+ 5%		- 5%	
	For the year ended December 31,		For the year ended December 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Statement of profit or loss	112,584	116,368	(112,584)	(116,368)

	+ 5%		- 5%	
	December 31,		December 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Shareholders' Equity	658,294	733,248	(658,294)	(733,248)

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 includes 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	More than 3 Months to 6 Months	More than 6 Months to 1 Year	More than 1 Year to 3 Years	More than 3 Years	Without Maturing	Total
December 31, 2020	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities:								
Due to banks	-	-	-	11,029,220	-	-	-	11,09,220
payable	-	1,778,698	762,299	-	-	-	-	2,540,997
Re-insurance payable	-	-	5,718,710	-	-	-	-	5,718,710
Other liabilities	217,833	217,934	-	406,552	-	-	-	842,319
Total	217,833	1,996,632	6,481,009	11,435,772	-	-	-	20,131,246
Assets	15,139,951	12,846,470	2,064,380	16,643,582	1,476,658	-	41,535,419	89,706,460

	Less than One Month	From 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	More than 1 Year to 3 Years	More than 3 Years	Without Maturing	Total
	JD	JD	JD	JD	JD	JD	JD	JD
December 31, 2019								
Liabilities:								
Due to banks	-	-	-	11,906,952	-	-	-	11,906,952
payable	-	2,499,991	1,069,702	-	1,069,702	-	-	3,569,692
Re-insurance payable	-	-	7,187,303	-	7,187,303	-	-	7,187,303
Other liabilities	251,962	258,096	-	423,349	-	-	-	933,407
Total	251,962	2,758,087	8,257,005	12,330,301	8,257,005	-	-	23,597,354
Assets	15,219,704	12,914,142	2,075,254	14,980,625	1,214,437	-	43,064,649	89,468,811

3. Currency Risks

The Company's main operations are dominated 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 dominated 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:

Type of Currency		December 31, 2020		
		Book Value	Market Value	Effect
		JD	JD	JD
US Dollar	2,321,466	1,625,026	1,643,598	18,572
UAE Dirham	78,890,773	16,259,793	16,962,919	703,126
Kuwaiti Dinar	781,981	1,850,525	1,825,681	(24,844)
Bahraini Dinar	23,375	43,828	43,987	159
Qatari Riyal	217,135	40,170	41,907	1,737
Euro	48,262	39,508	41,988	2,480
GBP	9,737	8,862	9,446	584
				701,814

Type of Currency		December 31, 2019		
		Book Value	Market Value	Effect
		JD	JD	JD
US Dollar	418,474	292,931	296,279	3,348
UAE Dirham	78,283,273	14,482,405	15,108,671	626,266
Kuwaiti Dinar	755,060	1,792,614	1,769,860	(22,754)
Bahraini Dinar	11,465	21,559	21,559	-
Qatari Riyal	1,569	305	305	-
Euro	20,639	16,629	16,387	(242)
GBP	20,467	15,030	19,014	3,984
				610,602

4. Interest Rate Risk

These risks arise from the fluctuations in the prevailing market interest rates. The Company manages interest rate risks through applying sensitivity analysis to instruments subject to interest rates in a manner that does not negatively affect net interest income (parallel analysis LIBOR +/- 0.5% on the return curve).

The sensitivity analysis for the year ended December 31, 2020 is as follows:

Currency	Effect of increase of interest rate of 0.5% on statement in profit or loss	Effect of decrease of interest rate of 0.5% on statement in profit or loss
	JD	JD
Jordanian Dinar	34,439	(34,439)
USD	8,125	(8,125)
Kuwaiti Dinar	9,250	(9,250)
UAE Dirham	81,299	(81,299)

Sensitivity analysis for the year 2019

Currency	Effect of increase of interest rate of 0.5% on statement in profit or loss	Effect of decrease of interest rate of 0.5% on statement in profit or loss
	JD	JD
Jordanian Dinar	35,936	(35,936)
USD	1,464	(1,464)
Kuwaiti Dinar	8,963	(8,963)
UAE Dirham	72,412	(72,412)

5. Sensitivity of Insurance Risks

	December 31, 2020		December 31, 2019	
	Statement of profit or loss	Shareholders' Equity	Statement of profit or loss	Shareholders' Equity
	JD	JD	JD	JD
Income shareholders' equity	3,011,696	40,003,582	1,470,912	36,040,742
Impact of decreasing gross premium by 5% while holding other factors constant	(3,251,774)	(3,251,774)	(3,433,557)	(3,433,557)
Gross	(240,078)	36,751,808	(1,962,645)	32,607,185
Income shareholders' equity	3,011,696	40,003,582	1,470,912	36,040,742
Impact of increasing gross compensations by 5% while holding other factors constant	(1,981,427)	(1,981,427)	(2,195,857)	(2,195,857)
Gross	1,030,269	38,022,155	(724,945)	33,844,885

6. 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 receivable are not guaranteed.

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

Geographical Area	Indebtedness
	JD
United Arab Emirates	880,953
Hashemite Kingdom of Jordan	11,810,329
Other countries	1,897,147
	14,588,429

37. Transactions with Related Parties

- The Company entered into 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, and no related provisions have been taken (if provisions had been taken, their amounts would have been determined).

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

	December 31, 2020	December 31, 2019
	JD	JD
Statement of Financial Position Items:		
Accounts receivable	1,43,024	1,520,724
Accounts payable	5,881	346,479

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Statement of profit or loss Items:	JD	JD
Insurance premiums	899,013	1,162,630
Net payments to re-insurers	870,334	1,380,990
Compensations paid - net	630,322	84,854

Transactions with related parties relate to the Board of Directors and their relatives.

- The following is a summary of the benefits (salaries, bonuses, and other benefits) for Executive Management of the Company:

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
	JD	JD
Salaries and other benefits	631,890	633,505

38. 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 general, motor, marine, fire and other damages on properties, liability, medical, and others; 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 business sectors are based on estimated market prices on the same terms used for others.

b. Information on Geographical Distribution

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

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

	Inside Jordan	
	For the Year Ended December 31,	
	2020	2019
	JD	JD
Total Revenue	32,182,703	34,422,121
Capital Expenditures	298,271	221,261

	December 31,	
	2020	2019
	JD	JD
Total Assets	67,213,554	68,103,039

	Outside Jordan	
	For the Year Ended December 31,	
	2020	2019
	JD	JD
Total Revenue	6,864,527	9,007,174
Capital Expenditures	5,141	8,351

	December 31,	
	2020	2019
	JD	JD
Total Assets	22,491,906	21,365,772

39. 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 attaining optimal employment of available resources. This is to achieve the targeted growth in shareholders' equity through growing the statutory reserve by 10% of realized profits 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 while capital and its adequacy are monitored periodically.

- The solvency margin as of December 31, 2020 and 2019 is as follows:

	For the Year Ended December 31,	
	2020	2019
	JD	JD
First: Available capital *	51,721,673	48,994,396
Second: Required capital		
Capital required against assets risks	17,569,637	16,527,836
Capital required against underwriting liabilities	3,577,582	3,601,082
Capital required against reinsurers' risks	695,424	343,618
Capital required against life insurance	4,576,064	4,739,204
Total Required Capital	26,418,707	25,211,740
Third: Solvency margin ratio (available capital / required capital)	196%	194%

* Available capital consists of the following:

	For the Year Ended December 31,	
	2020	2019
	JD	JD
Primary Capital:		
Paid-up capital	30,000,000	30,000,000
Statutory reserve	7,500,000	7,500,000
Retained earnings	5,239,835	2,738,383
	42,739,835	40,238,383
Add: Additional Capital:		
Financial assets cumulative change in fair value	(2,736,253)	(4,197,641)
Increase in fair value investment properties	11,718,091	12,953,654
	51,721,673	48,994,396

In the opinion of the Board of Directors, regulatory capital is adequate and commensurate with the size of capital and nature of risks the Company is exposed to.

40. Assets and Liabilities Maturities Analysis

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

December 31, 2020	Within One Year	More than One Year	Total
	JD	JD	JD
Assets:			
Deposits at banks	15,717,514	2,433,623	18,151,137
Financial assets at fair value through profit or loss	2,251,681	-	2,251,681
Financial assets at fair value through comprehensive income	-	16,896,521	16,896,521
Investment property	-	16,6*/,778	16,398,445
Life policyholders' loans	-	44,539	44,539
Cash on hand and at banks	7,869,376	-	7,869,376
Notes receivable and checks under collection	3,000,514	-	3,000,514
Accounts receivable – net	13,117,443	1,472,985	14,588,428
Re-insurance receivable	2,504,651	1,333,331	3,837,982
Deferred tax assets	-	3,167,997	3,167,997
Property and equipment – net	-	1,029,524	1,029,524
Intangible assets - net	-	237,112	237,112
Other assets	2,233,204	-	2,233,204
Total Assets	46,694,383	43,012,077	89,706,460
Liabilities:			
Unearned premiums reserve - net	11,438,068	-	11,438,068
Outstanding claims reserve - net	14,817,111	-	14,817,111
Mathematical reserve - net	1,472,226	-	1,472,226
Premiums deficiency reserve	113,540	-	113,540
Due to banks	11,029,220	-	11,029,220
Payable	2,540,997	-	2,540,997
Re-insurance payable	5,718,710	-	5,718,710
Various provisions	1,199,366	-	1,199,366
Income tax Provision	255,662	-	255,662
Deferred tax liabilities	275,659		275,659
Other liabilities	842,319	-	842,319
Total Liabilities	49,702,878	-	49,702,878
Net Assets	159,502	39,313,438	40,003,582

159,502

December 31, 2019	Within One Year JD	More than One Year JD	Total JD
Assets:			
Deposits at banks	15,151,373	2,527,913	17,679,286
Financial assets at fair value through profit or loss	2,327,354	-	2,327,354
Financial assets at fair value through comprehensive income	-	19,321,922	19,321,922
Investment property	-	16,358,790	16,358,790
Life policyholders' loans	-	45,539	45,539
Cash on hand and at banks	5,953,442	-	5,953,442
Notes receivable and checks under collection	3,414,659	-	3,414,659
Accounts receivable – net	13,967,552	2,338,695	16,306,247
Re-insurance receivable	2,294,723	899,434	3,194,157
Deferred tax assets	-	1,520,642	1,520,642
Property and equipment – net	-	1,056,928	1,056,928
Intangible assets - net	-	209,223	209,223
Other assets	2,080,622	-	2,080,622
Total Assets	45,189,725	44,279,086	89,468,811
Liabilities:			
Unearned premiums reserve - net	13,037,425	-	13,037,425
Outstanding claims reserve - net	13,699,919	-	13,699,919
Mathematical reserve - net	1,578,789	-	1,578,789
Premiums deficiency reserve	187,201	-	187,201
Due to banks	11,906,952	-	11,906,952
Payable	3,569,693	-	3,569,693
Re-insurance payable	7,187,303	-	7,187,303
Various provisions	1,223,558	-	1,223,558
Provision for Income tax	103,822	-	103,822
Other liabilities	933,407	-	933,407
Total Liabilities	53,428,069	-	53,428,069
Net Assets	(8,238,344)	44,279,086	36,040,742

41. Lawsuits against the Company

- There are lawsuits against the Company claiming compensation on various accidents. The lawsuits at courts with determined amounts totaled around JD 1,854,235 as of December 31, 2020 (JD 2,371,909 as of December 31, 2019). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions within the claims provision shall arise.

42. Contingent Liabilities

As of the date of the statement of financial position, the Company was contingently liable for Bank guarantees of JD 3,046,800 guaranteed against the Company's solvency as of December 31, 2020 (JD 3,075,387 as of December 31, 2019).

43. Fair Value Hierarchy

a. Fair value of financial assets that are continuously determined at fair value:

Some of the Company's financial assets is valued at fair value at the end of each financial period.

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

Financial Assets	Fair Value December 31, 2020	2019	Fair Value Hierarchy	Evaluation Methods and Used Entries	Significant Unobservable Entries	Relationship of Unobservable Inputs to fair value
	JD	JD				
Financial assets at fair value:						
Financial Assets at Fair Value Through Statement of Profit or Loss:						
Shares	2,251,681	2,324,354	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Financial Assets at Fair Value Through Comprehensive Income:						
Shares with available market price	12,635,234	14,664,963	Level 1	Prices Listed in Financial Markets	Not Applicable	Not Applicable
Shares with unavailable market price	21,843	4,656,959	Level 3	The net asset value for the most recent financial information available	Not Applicable	Not Applicable
Shares with unavailable market price	4,239,447	-	Level 3	Csh flow discount method	Applicable	Applicable
	16,896,524	**19,321,922**				
Total Financial Assets at Fair Value	**19,148,205**	**21,646,276**				

There were no transfers between level one, level two and level two during the year 2020 and the year 2019.

b. Fair value of financial assets and financial liabilities that are not continuously determined at fair value:

Except to what is mentioned in the table below, we believe that the carrying amounts of the financial assets and financial liabilities stated in the Company's financial statements approximate their fair values:

	December 31, 2020 Book value	Fair value	December 31, 2019 Book value	Fair value	Fair value Hierarchy
	JD	JD	JD	JD	
Financial assets with undetermined fair value					
Deposits at banks	18,151,137	18,514,160	17,679,286	18,032,872	Level 2
Policyholder's loans	44,539	45,430	45,539	46,449	Level 2
Real estate investment	16,398,445	28,116,536	16,358,790	29,312,444	Level 2
Total Financial assets with undetermined fair value	34,594,121	46,676,126	34,083,615	47,391,765	

The fair values of the financial assets included in level 2 hierarchy above have been determined in accordance with the generally accepted pricing models based on the discounted cash flow method taking into consideration the interest rate as the most critical component of the calculation.

44. Solvency Margin

The Company did not achieve the required solvency margin according to the instructions of the Insurance Management, which should not be less than 200% as of December 31, 2020, noting that the solvency margin of the Company is 196% without taking into consideration the excesses approved by the Insurance Management.