

التاريخ : 2025/08/28

الإشارة : م/25/706

السادة هيئة الأوراق المالية - دائرة الإفصاح المحترمين
السادة بورصة عمان المحترمين

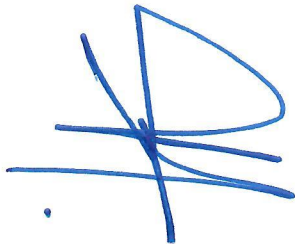
تحية طيبة وبعد،،،

الموضوع: البيانات المالية المراجعة باللغة الإنجليزية كما في 2025/06/30
بموجب المعيار الدولي رقم (17)

تهديكم الشركة المتحدة للتأمين م.ع.م أطيب تحياتها وتتمنى لكم دوام التقدم والازدهار.

بالإشارة إلى الموضوع أعلاه، نرجو أن نرفق لكم طياً البيانات المالية الربع سنوية المراجعة باللغة الإنجليزية، بموجب المعيار الدولي لإعداد التقارير المالية رقم (17) كما في 2025/06/30.

وتفضلوا بقبول فائق الاحترام،،،



رائد خليل حدادين
الرئيس التنفيذي



United Insurance Company
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan
Interim Condensed Financial Statements (Unaudited)
and the Independent Auditor's Review Report
For the Six months ended June 30, 2025

United Insurance Company
(Public Shareholding Limited Company)
Amman- The Hashemite kingdom of Jordan
Interim Condensed Financial Statements (Unaudited) and the Independent Auditor's Review Report
For the Six months Ended June 30, 2025

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Independent Auditor's Review Report

To, The Shareholders
United Insurance Company
(Public Shareholding Limited Company)
Amman - the Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **United Insurance Company ("the Company")** as of June 30, 2025 and the related interim condensed consolidated statement of profit or loss, and the interim condensed consolidated statement of other comprehensive income for three months and six month ended June 30, 2025 and the interim condensed consolidated statement of changes in shareholders' equity, and the interim condensed consolidated statement of cash flows for the six months period then ended and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". Our responsibility is to draw a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements for the period ended June 30, 2025 are not prepared in all material respects, in accordance with IAS (34) "Interim Financial Reporting".

The partner in charge of the audit resulting in this auditor's report was Hasan Amin Othman; license number 674.

Date: 31 July 2025



United Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Statement of Financial Position
As of June 30, 2025 (Unaudited)
(Jordanian Dinars)

	Note	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Assets</u>			
Deposits at banks, net	6	16,745,051	15,489,100
Financial assets at fair value through profit or loss statement	7	140,218	158,831
Financial assets at fair value through other comprehensive income	8	7,323,266	6,359,147
Financial assets at amortized cost	9	4,020,001	4,020,001
Investment properties	10	4,550,184	4,592,774
Total investments		32,778,720	30,619,853
Cash on hand and at banks	11	2,856,481	1,684,828
Insurance contract assets (Premium allocation approach)	13	316,110	1,741,357
Reinsurance contract assets held (Premium allocation approach)	14	2,125,811	2,131,086
Deferred tax assets		978,947	654,347
Property and equipment, net		4,325,709	4,392,098
Intangible assets, net		8,992	11,054
Other assets		868,316	709,517
		11,480,366	11,324,287
Total Assets		44,259,086	41,944,140
<u>Liabilities and Shareholders' Equity</u>			
<u>Liabilities</u>			
Insurance contract liabilities (Premium allocation approach)	13	21,524,825	21,726,061
Total insurance contract liabilities		21,524,825	21,726,061
Reinsurance contract liabilities	14	204,004	35,023
Other provisions		186,569	197,091
Provision for income tax		875,642	363,873
Deferred tax liabilities		26,864	26,864
Other liabilities		423,339	402,751
		1,716,418	1,025,602
Total liabilities		23,241,243	22,751,663
<u>Shareholders' Equity</u>			
Authorized and paid-up share capital		14,000,000	14,000,000
Share premium		41,507	41,507
Statutory reserve	15	2,150,303	2,150,303
Accumulated change in fair value		974,397	10,278
Retained earnings		3,851,636	2,990,389
Total Shareholders' Equity		21,017,843	19,192,477
Total Liabilities and Shareholders' Equity		44,259,086	41,944,140

The accompanying notes from 1 to 29 are an integral part of these interim condensed financial statement

United Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Statement of Profit or Loss
For the Three months and Six months ended June 30, 2025 (Unaudited)
(Jordanian Dinars)

	Notes	For Three Months		For Six Months	
		From April 1 to June 30	From Jan 1 to June 30	From April 1 to June 30	From Jan 1 to June 30
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:					
Insurance contract revenues	17	8,422,738	7,561,532	16,299,897	15,183,099
Insurance contract expenses	18	(6,811,439)	(7,056,852)	(13,721,547)	(13,788,512)
Insurance contract service result		1,611,299	504,680	2,578,350	1,394,587
Reinsurance contracts revenues	19	1,295,645	1,191,026	2,928,492	2,560,132
Reinsurance contracts expenses	20	(2,536,339)	(2,164,133)	(4,907,347)	(4,384,922)
Reinsurance contracts results		(1,240,694)	(973,107)	(1,978,855)	(1,824,790)
Net insurance operations results		370,605	(468,427)	599,495	(430,203)
Finance (expenses) / revenues - insurance contracts	21	(9,485)	134,260	(63,336)	164,735
Finance (expenses) / revenues - reinsurance contracts	22	146,445	(19,191)	(1,735)	(40,139)
Net financing results of insurance operations		136,960	115,069	(65,071)	124,596
Interest income		324,341	310,593	631,982	612,006
Net profit/(loss) from financial assets and investments		386,438	324,320	422,166	343,197
Other revenues		10,003	386,439	16,070	386,896
Net investment revenue		720,782	1,021,352	1,070,218	1,342,099
Net results of insurance and investment		1,228,347	667,994	1,604,642	1,036,492
Expected credit loss provision for Financial Assets		120,166	231,376	-	-
Other Expenses		186,210	-	186,210	154,455
Total expenses		306,376	231,376	186,210	154,455
Net profit for the period before income tax		921,971	590,460	1,418,432	882,037
Income tax expense		(298,464)	(211,718)	(507,752)	(293,431)
National contribution fees		(28,437)	(20,779)	(49,433)	(28,402)
Net profit for the period after income tax		835,402	357,963	861,247	560,204
Earnings per share from net profit for the period		(Fils/Dinar)	(Fils/Dinar)	(Fils/Dinar)	(Fils/Dinar)
Basic earnings per share from net profit for the period	23	0.060	0.045	0.108	0.040

The accompanying notes from 1 to 29 are an integral part of these interim condensed financial statement

United Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Statement of Other Comprehensive Income (Unaudited)
For the Three months and Six months ended June 30, 2025
(Jordanian Dinars)

	<u>Note</u>	For Three Months		For Six Months	
		From April 1 to June 30		From Jan 1 to June 30	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period		835,402	357,963	861,247	560,204
Add: Other comprehensive income items:				-	-
Foreign currency translation differences		-	-	-	-
Effect of changes in the discount rate		-	-	-	-
Change in fair value reserve		721,516	(80,551)	964,119	(133,370)
Total comprehensive income		1,556,918	277,412	1,825,366	426,834

The accompanying notes from 1 to 29 are an integral part of these interim condensed financial statements

United Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Statement of Changes in Shareholders' Equity
For the Six months ended June 30, 2025
(Jordanian Dinars)

	Share Capital	Share premium	Statutory Reserve	Fair value reserve	Retained earnings			Total
					Realized	Unrealized	Sub-total	
<u>For the Six months Ended June 31, 2024 (Unaudited)</u>								
The balance as of December 31,2023 (Audited)	8,000,000	41,507	2,000,000	(10,745)	7,594,990	42,670	7,637,660	17,668,423
Net profit for the period	-	-	-	-	560,204	-	560,204	560,204
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(133,370)	-	-	-	(133,370)
The balance as of June 30,2024 (Unaudited)	<u>8,000,000</u>	<u>41,507</u>	<u>2,000,000</u>	<u>(144,115)</u>	<u>8,155,194</u>	<u>42,670</u>	<u>8,197,865</u>	<u>18,095,257</u>
<u>For the six months Ended June 30, 2025 (Unaudited)</u>								
The balance as of December 31,2024 (Audited)	14,000,000	41,507	2,150,303	10,278	2,947,719	42,670	2,990,389	19,192,477
Net profit for the period	-	-	-	-	861,247	-	861,247	861,247
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	964,119	-	-	-	964,119
Total comprehensive income	-	-	-	964,119	-	-	-	964,119
The balance as of June 30,2025 (Unaudited)	<u>14,000,000</u>	<u>41,507</u>	<u>2,150,303</u>	<u>974,397</u>	<u>3,808,966</u>	<u>42,670</u>	<u>3,851,636</u>	<u>21,017,843</u>

The accompanying notes from 1 to 29 are an integral part of these interim condensed financial statement

United Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Statement of Cash Flows
For the Six months ended June 30, 2025
(Jordanian Dinars)

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Cash flow from Operating Activities:		
Net profit for the period before income tax	1,418,432	882,037
Adjustments to reconcile net profit/ (loss) before income tax to net cash flow provided by operating activities:		
Depreciation and amortization	111,041	131,955
Gains on sales financial assets in fair value through profit or loss	(422,166)	6,088
Interest income	(631,982)	-
Cash flows from operating activities before changes in working capital	475,325	1,020,080
Changes in working capital		
Insurance contract assets -net	1,425,247	738,700
Reinsurance contract assets -net	5,275	(693,228)
Other assets	(158,799)	(381,481)
Insurance contract liabilities	(201,236)	1,128,890
Reinsurance contract liabilities	168,981	-
Other provisions	(10,522)	88,647
Other liabilities	20,588	(21,965)
Cash flows from operating activities before income tax	1,724,859	1,879,643
Income tax paid	(370,016)	(592,640)
Net cash flows provided by operating activities	1,354,843	1,287,003
Cash flow from Investing Activities		
Deposits at banks	(3,075,000)	(900,000)
Purchase of property and equipment- Net	-	(98,425)
Purchase of intangible assets	-	46,861
Proceeds from sales assets at fair value through profit or loss	440,779	-
Interest payable	631,982	-
Net cash flows used in investing activities	(2,002,239)	(951,564)
Net increase in cash and cash equivalent	(647,396)	335,439
Cash and cash equivalent at beginning of the period	6,784,828	4,633,570
Cash and cash equivalent at the end of the period	6,137,432	4,969,009

The accompanying notes from 1 to 29 are an integral part of these interim condensed financial statement

1. Legal Status and Activities

The United insurance company was established in 1972 under the Jordanian Companies Law and its amendments under No. (74) as a Public Shareholding Limited company. United Insurance was merged with the East Egyptian insurance company and the New India Insurance Company in Jordan. The merger took effect as of beginning of the year 1988, and the resulting company from the merger (United insurance Company) become a general successor to the merged companies. Several adjustments have been made to the capital, the last of which was during 2024 where the authorized and paid-in capital became JD 14 million, divided into 14 million shares with a nominal value of JD 1 Per share.

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

The Company aims to practice all types of insurance, including the field of life insurance.

The financial statements were approved by the Board of Directors' decision held on 31/07/2025.

2. Basis of Preparation

Statement of compliance

The interim condensed financial statements for the six months ended June 30, 2025 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", and the Central Bank of Jordan instructions.

The interim condensed financial statements do not contain all information and notes required for annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company' financial statements as at December 31 2024. In addition, the results for the six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

Functional and presentation currency

These interim financial statements are presented in Jordanian dinars, which is the functional currency and the presentation currency of the company.

3. Application of international accounting standards for preparing new and amended financial reports

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the preparation of the financial statements for the year ended December 31, 2024, except for the following amendments which are applied for the first time in 2025. However, not all of them are expected to have an impact on the Company.

- **Amendments effective for periods beginning on or after January 1, 2025**

- Amendments to IAS 21 – Lack of Exchangeability

- **Amendments effective for periods beginning on or after January 1, 2026**

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

- **Amendments effective for periods beginning on or after January 1, 2027**

- IFRS 18 – Presentation and Disclosure in Financial Statements

- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect these standards and amendments – issued by the International Accounting Standards Board but not yet effective – to have a material impact on the financial statements.

4. Use of Estimates and Assumptions

Preparing financial statements and applying accounting policies requires the Company's management to make estimates and judgments that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses, and allocations, as well as changes in the fair value that appear in the profit or loss statement and in shareholders' equity. In particular, it requires the Company's management to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates are necessarily based on multiple assumptions and factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

The nature and extent of the changes in the estimates of the amounts contained in the reports of previous financial years do not have a material impact on the current data. Our estimates in the financial statements are reasonable and detailed as follows:

Expected Credit Loss

The Company applies the simplified approach imposed by International Financial Reporting Standard No. (9) to recognize impairment by measuring expected credit losses over the life of receivables and contractual assets based on the historical cash flow ratio for collection.

Expected loss rates are based on the Company's historical credit losses experienced during the prior three-year period up to the end of the current period, and historical loss rates are then adjusted for current information. Since the Company is based on historical cash flow ratios without including economic factors, Standard No. 9 does not require including these factors.

Impairment in the value of financial assets

The Company reviews the values recorded of the financial assets at the date of the financial statements to determine whether there are indications of impairment in their value individually or in the form of a Company, and in the event of such indications, the fair value is estimated in order to determine the impairment loss.

Income Tax

The financial year was charged with its income tax expense in accordance with the regulations, laws and international financial reporting standards as follows:

1-Accrued Tax

The calculation of taxes accrued is based on taxable profits, which differ from the profits reported in the profit or loss statement because reported profits include revenues not subject to tax or expenses not deductible in the current fiscal year but deductible in future years, as well as accumulated tax-deductible losses or items not subject to or deductible for tax purposes.

Taxes are calculated according to the tax rates established under the laws, regulations and instructions in the Hashemite Kingdom of Jordan.

2-Deferred Tax

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. Taxes are calculated using the compliance method in the financial statements. Deferred taxes are calculated according to the tax rates that are expected to be applied upon settlement. Tax liability or realization of deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the financial statements and reduced in the event that it is expected that it will not be possible to benefit from those tax assets, partially or completely, or to settle the tax liability or select the need for it.

4. Use of Estimates and Assumptions (continued)

Property, equipment and intangible assets

The management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization depending on the assets and the estimated useful lives expected on the general situation in the future. Impairment loss, if any, is recorded in the profit and loss statement.

The present value of future cash flows

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract / reinsurance contract held after adjusting them to reflect the timing and uncertainty of those amounts, based on actuarial assumptions and the Company's experience in insurance contracts and reinsurance contracts held.

Future cash flows are recognized at the current value of insurance contracts, using historical cash flows and the local rate of return on local bonds issued by the Central Bank of Jordan, as they are closest to the Company's reality. The income or expense from discounting cash flows is treated through the statement of profit or loss. Or for reinsurance contracts, the percentage of illiquidity risks is deducted.

The Company will not calculate a present value for future cash flows on insurance and reinsurance premiums whose duration is less than 12 months.

When developing assumptions regarding estimating flows for groups of insurance contracts, the Company must take into account the following:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- The possibility of liquidating the contract before the expiration date of insurance coverage, and other practices expected from the insurance contract holder.
- Factors that will affect estimates, and sources of information for these factors.

Non-insurance Components

The Company discloses the following aspects:

- Defining the insurance risks.
- Defining the insurance contract, and defining the written insurance contracts that are consistent with the definition.
- Determining the contracts issued by the Company that are consistent with the definition of the insurance contract.
- The mechanism for separating the non-insurance components (investment component, service component, etc.) from the insurance contract, and if they exist, the most specialized standard that will be applied to address those components is mentioned.
- Mechanism for determining the materiality of the risks of the insurance contract.

Lawsuits

There are lawsuits filed against the company amounting to approximately JOD 3,770,852 as of June 30, 2025 (JOD 4,312,009 for the year 2024), according to the statements of claim and cases for which non-final judgments have been issued. A provision for claims under settlement has been recorded, and according to the company's legal advisor, this provision is deemed sufficient.

Lawsuits filed by the company against third parties amounted to JOD 2,978,474 as of June 30, 2025 (JOD 2,597,952 as of December 31, 2024), representing receivables due to the company and returned checks resulting from the company's normal course of business..

4- Use of Estimates and Assumptions (continued)

Fair Value Levels

Fair value is the value that is expected to be received when selling an asset, or paid to transfer any liability in regular transactions between market participants on the measurement date under prevailing market conditions, regardless of whether that price is directly observable or estimated using another valuation method. The fair value measurement is based on the assumption that the asset or liability will be sold either:

- Through the main market for the assets or liabilities, or
- Through the most advantageous market for assets or liabilities in the absence of a primary market.

The main or most advantageous market must be accessible to the Company.

Fair value is measured using the assumptions used by market participants when pricing assets or liabilities, assuming that market participants act in a way that achieves the best economic benefits for them.

Measuring the fair value of non-financial assets takes into account the ability of market participants to provide economic benefits by using the assets in a way that achieves the best benefit from them or by selling them to another market participant to use them in a way that achieves the best benefit from them. The Company uses valuation methods that are appropriate to the existing circumstances and conditions and has sufficient data to measure fair value, makes greater use of relevant observable data, and reduces the use of unobservable data to the greatest extent.

All assets and liabilities that are measured at fair value or disclosed in the financial statements are classified within the hierarchy of fair value levels mentioned below and on the basis of the lowest level inputs that are significant to the fair value measurement as a whole:

- Level One: Prices traded in an active market for similar assets or liabilities.
- The second level: measurement methods that consider the lower-level inputs (important for measuring fair value) that are directly or indirectly observable.
- The third level: measurement methods that consider the lowest level inputs - that are significant to measuring fair value - to be unobservable.

The fair value measurement of available-for-sale financial assets, and non-recurring measurements, such as assets held for distribution in a discontinued operation, are evaluated on a periodic basis.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as described above.

5-Significant Accounting Policies

A. Segments Information

The business segment represents a Company of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other segments, which are measured according to the reports that were used by the CEO and the main decision maker of the Company.

The geographical segment is related to providing products or services in a specific economic environment subject to risks and returns that differ from those related to sectors operating in other economic environments.

B. Good will

The company does not record the value of goodwill.

5. Significant Accounting Policies (continued)

Direct participating feature

The direct participation feature in IFRS 17 is defined as insurance contracts that have economic characteristics similar to an insurance contract (long term of coverage, frequent premiums and amount or timing of return at the discretion of the issuer) and are linked to a portfolio of assets. Contracts that contain this feature at the beginning of the contract, include:

- The contractual terms specify that the insurance contract holders participate in a share of the insurance contract portfolio.
- The Company expects to pay the contract holder a significant share of the fair value proceeds from the portfolio of insurance contracts.
- The Company expects that a significant proportion of any change in the amounts that will be paid to the contract holder will vary with the change in the fair value of the insurance contracts portfolio.

Types of direct participating feature

Investment contracts:

Investment contracts that have a legal form similar to an insurance contract but do not transfer significant insurance risk to the issuer and bear financial risks (embedded derivatives, change in the fair value of an instrument, change in interest rates, change in currency exchange rates, or credit rating) are classified as investment contract in accordance with IFRS (9).

Investment contracts that contain the feature of voluntary participation, which are investment contracts that have a legal form similar to an insurance contract, but do not transfer significant insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified in accordance with International Financial Reporting Standard No (17).

Self-insurance:

Self-insurance (keeping the risks that could have been covered by the insurance contract within the Company, there is no other party to the contract). For example, a Company issuing an insurance contract in the name of the Company or a fellow subsidiary, which is classified in accordance with IFRS 15.

The Company issues the following contracts that are classified according to IFRS 15:

- Medical insurance contract for employees of the United Insurance Company.
- Life insurance contract for employees of the United Insurance Company.
- Vehicle insurance contracts owned by the United Insurance Company.
- All-risk insurance contracts for buildings owned by the United Insurance Company.

Separation of non-insurance components

The investment component

A Company is required to separate the distinct investment component distinct from the underlying insurance contract when the investment component is distinct if and only if the following two conditions are met:

- 1- The investment component and the insurance component are not closely related.
- 2- The contract must be saleable under terms that are equivalent, or it must be possible to sell it separately in the same market or jurisdiction, either by the entities issuing insurance contracts or by other parties.

The Company issues the following contracts, which are classified according to International Standard No. (15) as follows:

- Medical insurance contract for Company name employees.
- Life insurance contract for Company name employees.
- Vehicle insurance contracts owned by the Company name.
- All-risk insurance contracts for buildings owned by the Company name.

5- Significate Accounting Policies (continued)

Separation of non-insurance components (continued)

The investment component (continued)

A Company is required to separate the distinct investment component distinct from the underlying insurance contract when the investment component is distinct if and only if the following two conditions are met:

- 3-The investment component and the insurance component are not closely related.
- 4- The contract must be saleable under terms that are equivalent, or it must be possible to sell it separately in the same market or jurisdiction.
- 5- either by the entities issuing insurance contracts or by other parties.

The investment component and the insurance component are directly related if, and only if:

- 1- The Company was unable to measure one component without looking at the other. Therefore, if the value of one component varies according to the value of the other component, the Company must apply IFRS 17 to calculate the co-investment and insurance component
- 2- The policyholder cannot benefit from one of the components unless the other is also present. Therefore, if the lapse or maturity of one component of a contract causes the lapse or maturity of the other.
- 3- the Company must apply IFRS 17 to account for the investment component and the combined insurance component.
- 4- The company does not have any products that include an investment component.

Components of services and goods

The Company shall September rate any undertaking to transfer distinct goods or services to the policyholder other than insurance contract services. And it must account for these commitments by applying International Financial Reporting Standard 15. Accordingly, it is:

- 1- Separate the cash inflows between the insurance component and any promises to provide distinct goods or services other than insurance contract services;
- 2- Separate the cash outflows between the insurance component and any promised goods or services other than insurance contract services, so that:
 - The cash outflows that relate directly to each component are attributable to that component; and
 - Any cash outflows are attributed on a systematic and logical basis, reflecting the cash outflows the entity expects to arise as if this component were a Separate contract.

A good or service other than the insurance contract promised to the policyholder is not distinctive if:

- A- The cash flows and risks associated with the good or service are closely related to the cash flows and risks associated with the insurance components of the contract; and
- B- The establishment provides an important service in linking the commodity or service with the components of the insurance.

The Company has the following service component that is not Separated from the insurance contract under item (a + b):

Service / commodity	Insurance contract that includes the service / commodity	Related international standard
Road assistance	Comprehensive/supplementary car insurance	IFRS 17
Transfer vehicle ownership	Motor vehicles	IFRS 17
Issuance fees service	All types	IFRS 17

5- Significate Accounting Policies (continued)

Acquisition cost

An entity shall allocate acquisition costs to the acquisition of the insurance contract to groups of insurance contracts and amortize them over the term of the contract, unless the entity elects to recognize them as an expense by applying paragraph 59 (a), which states:

When applying the premium allocation approach, the entity:

It may choose to recognize any cash flows from acquiring insurance as an expense when those costs are incurred, provided that the coverage period for each contract in the Company on initial recognition does not exceed one year.

Recognition of the insurance contract

The Company shall recognize the Company of insurance contracts as of the following dates, whichever is earlier:

- The beginning of the coverage period.
- Eligibility for the first payment.
- The date on which the insurance contract is considered a contract with an expected loss.

When a group of contracts becomes burdensome, the Company adopts the contract registration date instead of the payment due date, as there is no data indicating that the payment due date precedes the contract registration date, which equals the beginning of the insurance coverage.

Amending Insurance Contracts

The Company makes adjustments to the initial recognition of insurance contracts by dealing with the changes that occurred in the future cash flows to fulfill the contracts, unless the conditions for derecognition of insurance contracts apply to them.

Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

- Expiration of the contract. (Expiration, fulfillment or cancellation of the obligation specified in the Insurance contract).
- In case that the insurance contracts are amended so that the contract no longer meets the requirements of the standard, then the Company cancels the contract and recognizes a new one.

Liabilities versus remaining coverage

The amount that the Company must reserve when recognizing insurance contracts, which relates to subsequent financial years as a result of valid insurance contracts.

Liabilities versus claims incurred

It is the total value of the expected costs incurred by the Company as a result of risks covered by the insurance contract that occurred before the end of the fiscal year, and includes those reported and unreported claims, in addition to the expenses related to them.

Contractual service margin

It is the unearned profit from remaining coverage that is expected to be profitable, and which is recognized in conjunction with the provision of insurance contract services.

5- Significate Accounting Policies (continued)

Initial recognition of insurance contracts / general measurement approach / variable cost approach

The Company of insurance contracts is measured upon initial recognition according to the following:

1. Cash flows to fulfill obligations arising from contracts, which include:
 - Estimates of future cash flows.
 - Adjustments for the time value of money and the financial risks associated with future cash flows by not including those financial risks in future cash flow estimates.
 - Non-financial risk adjustments.
2. Contractual service margin.

Contracts measurement approach

The standard provides insurance companies with three approaches for measuring and processing insurance contracts and reinsurance contracts held by accounting, as follows:

1- Premium allocation approach:

It applies to the group of insurance contracts shown below:

- The duration of the insurance coverage does not exceed one year.
- In which the value of "Liabilities vs. Residual Coverage" does not substantially differ from its value when applying the requirements of the general approach.

2- General approach:

It is applied to all insurance contracts, where it is required to measure the obligations of the insurance contract groups by deducting the future cash flows "incoming and outgoing", and then subtracting from them non-financial risk adjustments to reach the contractual service margin, which represents the unearned profit from the group of insurance contracts.

3- Variable cost approach:

It is the approach through which some requirements of the general approach are modified to deal with investment contracts that include the participation feature.

The Company applies the premium allocation approach to all insurance contracts and reinsurance contracts held, as the Company does not have products or reinsurance contracts held in which the coverage period exceeds one year, unlike travel and diminishing life insurance, as the coverage period for these contracts is more than one year, and since the premiums of these products combined are less than 100,000 JD and it is not of relative importance when applying premium allocation approach.

Materiality

The relative importance of the company is 3% of the total equity.

The test of the applicability of the premium allocation approach was applied to travel, life and engineering insurance as the coverage period for these contracts is more than one year and the premiums of these products combined are less than 100,000 Jordanian dinars and are not of relative importance when applying the premium allocation approach.

Measurement approaches

Premium allocation approach

1- Initial proof of insurance contracts:

- Upon initial verification, the Company records the amount of the insurance premium received as a liability, from which the acquisition costs (commissions "if any") are subtracted and distributed throughout the year of coverage.
- The amount of insurance premium not received is not recognized upon initial recognition.

5- Significant Accounting Policies (continued)

2- Subsequent measurement/ installment allocation approach (continued):

At the end of each subsequent year, the Company measures the carrying amount of the liability, taking into consideration the following adjustments to the liability balance:

- Add the insurance premiums received for the year.
- Subtract cash flows for the acquisition of insurance contracts.
- Add any amounts related to the exhaustion of cash flows to acquire established insurance contracts as an expense.
- Add emergency amendments to the financing component.
- Subtract the amount proven as insurance revenue for the coverage provided in that year.
- Subtract any paid or transferred investment component of the liability for claims incurred.

The Company recognizes insurance contract assets for insurance contracts for which service is provided but has not been collected. Expected credit losses for these assets are treated under IFRS No. (9).

3 - Liabilities for claims incurred:

Which is calculated according to the best estimate of future cash flows to pay claims plus adjustments for non-financial risks, taking into account the application of the discount rate to claims.

Aggregation level

Insurance contract portfolios are grouped by year of subscription so that they group similar risk portfolios managed together.

The present value of future cash flows

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract/reinsurance contract held after adjusting to reflect the timing and uncertainty of these amounts, based on actuarial assumptions and the Company's experience in managing a portfolio of contracts. Insurance/ reinsurance contracts held are as follows:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- The possibility of liquidating the contract before the expiration date of insurance coverage, and other practices expected from the insurance contract holder.
- Factors that will affect estimates, and sources of information for these factors.

A bottom-up approach has been applied in determining discount rates for different products. The bottom-up approach is used to derive the discount rate for cash flows that do not change based on the returns on the underlying terms in the participating contracts (except for non-DPL investment contracts that are not within the scope of IFRS 17). Under this approach, the discount rate is defined as the risk-free return adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free return and the cash flows of the related liabilities (known as the illiquidity premium). The risk-free return is derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a credit rating of AAA are used. Management uses judgment to evaluate the liquidity characteristics of the cash flows of liabilities. Direct participation contracts and investment contracts with the DPL are less liquid than the financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated based on the market-observed illiquidity premium in the financial assets adjusted to reflect the illiquidity characteristics of the cash flows of the liabilities.

5- Significate Accounting Policies (continued)

The present value of future cash flows (continued)

The top-down approach is used to derive discount rates for cash flows that do not change based on the returns on the underlying terms in all other contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the return implicit in the fair value of a reference portfolio adjusted for the differences between the reference portfolio of assets and the cash flows of the relevant liabilities. The reference portfolio consists of a mix of sovereign bonds and corporate bonds available in the markets, and assets are selected to match the cash flows of liabilities. The return from the reference portfolio is adjusted to remove expected and unforeseen credit risks and these adjustments are estimated using information from observed historical levels of credit default swaps and credit defaults related to the bonds included in the reference portfolio. For the unobservable year, the yield curve is approximated between the rate The final and last point can be observed using the Smith-Wilson method.

The Company does not calculate a present value for future cash flows on insurance and reinsurance premiums whose duration is less than 12 months.

The Company calculates a present value of future cash flows on claims incurred, recoveries and liabilities from reinsurance contracts held based on the Company's assessment if payment or collection is expected after more than 12 months.

To calculate the discount rate, a top-down approach will be used as follows:

A- Risk-free yield curve:

The risk-free yield curve will be derived as follows:

- 1- European Insurance and Occupational Pensions Authority (eiopa) rates will be used for the purposes of determining the interest rate according to the required year.
- 2- An increase margin of (1.5%) will be added to the above interest rate for the purposes of equating the interest from the dollar to the dinar, since the Company's investments are in the Jordanian dinar.

B- Market risk premium for credit risk:

The market risk premium for credit risk will be removed from the yield curves to account for "default" in insurance contracts as follows:

Discount rate = risk-free rate - market risk premium for credit risk

Non-financial risk adjustments

A financial amount that the Company reserves for uncertainty in the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the Company's experience in managing the portfolio of insurance/reinsurance contracts held.

Non-financial risk adjustment is the compensation required for a Company to bear uncertainty about the amount and timing of cash flows that arise from non-financial risks in fulfilling an insurance contract. Because risk adjustment represents compensation for uncertainty, estimates of the degree of diversification benefits and expected favorable and unfavorable outcomes are made in a way that reflects the degree to which the firm reduces risk. The Company estimates an adjustment for non-financial risks separately from all other estimates. The risk adjustment is calculated at the issuer level and then distributed to each group of contracts according to their risk levels. The cost of capital method is used to derive the overall risk adjustment for non-financial risks. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of expected capital related to non-financial risks.

The cost rate for non-financial risk adjustments was determined according to the following ratios:

5- Significate Accounting Policies (continued)

A confidence level of 75% is set and is expected to be in line with the run-off of the business and a diversification feature is included to reflect the diversity in contracts sold across geographies as this reflects the compensation required by the Company. The non-financial risk adjustments are re-evaluated annually by the actuary.

Reinsurance contracts held

Definition of reinsurance contracts held

It is an insurance contract issued by a reinsurer to compensate another facility for claims arising from one or more insurance contracts issued by that other Company (the basic contracts).

1- Proof of reinsurance contracts held:

- If the reinsurance contracts held are proportional to a group of insurance contracts, the reinsurance contracts held are recognized at the beginning of the coverage year for the group of these contracts or at the initial confirmation of any of the base contracts, whichever is earlier.
- From the beginning of the coverage year for the group of reinsurance contracts held.

2- Compilation of reinsurance contracts:

The Company segments its reinsurance contract portfolios in accordance with paragraphs 14 to 24 of IFRS 17, except that references to onerous contracts in those paragraphs should be replaced with a reference to contracts for which there is a net gain on recognition. Initial. For some reinsurance contracts held, application of paragraphs 14 to 24 of IFRS 17 will result in a group consisting of a single contract. The Company collects reinsurance contracts held into separate portfolios (Portfolio) to be classified and processed independently for the year of underwriting (Cohort) and then profitability (Group) at the portfolio level.

A) Determine the portfolios of reinsurance contracts held:

The Company determines the portfolios of reinsurance contracts held. The portfolio consists of contracts subject to similar risks and managed together (reinsurance portfolios held follow insurance contract portfolios).

B) Proof of aggregation level (Cohort):

The Company details the reinsurance contract portfolios held according to the above-mentioned classifications by year of subscription on an annual basis as follows:

- 1- A group of contracts that are unlikely to generate net profit.
- 2- A group of contracts that are likely to become net profit.
- 3- A group of other contracts.

The Company evaluates the profitability of the group of reinsurance contracts held based on the evaluation of insurance contracts.

5- Significate Accounting Policies (continued)

Reinsurance contract commissions

The Company records the commission on reinsurance contracts as unaccrued income and is recovered over the contract term.

Reinsurance contract assets

When measuring the assets of reinsurance contracts, the risk allowance for the default of reinsurance companies (reinsurers) is calculated outside the framework of Standard No. (17), as they are considered credit risks that are treated under Standard No. (9).

Profitability level

The contract groups referred to in the previous level are classified into the classifications shown below, according to the net cash flows expected from the contract and the accounting approach used in treating the contract groups:

- Contracts for which there is no possibility of becoming lost upon initial recognition.
- Contracts expected to be lost.

Financial assets

Financial assets are classified upon initial recognition into one of the categories as follows:

- At amortized cost.
- At fair value through profit or loss.
- At fair value through the statement of other comprehensive income.

A- Financial assets at amortized cost:

The Company classifies financial assets at amortized cost based on the Company's business approach for managing financial assets and the contractual cash flow characteristics of the financial assets and when both of the following conditions are met:

- The purpose of holding these assets in the context of the business approach is to collect contractual cash flows.
- The cash flows under the contractual terms of these assets arise on specified dates and represent only payments of the principal amount of the assets and interest accrued on the principal of those assets.

Financial assets are recorded at amortized cost using the cost method upon purchase plus acquisition expenses. The premium/discount (if any) is amortized using the effective interest method to limit or calculate interest, and any provisions resulting from a decline in the value of these investments that lead to the inability to recover this investment are deducted. Part of it, and any decrease in its value is recorded in the profit and loss statement.

The amount of impairment in financial assets at amortized cost is the difference between the recognized value and the present value of expected cash flows discounted at the base effective interest rate.

In rare cases, the standard allows these assets to be measured at fair value through the statement of profit or loss if this eliminates or significantly reduces the measurement inconsistency (sometimes called accounting mismatch) that arises from measuring the assets or liabilities or recognizing the gains and losses resulting from them on a different basis.

The value of financial assets is reduced at amortized cost by impairment losses, as interest income, gains and losses on foreign currency differences and impairment are recognized in the statement of profit or loss, and gains or losses resulting from the disposal of financial assets appear in the statement of profit or loss.

B- Financial assets at fair value through the statement of profit or loss:

- The remaining financial assets that do not meet the conditions of financial assets at amortized cost are measured as financial assets at fair value.

5- Significate Accounting Policies (continued)

Financial assets (continued)

B- Financial assets at fair value through the statement of profit or loss (continued):

- Financial assets at fair value through the statement of profit or loss represent investments in equity and debt instruments for trading purposes, and the purpose of keeping them is to generate profits from short-term market price fluctuations or trading profit margin.
- Financial assets are recorded through the statement of profit or loss at fair value upon purchase (acquisition expenses are recorded in the statement of profit or loss upon purchase) and are re-evaluated at the date of the financial statements at fair value, and subsequent changes in the fair value are recorded in the statement of profit or loss at the same time. The year the change occurred, including the change in fair value resulting from translation differences on non-monetary asset items in foreign transactions. Dividends or returns are recorded in the statement of profit or loss when they are realized. (Approved by the General Assembly of Shareholders).

Reclassification

It is permissible to reclassify from financial assets at amortized cost to financial assets at fair value through profit or loss and vice versa only when the Company changes the business approach on the basis of which it classified those assets as mentioned above, taking into account the following:

- It is not permissible to recover any profits, losses or interests that were previously recognized.
- When financial assets are reclassified so that they are measured at fair value, their fair value is determined on the date of reclassification, and any profits or losses resulting from differences between the previously recorded value and the fair value are recorded in the statement of profit or loss.
- When financial assets are reclassified to be measured at amortized cost, they are recorded at their fair value as of the date of reclassification.

C- Financial assets at fair value through the statement of other comprehensive income:

- Upon initial recognition of investments in equity instruments that are not held for the purpose of trading, it is permitted to adopt an irrevocable option to present all changes in the fair value of these investments on an individual basis (each share separately) within the items of other comprehensive income, and it is not possible under any circumstances to In the event that at a later date, the amounts of these changes recognized in other comprehensive income are reclassified to the statement of profit or loss, while the dividends received from these investments are recognized in net investment income, unless these distributions clearly represent a partial recovery of all investments.
- In the event that these assets or part of them are sold, the profits or losses resulting from the sale are transferred from the balance of the accumulated net change in fair value through other comprehensive income to retained profits or losses and not through the statement of profit or loss.

Real estate investments

Real estate investments are shown at cost after subtracting accumulated depreciation (excluding lands). These investments are depreciated over their useful life at a rate of 2%. Any decline in their value is recorded in the statement of profit or loss. The operating revenues or expenses of these investments are also recorded in the statement of profit or loss. loss.

Property and equipment

Property and equipment are stated at cost after deducting accumulated depreciation and any accumulated impairment losses. Property and equipment (except land) are depreciated when they are ready for use on a straight-line basis over their expected life using the following annual percentages. The depreciation expense is recorded in the statement of profit or loss.

5- Significate Accounting Policies (continued)

Property and equipment (continued)

Asset	Depreciation Rate (%)
Furniture & fixtures	10
Computers	20
Transportation	15
Equipment and tools	15
Electricals	15
Buildings	2
Heating and cooling devices	15
Fire alarm device	15
Elevators	15
Solar energy	4

Depreciation of property and equipment is calculated when these assets are ready for use for their intended use.

The full value of the depreciation expense for the year is shown from the item allocated for that purpose in the statement of profit or loss. When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the impairment value is recorded in the statement of profit or loss.

Property and equipment under construction for the Company's use are stated at cost and after deducting any impairment losses. The useful life of property and equipment is reviewed at the end of each year. If the useful life expectations differ from the previously prepared estimates, the change in estimate is recorded for subsequent years as a change in estimates.

Gains or losses resulting from the exclusion or write-off of any property and equipment, which represent the difference between the amount received from the sale and the book value of the asset, appear in the statement of profit or loss. Property and equipment are eliminated when they are disposed of or when no future benefits are expected from their use.

Intangible assets

- Intangible assets obtained through the merger are recorded at fair value on the date of acquisition. Intangible assets that are acquired through a method other than a merger are recorded at cost.
- Other intangible assets are classified based on estimating their lifespan for a specific year or for specific periods. Intangible assets that have a specific lifespan are amortized during this life and are amortized in the statement of profit or loss.
- As for intangible assets whose useful life is indefinite, the decline in their value is reviewed at the date of the financial statements, and any decline in their value is recorded in the statement of profit or loss.
- Intangible assets generated internally in the Company are not capitalized and are recorded in the statement of profit or loss in the same current year.
- Any indications of impairment of the value of intangible assets at the date of the financial statements are reviewed. The estimate of the chronological life of those assets is also reviewed and any adjustments are made for subsequent periods.

Cash and its equivalent

Cash and cash equivalents represent cash on hand, balances with banks, deposits with banks, and maturities exceeding three months after deducting bank accounts payable and restricted balances.

5- Significate Accounting Policies (continued)

Offsetting

Offsetting is carried out between financial assets and financial liabilities, and the net amount is shown in the statement of financial position only when binding legal rights are available, as well as when they are settled on the basis of offsetting, or the assets are accrued and the liabilities are settled at the same time.

Date of recognition of financial assets

Purchases and sales of financial assets are recognized on the trade date (the date the Company commits to buying or selling the financial assets).

Fair value

The closing prices (buying assets/selling liabilities) on the date of the financial statements in active markets represent the fair value of financial instruments that have market prices.

In the event that announced prices are not available, there is no active trading in some financial instruments, or there is no market activity, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is very similar to it.
- Analyze future cash flows and discount the expected cash flows by a rate used in a similar financial instrument.
- Options pricing approaches.

Valuation methods aim to obtain a fair value that reflects market expectations. Market factors and any expected risks or benefits are taken into account when estimating the value of financial instruments. In the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any decline in their value.

Financial liabilities

The Company classifies financial liabilities based on the purpose for which this liability arises. The accounting policy for financial liabilities is as follows:

1- Creditors and liabilities of reinsurance contracts:

Accounts payable and reinsurance payables are initially recognized at fair value and subsequently stated at amortized cost using the effective interest rate method.

2- Creditor banks:

They are initially recognized at fair value, net of costs associated with obtaining the facilities. Such interest-bearing liabilities are subsequently carried at amortized cost using the effective interest rate method. The financing cost includes the initial costs and the premium paid upon settlement, in addition to the interest that accrues during the life of the obligation.

3- Insurance contract liabilities:

Insurance contract liabilities are recognized when the Company has obligations at the date of the financial statements arising from past events, and the settlement of the obligations is probable and their value can be measured reliably. The 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 account the risks. and uncertainty associated with commitment. When the value of the provision is determined on the basis of the estimated cash flows to settle the current obligation, its 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 will be recovered to settle a provision, the receivable is recognized as an asset if the actual receipt of compensation is certain and its value can be measured reliably.

5- Significate Accounting Policies (continued)

4- End of service benefits provision:

The provision for employees' end-of-service benefits calculated in accordance with the Company's policy, which is consistent with the Jordanian Labor Law.

The annual benefits incurred for employees who leave the service is recorded at the expense of the end-of-service benefits provision when paid, and the provision for the obligations incurred by the Company for the end-of-service benefits for employees is taken in the statement of profit or loss.

Foreign currency

- Transactions that occur in foreign currencies during the current year are recorded at the exchange rates prevailing on the date of the transactions.
- The balances of financial assets and financial liabilities are translated at the average foreign currency rates prevailing on the date of the statement of financial position and announced by the Central Bank of Jordan.
- Non-financial assets and non-financial liabilities denominated in foreign currencies and shown at fair value are translated on the date their fair value is determined.
- Gains and losses resulting from foreign currency translation are recorded in the statement of profit or loss.
- Translation differences for items of assets and liabilities denominated in non-monetary foreign currencies are recorded as part of the change in fair value.
- When consolidating the financial statements, the assets and liabilities of branches and subsidiaries abroad are translated from the average currency rates on the date of the financial statements, the main (base) currency, to the reporting currency according to that announced by the Central Bank of Jordan. As for the revenue and expense items, they are translated on the basis of the average price during the year, and the resulting currency differences appear in a separate item within equity. In the event that one of these companies or branches is sold, the amount of foreign currency translation differences related to it will be recorded within the revenues/expenses in the statement of profit or loss.

Treasury stocks

Treasury shares are stated at cost. These shares do not have any right to dividends distributed to shareholders, and do not have the right to participate. Or voting in the Company's general assembly meetings. The profits or losses resulting from the sale of treasury shares are not recognized in the profit or loss statement. Rather, the profit is shown in equity under the share issue premium item, while the loss is recorded in retained earnings in the event that the stock issue premium balance is exhausted.

Costs of issuing or purchasing insurance Company shares

Any costs resulting from the issuance or purchase of insurance Company shares are recorded in retained earnings (net after the tax impact of these costs). If the issuance or purchase process does not take place, these costs are recorded as expenses in the statement of profits or losses.

Realize revenue

1- Dividend and interest income:

Dividend income from investments is verified when the right of shareholders to receive dividend payments is established upon approval by the General Assembly of Shareholders. Interest income is calculated according to the accrual basis based on the time periods due, the original amounts and the interest rate earned.

2- Rental income:

Rental income from real estate investments under operating lease contracts is recognized on a straight-line basis over the term of those contracts and on an accrual basis.

5- Significate Accounting Policies (continued)

Insurance contract expenses

The Company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio.

separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the Company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the statement of profit or loss.

Acquisition costs

The acquisition costs incurred by the Company in exchange for selling, subscribing, or starting new insurance contracts represent acquisition costs, as the Company recognizes all acquisition costs directly when the insurance contract is recognized in the statement of profit or loss, while the Company recognizes acquisition costs by amortizing the costs incurred over a period of time. Coverage of the insurance contract in the statement of financial position. When applying the premium allocation approach, the Company may elect to recognize any insurance acquisition cash flows as expenses when those costs are incurred, provided that the coverage period for each contract in the group at initial recognition does not exceed one year. The Company has chosen the aforementioned exception only for commission expenses.

Insurance contracts with expected loss

The Company recognizes insurance contracts as loss-expected contracts if the contract is expected to be lost on the date of initial recognition. The loss component is measured by comparing the cash flows expected to meet the obligations of the contract or group of contracts with the cash flows generated from this contract or group of contracts. The Company has disclosed the loss component if the value of the contractual service margin is zero (applies only to the general measurement approach and the variable cost approach).

Summary of Measurement Methods

1- The company classifies insurance contracts according to the following:

Portfolio	Classification contract	Measurement Methods
Vehicles insurance - Third party liability	Insurance contracts	Premium allocation approach
Vehicles insurance - Pool	Insurance contracts	Premium allocation approach
Vehicles insurance – Comprehensive	Insurance contracts	Premium allocation approach
Medical Insurance	Insurance contracts	Premium allocation approach
Life Insurance	Insurance contracts	Premium allocation approach
Fire insurance	Insurance contracts	Premium allocation approach
Engineering Insurance	Insurance contracts	Premium allocation approach
Liability Insurance	Insurance contracts	Premium allocation approach
Marine Insurance	Insurance contracts	Premium allocation approach
Other Insurance	Insurance contracts	Premium allocation approach

United Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed financial Statements
For the Six months ended June 30, 2025
(Jordanian Dinars)

5- Significate Accounting Policies (continued)

2- The company classifies reinsurance contracts according to the following:

Portfolio	Measurement Methods
Vehicles reinsurance - Third party liability	Premium allocation approach
Vehicles reinsurance - Pool	Premium allocation approach
Vehicles reinsurance – Comprehensive	Premium allocation approach
Medical reinsurance	Premium allocation approach
Life reinsurance	Premium allocation approach
Fire reinsurance	Premium allocation approach
Engineering reinsurance	Premium allocation approach
Liability reinsurance	Premium allocation approach
Marine reinsurance	Premium allocation approach
Other reinsurance	Premium allocation approach

6- Deposits at Banks-Net

	June 30,2025 (Unaudited)				December 31,2024 (Audited)
	Deposits due within a month	Deposits due from 1 to 3 months	Deposits due in more than 3 months	Total	Total
					15,500,000
Deposits inside Jordan	2,480,951	9,475,000	4,800,000	16,655,951	
Deposits outside Jordan	-	-	-	-	-
Less: Expected credit loss provision	-	-	(10,900)	(10,900)	(10,900)
Deposits at Banks, Net	2,480,951	9,475,000	4,789,100	16,745,051	15,489,100

- Interest rates on bank deposits balances in Jordanian Dinar ranges from 5% to 6.25% during the year ended June 30,2025 (Unaudited).
- The pledged deposits for the Central Bank custodian role, in addition to his position, amounted to 800,000 JOD as of June 30, 2025 (Unaudited) and December 31, 2024, at the Investment Bank.
- The restricted withdrawal balances amounted to 300,000 Jordanian Dinars as of June 30, 2025 (unaudited) and December 31, 2024, in the form of cash collateral, in addition to the pledged deposits for the Central Bank custodian

The following is the distribution of the Company's deposits at banks:

	June 30,2025 (Unaudited)	December 31,2024 (Audited)
Investment Bank	3,500,000	3,500,000
Capital Bank of Jordan	1,000,000	2,400,000
Arab Jordan Investment Bank	2,480,951	2,400,000
Jordan Kuwait Bank	2,475,000	-
Al- Ahli Bank	2,500,000	2,400,000
Bank al Etihad	2,400,000	2,400,000
Jordan Commercial Bank	2,400,000	2,400,000
	16,655,951	15,500,000

United Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed financial Statements
For the Six months ended June 30, 2025
(Jordanian Dinars)

6- Deposits at Banks (Continue)

The following is a summary of the movement in the provision for expected credit losses for the balance of deposits with banks:

	June 30,2025 (Unaudited)	December 31,2024 (Audited)
Balance at the beginning of the period/year	10,900	10,900
Provision during the period/year	-	-
Balance at the end of the period/year	10,900	10,900

7- Financial Assets at Fair Value through Profit or Loss Statement

	June 30,2025 (Unaudited)	December 31,2024 (Audited)
<u>Inside Jordan</u>		
Shares listed	140,218	158,831
total	140,218	158,831

8- Financial Assets at Fair Value through Other Comprehensive Income

	June 30,2025 (Unaudited)	December 31,2024 (Audited)
<u>Inside Jordan</u>		
Shares listed	7,102,557	6,138,438
Shares un-listed	10,180	10,180
Sub-total	7,112,737	6,148,618
<u>Outside Jordan</u>		
Arabian Reinsurance Company - Lebanon	210,529	210,529
Sub-total	210,529	210,529
Total	7,323,266	6,359,147

It is noted that there are no shares pledged in favor of the Governor of the Central Bank, in addition to his function, from the financial assets at fair value through other comprehensive income.

9- Financial Assets at Amortized Cost

	June 30,2025 (Unaudited)	December 31,2024 (Audited)
<u>Inside Jordan</u>		
Government bonds or their guarantee	3,124,000	3,124,000
Corporate loan bonds	550,000	550,000
Less: expected credit losses provision	(75,999)	(75,999)
Sub-total	3,598,001	3,598,001
<u>Outside Jordan</u>		
Government bonds or their guarantee	426,000	426,000
Less: expected credit losses provision	(4,000)	(4,000)
Sub-total	422,000	422,000
Total	4,020,001	4,020,001

The following is a summary of the movement in the provision for expected credit losses for the balance of financial assets at amortized cost:

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9- Financial Assets at Amortized Cost (Continued)

	June 30,2025 (Unaudited)	December 31,2024 (Audited)
Balance at the beginning of the period/year	79,999	52,999
Increase during the year	-	27,000
Balance at the end of the period/year	79,999	79,999

- The Arab Corp loan bond matured on April 1, 2014, and neither the principal nor any interest has been repaid to the company. A full provision was made for the bond, and interest recognition has been suspended over the past years.
- October 12, 2017, the Company invested in 10 loan bonds with a nominal value of JOD 100,000 per bond, totaling JOD 1,000,000, issued by Jordan Ahli Bank, representing a 4% participation in the total bond issuance. The bonds carried an initial interest rate of 6.75% for the first nine months, followed by a floating interest rate structure, where the interest rate was reset every six months throughout the bond's term. At the beginning of each period, the interest rate was equal to the Central Bank of Jordan's discount rate plus a margin of 2%. These bonds matured on November 10, 2022
- On September 17, 2021, the company invested in 13 Jordanian government bonds, each with a nominal value of USD 200,000, totaling USD 2,600,000.
- March 28, 2021, the company invested in 1 Jordanian government bond with a nominal value of USD 200,000 through Housing Bank. These bonds mature on October 10, 2047, with a fixed annual interest rate of 7.375%, calculated based on the actual number of days divided by 360.
- On April 5, 2021, the company invested in 3 Turkish government bonds, each with a nominal value of USD 200,000, totaling USD 600,000, through Housing Bank. These bonds mature on January 14, 2041, with a fixed annual interest rate of 6%, calculated based on the actual number of days divided by 360.
- On November 8, 2023, the company invested in 50 loan bonds issued by Tamkeen for Financial Leasing (a subsidiary of Al-Istithmar Bank), each with a nominal value of JOD 10,000, totaling JOD 500,000. With margin percentage 8.333% These bonds mature on November 7, 2024, and carry a fixed annual interest rate of 7.75%, calculated based on the number of days divided by 365.

interest rates on bonds and loan bonds denominated in Jordanian Dinar ranged from 5.5% to 7.375%, and on foreign currency bonds were 6% during the period ended June 30, 2025 (2024: 5.5% to 7.375%)

10- Investment Properties

	June 30,2025 (Unaudited)	December 31,2024 (Audited)
Buildings	5,007,455	5,007,455
Less: accumulated depreciation	(1,180,543)	(1,137,953)
Buildings, net	3,826,912	3,869,502
Land	723,272	3,869,502
Total	4,550,184	4,592,774

- Investment buildings are depreciated at 2% annually and appears at net book value.
- The fair value of properties investments was appraised by real estate experts at 7,527,308 JOD as of December 31, 2022.

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11- Cash on Hand and at Banks		
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Cash on hand	19,626	5,559
Cash at banks	2,836,855	1,679,269
	2,856,481	1,684,828
12- Receivables Related to Insurance Operations*		
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
The total value of receivables related to insurance operations	13,027,884	11,752,311
Less: allowance for expected credit losses provision	(2,404,644)	(2,404,644)
Net value of receivables related to insurance operations	10,623,240	9,347,667
*Details of receivables related to insurance operations, which were taken into account in calculating the included assets/liabilities, are disclosed in note 13		
analysis of accounts receivables according to their time period	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Payable during 0-30 days	986,237	5,518,319
Payable during 31-90 days	2,879,418	1,670,211
Payable during 91-180 days	3,776,694	1,413,630
Payable during 181-365 days	3,053,969	880,819
Payable during for more than a year	2,331,568	2,269,332
Total	13,027,886	11,752,311
Cheques under collection:		
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
The total value of Cheques under collection related to insurance operations	1,963,708	2,375,850
Less: allowance for expected credit losses provision	(6,845)	(6,845)
Net value of Cheques under collection related to insurance operations	1,956,863	2,369,005
Analysis of checks by aging period		
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Payable during 0-6 months	1,584,385	1,575,100
Payable during 6-12 months	303,458	677,527
Payable during for more than 12 months	75,865	250,592
Total	1,963,708	2,503,219

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12- Receivables Related to Insurance Operations* (continued)

<u>Receivables Related to Insurance Operations (By Type)</u>	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Receivables from insurance contract holders	7,927,975	6,834,977
Agents' receivables	1,200,941	1,104,385
Brokers' receivables	2,289,158	2,148,443
Employees receivables	8,107	28,616
Companies' receivables	532,266	543,213
Cases receivables	934,000	956,450
Other receivables	135,439	136,228
Total receivables	13,027,886	11,752,312
Less: allowance for expected credit losses provision	(2,404,644)	(2,404,644)
	10,623,242	9,347,668

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13- (Liabilities)/ Assets Insurance Contracts (Premium Allocation Approach)

	Liabilities for remaining coverage				Liabilities for Incurred Claims				Total	
	June 30, 2025 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Loss component	Excluding the loss component	Excluding the loss component	Loss component	Present value of cashflow	Present value of cashflow	Risk adjustments-non financial	Risk adjustments-non financial	Total	Total
Insurance contracts liabilities-beginning	992,404	4,635,392	4,523,418	485,140	15,332,143	14,523,911	766,122	909,490	21,726,061	20,441,959
Insurance contracts assets-beginning	26,511	(2,894,944)	(3,013,475)	273,719	1,100,924	1,250,693	26,152	40,230	(1,741,357)	(1,448,833)
Net insurance contracts (liabilities)/Assets - beginning	1,018,915	1,740,448	1,509,943	758,859	16,433,067	15,774,604	792,274	949,720	19,984,704	18,993,126
Insurance contracts revenues	-	(16,299,897)	(31,093,431)	-	-	-	-	-	(16,299,897)	(31,093,431)
Claims incurred	-	-	-	-	11,040,692	20,982,528	69,919	(157,446)	11,110,611	20,825,082
Acquisition cost	-	575,907	1,057,292	-	-	-	-	-	575,907	1,057,292
Employees cost	-	-	-	-	989,345	1,757,206	-	-	989,345	1,757,206
Administrative cost	-	-	-	-	1,120,368	1,906,525	-	-	1,120,368	1,906,525
Changes related to previous service-Adjustments on LFIC	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	22,457	1,987	-	-	22,457	1,987
Losses resulting from contracts expected to be lost and the recovery of these losses	(97,141)	-	-	260,056	-	-	-	-	(97,141)	260,056
Insurance contracts expenses	(97,141)	575,907	1,057,292	260,056	13,172,862	24,648,246	69,919	(157,446)	13,721,547	25,808,148
Insurance service results	(97,141)	(15,723,990)	(30,036,139)	260,056	13,172,862	24,648,246	69,919	(157,446)	(2,578,350)	(5,285,283)
Finance costs - from insurance contracts	-	-	-	-	63,336	(69,545)	-	-	63,336	(69,545)
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	(97,141)	(15,723,990)	(30,036,139)	260,056	13,236,198	24,578,701	69,919	(157,446)	(2,515,014)	(5,354,828)
Cash received from written contracts	-	16,415,022	31,469,620	-	-	-	-	-	16,415,022	31,469,620
Claims incurred	-	-	-	-	(12,089,352)	(23,920,238)	-	-	(12,089,352)	(23,920,238)
Paid from acquisition costs	-	(586,645)	(1,202,976)	-	-	-	-	-	(586,645)	(1,202,976)
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cashflows	-	15,828,377	30,266,644	-	(12,089,352)	(23,920,238)	-	-	3,739,025	6,346,406
Insurance contracts liabilities-Ending	884,698	4,485,354	4,635,392	992,404	15,315,526	15,332,143	839,247	766,122	21,524,825	21,726,061
Insurance contracts assets-Ending	37,076	(2,640,519)	(2,894,944)	26,511	2,264,387	1,100,924	22,946	26,152	(316,110)	(1,741,357)
Net insurance contracts (liabilities)/Assets - Ending	921,774	1,844,835	1,740,448	1,018,915	17,579,913	16,433,067	862,193	792,274	21,208,715	19,984,704

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14- (Liabilities)/ Assets Reinsurance Contracts Held (Premium Allocation Approach)

	Liabilities for remaining coverage (AIC)				Liabilities for Incurred Claims (ARC)				Total	
	June 30, 2025	June 30, 2025	December	December	June 30, 2025	December	June 30, 2025	December 31,	June 30, 2025	December
	(Unaudited)	(Unaudited)	31, 2024	31, 2024	(Unaudited)	31, 2024	(Unaudited)	2024	(Unaudited)	31, 2024
	Including	Excluding	Excluding	Loss	Present value	Present	Risk	Risk	Total	Total
	loss recovery.	Loss	loss	recovery	of cashflow	value of	adjustments-	adjustments-		
	component	recovery	recovery.	component		cashflow	non financial	non financial		
Insurance contracts liabilities-beginning	-	(113,431)	(31,988)	-	73,485	270,652	4,923	44,635	(35,023)	283,299
Insurance contracts assets-beginning	-	(513,638)	123,591	-	2,505,900	2,711,107	138,824	257,573	2,131,086	3,092,271
Net reinsurance contracts liabilities/(Assets) - beginning	-	(627,069)	91,603	-	2,579,385	2,981,759	143,747	302,208	2,096,063	3,375,570
Reinsurance payments	-	(4,907,347)	(8,979,584)	-	-	-	-	-	(4,907,347)	(8,979,584)
Reinsurance recoveries	-	-	-	-	2,507,355	3,317,741	51,043	(158,461)	2,558,398	3,159,280
Commissions received	-	370,094	631,459	-	-	-	-	-	370,094	631,459
Reinsurance contracts revenues	-	370,094	631,459	-	2,507,355	3,317,741	51,043	(158,461)	2,928,492	3,790,739
Reinsurance service contracts results	-	(4,537,253)	(8,348,125)	-	2,507,355	3,317,741	51,043	(158,461)	(1,978,855)	(5,188,845)
Finance cost - from reinsurance contracts	-	-	-	-	1,735	(73,992)	-	-	1,735	(73,992)
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	-	(4,537,253)	(8,348,125)	-	2,509,090	3,243,749	51,043	(158,461)	(1,977,120)	(5,262,837)
Cash received from written contracts paid to reinsurers	-	3,974,846	7,629,453	-	-	-	-	-	3,974,846	7,629,453
Incurred claims recovered from reinsurers	-	-	-	-	(2,171,982)	(3,646,123)	-	-	(2,171,982)	(3,646,123)
Other recovered amounts	-	-	-	-	-	-	-	-	-	-
Recovered profit commission from reinsurers	-	-	-	-	-	-	-	-	-	-
Total cashflows	-	3,974,846	7,629,453	-	(2,171,982)	(3,646,123)	-	-	1,802,864	3,983,330
Reinsurance contracts liabilities-Ending	-	(494,263)	(113,431)	-	249,912	73,485	40,347	4,923	(204,004)	(35,023)
Reinsurance contracts assets-Ending	-	(695,209)	(513,638)	-	2,666,577	2,505,900	154,443	138,824	2,125,811	2,131,086
Net reinsurance contracts liabilities/(Assets) - Ending	-	(1,189,476)	(627,069)	-	2,916,493	2,579,385	194,790	143,747	1,921,807	2,096,063

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15- Statutory Reserve

The statutory reserve is formed in accordance with the provisions of the Jordanian Companies Law by deducting 10% of the annual net profit. The deduction stops when the accumulated reserve balance reaches 25% of the Company's authorized capital. However, it is permissible, with the approval of the Company's general assembly, to continue deducting this percentage until it reaches the balance of this reserve is equivalent to the amount of the Company's authorized capital.

The amounts accumulated in this account represent transfers from annual profits before tax at a rate of 10% during the current and prior years in accordance with the Companies Law, and are not distributable to shareholders.

16- Related Parties Transactions

The Company entered into transactions with members of the Board of Directors and senior management within the normal activities of the Company and using insurance premiums and commercial commissions. All receivables from related parties are considered working and no allocations have been taken for them as of December 31 2023.

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

	June 30, 2025		December 31, 2024
	(Unaudited)		(Audited)
	Major	Members of	
	shareholders	the Board of	
		Directors	
		Total	Total
Items of financial position statement			
Insurance contract assets	-	665	665
Insurance contract liabilities	-	574,618	574,618

	June 30, 2025		March 31, 2024
	(Unaudited)		(Unaudited)
	Major	Members of	
	shareholders	the Board	
		of Directors	
		Total	Total

Items of profit or loss statement

Insurance revenues	-	110,524	110,524	168,509
Travel and transportation expenses for members of the Board of Directors	-	-	-	22,500

The following is a summary of the benefits (salaries, bonuses, and other benefits) of the Company's senior executive management:

	June 30, 2025	March 31, 2024
	(Unaudited)	(Unaudited)
Salaries and rewards	342,466	306,931
Travel expenses	-	2,850
	342,466	309,781

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17- Insurance Contracts Revenues

June 30, 2025 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts revenue	2,283,469	5,463,795	1,909,596	4,243,718	217,637	1,251,054	77,537	168,596	159,907	121,730	15,897,039
Change in insurance contracts liabilities against remaining coverage	-	-	-	-	-	-	-	-	-	-	-
Insurance contracts issuance fees	125,965	44,126	-	151,144	5,299	47,838	3,603	6,378	4,733	5,435	394,521
Allocating a portion of premiums related to cash flow recovery to the acquisition of insurance	-	-	-	-	-	-	-	-	-	-	-
Other income	2,270	-	-	-	-	6,067	-	-	-	-	8,337
Revenue from contracts outside Standard 17	-	-	-	-	-	-	-	-	-	-	-
Total insurance contracts revenue	2,411,704	5,507,921	1,909,596	4,394,862	222,936	1,304,959	81,140	174,974	164,640	127,165	16,299,897

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17- Insurance Contracts Revenue (continued)

June 30,2024 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance contracts revenue	2,036,202	4,627,275	1,302,974	4,509,594	225,108	1,355,074	88,677	178,567	175,420	160,278	14,659,169
Change in insurance contracts liabilities against remaining coverage	-	-	-	-	-	-	-	-	-	-	-
Insurance contracts issuance fees	116,907	159,006	41	153,179	5,086	50,871	4,119	5,556	5,157	7,556	507,478
Allocating a portion of premiums related to cash flow recovery to the acquisition of insurance	-	-	-	-	-	-	-	-	-	-	-
Other income	9,984	5,045	254	22	-	22	-	-	-	1,125	16,452
Revenue from contracts outside Standard 17	-	-	-	-	-	-	-	-	-	-	-
Total insurance contracts revenue	2,163,093	4,791,326	1,303,269	4,662,795	230,194	1,405,967	92,796	184,123	180,577	168,959	15,183,099

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18- Insurance Contracts Expenses

June 30,2025 (Unaudited)	Vehicle- Comprehensive	Vehicle- Third party liability	Vehicle- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance claims incurred	1,221,206	5,247,676	108,031	3,559,109	91,195	475,252	50,494	(6,746)	49,008	245,467	11,040,692
Amortization of acquisition costs	264,966	166,706	-	78,379	1,034	39,981	9,584	7,755	3,970	3,532	575,907
Employee's expenses	156,388	261,600	79,376	273,354	14,195	99,433	9,338	13,819	31,998	49,844	989,345
Administrative expenses	193,201	261,207	103,717	397,198	8,965	81,358	2,780	6,562	46,530	18,850	1,120,368
Loss of contracts expected to be lost	-	-	-	10,565	-	-	-	-	-	-	10,565
Recovery of lost contracts expected to be lost	-	(107,706)	-	-	-	-	-	-	-	-	(107,706)
Risk Adjustments – non Financial	-	-	-	8,884	17,108	33,475	-	-	1,905	18,461	79,833
Recoveries from non-financial risk adjustments	(1,620)	(1,494)	(6,387)	-	-	-	(232)	(181)	-	-	(9,914)
Accident exemptions	-	-	-	-	-	-	-	-	-	-	-
Undistributed expenses	-	-	-	4,588	2,196	12,868	-	-	732	7,096	27,480
Recoveries from undistributed expenses	(314)	(349)	(4,203)	-	-	-	(89)	(68)	-	-	(5,023)
Transferred from acquisition costs/ acquisition costs (according to the Company's method of recognition)	-	-	-	-	-	-	-	-	-	-	-
Total insurance contracts expenses	1,833,827	5,827,640	280,534	4,332,076	134,693	742,367	71,875	21,141	134,143	343,250	13,721,547

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18- Insurance Contract Expenses (continued)

June 30,2024 (unaudited)	Vehicle- Comprehensive	Vehicle- Third party	Vehicle- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Insurance claims incurred	1,165,891	5,102,288	238,450	4,273,733	125,136	593,195	(20,183)	3,228	14,843	(20,775)	11,475,806
Amortization of acquisition costs	224,095	120,809	-	65,808	2,249	52,426	11,671	7,380	3,342	2,344	490,124
Employee's expenses	141,457	238,389	70,299	246,331	14,023	78,027	7,069	11,747	21,672	32,372	861,386
Administrative expenses	87,392	200,298	45,393	252,926	7,486	56,544	2,805	6,777	(1,524)	8,024	666,121
Loss of contracts expected to be lost	-	245,513	-	-	-	-	-	-	-	-	245,513
Recovery of lost contracts expected to be lost	-	-	-	(112,072)	-	-	-	-	-	-	(112,072)
Risk Adjustments - non Financial	-	48,128	-	3,640	-	90,335	-	186	272	-	142,561
Recoveries from non-financial risk adjustments	(2,167)	-	(414)	-	(10,071)	-	(3,520)	-	-	(6,968)	(23,140)
Accident exemptions	-	-	-	-	-	-	-	-	-	-	-
Undistributed expenses	1,183	26,536	-	2,185	-	15,516	-	32	47	-	45,499
Recoveries from undistributed expenses	-	-	(75)	-	(1,410)	-	(604)	-	-	(1,197)	(3,286)
Transferred from acquisition costs/ acquisition costs (according to the Company's method of recognition)	-	-	-	-	-	-	-	-	-	-	-
Total insurance contracts expenses	1,617,851	5,981,961	353,653	4,732,551	137,413	886,043	(2,762)	29,350	38,652	13,800	13,788,512

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19- Reinsurance Contracts Revenue

June 30,2025 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Reinsurance claims incurred	36,246	(765)	(135,787)	1,962,079	28,353	355,924	40,415	(7,077)	35,200	192,766	2,507,354
Commissions received	555	1,187	-	-	-	206,213	19,881	9,638	39,004	93,616	370,094
The reinsurer share of the loss of overburdened Recovered from the reinsurer share of the loss of overburdened contracts	-	-	-	-	-	-	-	-	-	-	-
The reinsurer share of risk adjustments - non-Deductible from the reinsurer share of risk adjustments - non-financial	-	23		5,222	4,780	31,842	-	-	1,566	14,527	57,960
Transferred from the reinsurer share of acquisition cost/acquisition cost (according to the	(745)	-	(5,965)	-	-	-	(176)	(30)	-	-	(6,916)
	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts revenue	36,056	445	(141,752)	1,967,301	33,133	593,979	60,120	2,531	75,770	300,909	2,928,492

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19- Reinsurance Contracts Revenue (continued)

June 30,2024 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life	Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
Reinsurance claims	69,233	(5,104)	(2,237)	1,556,895	97,970	550,576	(21,288)	2,359	11,874	(15,955)	2,244,323
Commissions received	59	4,350	-	-	-	148,432	21,786	5,087	27,216	45,863	252,793
The reinsurer share of the loss of overburdened	-	-	-	-	-	-	-	-	-	-	-
Recovered from the reinsurer share of the loss of overburdened	-	-	-	-	-	-	-	-	-	-	-
The reinsurer share of risk adjustments - non-	589	-	-	801	-	78,297	-	52	211	-	79,950
Deductible from the reinsurer share of risk adjustments - non-	-	(21)	(256)	-	(7,390)	-	(3,566)	-	-	(5,701)	(16,934)
financial	-	(21)	(256)	-	(7,390)	-	(3,566)	-	-	(5,701)	(16,934)
Transferred from the reinsurer share of acquisition	-	-	-	-	-	-	-	-	-	-	-
cost/acquisition cost (according to the	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts revenue	69,881	(775)	(2,493)	1,557,696	90,580	777,305	(3,068)	7,498	39,301	24,207	2,560,132

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20- Reinsurance Contracts Expenses

						Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
June 30,2025 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life						
Reinsurance contract premiums	243,893	23,742	837,766	2,037,643	171,341	1,149,840	65,962	124,183	149,248	103,729	4,907,347
Change in reinsurance contract liabilities against remaining coverage	-	-	-	-	-	-	-	-	-	-	-
Loss surplus premiums	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts revenue	243,893	23,742	837,766	2,037,643	171,341	1,149,840	65,962	124,183	149,248	103,729	4,907,347

						Fire and General Insurance	Engineering	Public liabilities	Other	Marine	Total
June 30,2024 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Medical	Life						
Reinsurance contract premiums	98,606	87,006	547,292	1,662,119	145,380	1,243,369	73,091	139,529	157,887	139,813	4,294,092
Change in reinsurance contract liabilities against remaining coverage	-	-	-	-	-	-	-	-	-	-	-
Loss surplus premiums	40,880	-	-	-	-	49,950	-	-	-	-	90,830
Total reinsurance contracts revenue	139,486	87,006	547,292	1,662,119	145,380	1,293,319	73,091	139,529	157,887	139,813	4,384,922

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21- Financing Revenues/(Expenses) – Insurance Contracts

	June30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Financing revenues/ (expenses) – Insurance contracts	(63,336)	164,735
	<u>(63,336)</u>	<u>164,735</u>

22- Financing Revenues/(Expenses) – Reinsurance Contracts

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Financing revenues/(expenses)– Reinsurance contracts	1,735	40,139
	<u>1,735</u>	<u>40,139</u>

23- Earning Per Shares

	June 30,2025 (Unaudited)	June 30,2024 (Unaudited)
Net Profit For Period	909,178	560,204
Weighted average number of shares	14,000,000	8,000,000
Share of the profit of the period	0.06	0.070
Basic	<u>0.06</u>	<u>0.070</u>

24- Cash and cash equivalent

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Deposits at banks accrued in three months	2,480,951	5,100,000
Cash on hand and balances with banks	2,856,481	969,009
Pledged deposits under the order of the Governor, maturing within three months	800,000	(1,100,000)
	<u>6,137,432</u>	<u>4,969,009</u>

25 - Obligations That May Arise

The Company has contingent liabilities against bank guarantees in the amount of 42,073 JOD as at June 30,2025.

26 - Subsequent Events

The authorized and paid up capital was increased by JOD 2,000,000 to reach JOD 16,000,000 as of July 1, 2025, through the capitalization of retained earnings.

27 - Insurance contracts with expected loss

- The company subscribes to third-party liability insurance for vehicles as it is mandatory for companies holding vehicle insurance licenses under current laws.
- The company subscribes to medical insurance for the purpose of attracting other types of insurance for customers, and this type of insurance is monitored to ensure that losses do not exceed the benefit from premium diversification.

28- Comparative Figures

Some comparative figures for the period have been reclassified to match the classification figures for the previous year.

29- Approval of financial statements

The interim financial statements were approved by the Board of Directors on July 31, 2025.