

JORDAN INSURANCE COMPANY

PUBLIC SHAREHOLDING COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2024

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jordan Insurance Company Public Shareholding Company (the "Company") which comprise of the statement of financial position as at 31 December 2024, the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the International Ethics Standards Board for Accountants (IASB).

Basis for Opinion

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

Emphasis of a Matter

Without qualifying our opinion. We draw attention to note number (41) to the financial statements, the solvency ratio reached 138% as at 31 December 2024 which is less than the percentage determined by the Central Bank of Jordan of 200%.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

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

<p>1. Recognition of insurance contracts revenue</p> <p>Revenue is an important determinant of the Company's profitability. In addition, there is a risk of improper revenue recognition, particularly with regard to the procedures for recognizing revenues in the correct period. Insurance contracts revenues amounted to JD 88,978,118 for the year ended 31 December 2024.</p>	<p>How the key audit matter was addressed in the audit</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Evaluating the accounting policies used to recognize the Company's revenues and evaluate whether the policies followed are in accordance with International Financial Reporting Standard No. (17). - We tested the Company's controls over revenue recognition, in addition to the main controls for these revenues. - We selected and reviewed a sample of insurance contracts before and after the date of the financial statements to ensure that revenues were recognized in the correct periods. - We performed analytical procedures on revenues accounts based on business activities. - We recalculated revenues for each business activity using data extracted from the Company's systems and acquisition costs based on the earning pattern of contracts. We also examined a sample of transactions and linked them with relevant policies to assess the accuracy of the extracted data. In addition, we tested and reviewed a sample of the entries recorded on the closing date of the financial statements. <p>The disclosures related to accounting policies for revenue recognition and disclosure related to insurance contracts revenues are disclosed in note number (2) and note number (20) to the financial statements.</p>
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2. Measurement and completeness of insurance contracts liabilities in accordance with International Financial Reporting Standard No. (17)

The Company's insurance contracts liabilities amounted to JD 56,933,997 representing 93.7% of the total liabilities as at 31 December 2024.

Measuring the amount of insurance contracts liabilities involves assumptions and management's use of estimates to calculate and measure Insurance and reinsurance contracts liabilities through measuring the present value of cash flows, risk adjustments, measuring onerous contracts and measuring the discount rate and contract service margin.

Based on all of the above, the measurement and completeness of insurance contracts liabilities was considered a key audit matter.

How the key audit matter was addressed in the audit

Our audit procedures included, amongst others:

- We obtained an understanding of the Company's procedures related to measuring insurance contracts liabilities, including entity-level controls, which the Company has adopted for the accounting process according to the standard.
- Evaluating the Company's methodology for calculating insurance contracts liabilities and evaluating the policies in accordance with International Financial Reporting Standard 17.
- We tested the accuracy and completeness of the historical data used to measure insurance contracts liabilities by tracking a sample of data for the contracts and reconciling the data to previous accounting records.
- Testing samples from the claims reserves by comparing the estimated reserve amount of the case with the appropriate documentation and the amounts paid in subsequent periods.
- We performed analytical procedures on liabilities accounts based on business activity, and recalculated the unearned premium reserve and issuance costs that constitute the liability for remaining coverage for each business activity using data extracted from the Company's systems.
- We evaluated the competence and objectivity of the actuary appointed by the management.
- We assessed the adequacy of the disclosures of the financial statement regarding these liabilities.
- We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRSs.
- In addition, with the assistance of our internal actuarial, we performed the following:
 - Determined if the calculation methods and the model used were appropriate.
 - Assessed the following key assumptions:
 - Loss ratios
 - Claims development factors
 - Discount rates
 - Determined if the estimates applied in the current and prior year were consistent.

The disclosures related to accounting policies for insurance contracts liabilities and disclosure related to insurance contracts liabilities are disclosed in note number (2) and note number (9) to the financial statement.

Other information included in the Company's 2024 annual report

Other information consists of the information included in the Company's 2024 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts which are in agreement with the financial statements taking into consideration what was stated in the emphasis of matter paragraph.

The partner in charge of the audit resulting in this auditor's report was Ali Samara; license number 503.

Amman – Jordan
4 May 2025

ERNST & YOUNG
Amman - Jordan

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	31 December 2024 JD	31 December 2023 JD
Assets			
Investments -			
Bank deposits	3	31,824,580	26,505,583
Financial assets at fair value through profit or loss	4	1,942,873	2,407,605
Financial assets at fair value through other comprehensive income	5	22,311,213	23,661,229
Financial assets at amortized cost	6	1,119,590	673,550
Investment property - net	7	15,852,736	15,685,726
Total Investments		73,050,992	68,933,693
Other assets -			
Cash on hand and at banks	8	4,565,508	2,720,378
Reinsurance contracts assets - net	9	20,147,434	18,316,779
Deferred tax assets	10/D	2,992,943	2,896,691
Property and equipments - net	11	1,115,365	1,146,192
Intangible assets - net	12	253,443	294,644
Other assets	13	3,184,311	3,691,007
Total Assets		105,309,996	97,999,384
Liabilities and Equity			
Insurance contracts liabilities - premium allocation approach	9	55,440,438	47,885,886
Insurance contracts liabilities - general measurement model	9	1,493,559	1,339,553
Total Insurance contract liabilities		56,933,997	49,225,439
Other liabilities -			
Other provisions	14	1,025,715	1,197,956
Income tax provision	10/A	1,148,289	1,381,727
Deferred tax liabilities	10/D	274,982	344,514
Other liabilities	15	1,392,090	1,633,879
Total Liabilities		60,775,073	53,783,515
Equity -			
Paid-in capital	1,16	30,000,000	30,000,000
Statutory reserve	17	7,500,000	7,500,000
Fair value reserve	18	(2,248,193)	(1,048,967)
Retained earnings	19	9,283,116	7,764,836
Total Equity		44,534,923	44,215,869
Total Liabilities and Equity		105,309,996	97,999,384

The attached notes 1 to 48 form part of these financial statements

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 JD	2023 JD
Revenues -			
Insurance contracts revenues	20	88,978,118	87,912,673
Insurance contracts expenses	21	(65,902,288)	(63,246,368)
Insurance contracts services results		23,075,830	24,666,305
Reinsurance contracts results	22	(43,468,823)	(46,598,682)
Reinsurance contracts recoveries	23	24,348,632	25,472,888
Reinsurance contracts services results		(19,120,191)	(21,125,794)
Net insurance contracts results		3,955,639	3,540,511
Finance expense - insurance contracts - net	24	(630,665)	(330,729)
Finance income - reinsurance contracts - net	25	62,947	10,759
Net insurance contracts financing results		3,387,921	3,220,541
Interest income	26	1,298,810	1,040,271
Gain from financial assets and investments - net	27	546,956	870,770
Other revenues - net	28	573,928	697,221
Total revenues		5,807,615	5,828,803
General and administrative expenses	29	2,208,336	2,139,731
Finance costs		-	707,871
Other expenses	30	4,615	84,466
Total		2,212,951	2,932,068
Total expenses		2,212,951	2,932,068
Profit for the year before tax		3,594,664	2,896,735
Less: income tax expense	10/B	(1,284,107)	(1,086,851)
Profit for the year		2,310,557	1,809,884
Basic and diluted earnings per share from profit for the year	31	0.077	0.060

The attached notes 1 to 48 form part of these financial statements

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>2024</u>	<u>2023</u>
	JD	JD
Profit for the year	2,310,557	1,809,884
Add: Other comprehensive income after tax not to be reclassified to statement of income in subsequent periods		
Change in fair value of financial assets through other comprehensive income	<u>(1,191,023)</u>	<u>3,325,734</u>
Total comprehensive income for the year	<u>1,119,534</u>	<u>5,135,618</u>

The attached notes 1 to 48 form part of these financial statements

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Paid-in capital	Statutory reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD
<u>2024 -</u>					
Balance as at 1 January 2024	30,000,000	7,500,000	(1,048,967)	7,764,836	44,215,869
Prior years adjuments *	-	-	-	(800,480)	(800,480)
Adjusted Blance at 1 January 2024	30,000,000	7,500,000	(1,048,967)	6,964,356	43,415,389
Gain from sale financial assets at fair value through other comprehensive income	-	-	(8,203)	8,203	-
Total comprehensive income for the year	-	-	(1,191,023)	2,310,557	1,119,534
Balance as at 31 December 2024	<u>30,000,000</u>	<u>7,500,000</u>	<u>(2,248,193)</u>	<u>9,283,116</u>	<u>44,534,923</u>
<u>2023 -</u>					
Balance as at 1 January 2023	30,000,000	7,500,000	(4,374,701)	5,954,952	39,080,251
Total comprehensive income for the year	-	-	3,325,734	1,809,884	5,135,618
Balance as at 31 December 2023	<u>30,000,000</u>	<u>7,500,000</u>	<u>(1,048,967)</u>	<u>7,764,836</u>	<u>44,215,869</u>

- * This item represents the effect of prior years' adjustments related to the change in the approach of premium recognition from the policy effective date to the issuance date, in the amount of JD 619,361. The company considers each policy to become due automatically upon issuance, regardless of the policy's effective date. It is worth noting that the company calculates unearned premiums based on the effective date, and any policies with an effective date after 31-December are fully added to the unearned premiums. The company also conducted a review of paid claims and expenses upon the transition from IFRS 4 to IFRS 17, which revealed differences amounting to JD 181,119 related to the years 2022 and 2023.

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 JD	2023 JD
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit for the year before tax		3,594,664	2,896,735
Adjustments -			
Depreciation and amortization	7,11,12	380,045	375,513
Provision for expected credit losses	9	350,000	500,000
Provision for (Recoveries from) expected credit losses	13	50,000	(2,983)
Loss (Gain) on the valuation of financial assets at fair value through profit or loss		122,162	(917)
Gain on sale of financial assets at fair value through profit or loss		(563)	(22,861)
Gain on sale of property and equipments		-	(48,500)
Dividends income from financial assets at fair value through profit or loss		(256,087)	(478,061)
Interest income		(1,298,810)	(1,040,271)
End-of-service indemnity		150,633	107,470
Cash flows from operating activities before changes in working capital		3,092,044	2,286,125
Reinsurance contracts assets - net		(2,080,655)	279,248
Other assets		456,696	43,567
Insurance contracts liabilities - premium allocation approach		6,654,072	7,846,729
Insurance contracts liabilities - general measurement model		154,006	5,538
Other provisions		(4,529)	138,815
Other liabilities		(241,789)	935,930
Net cash flows from operating activities before income tax and provisions paid		8,029,845	11,535,952
Income tax paid	10/A	(1,572,874)	(735,177)
End-of-service provision paid		(318,345)	(259,030)
Net cash flows from operating activities		6,138,626	10,541,745
CASH FLOW FROM INVESTING ACTIVITIES:			
Deposits at banks maturing after three months	3	8,541	(351,362)
Purchase of property and equipment	11	(69,449)	(169,829)
Purchase of intangible assets	12	(99,382)	(107,524)
Purchase of investment properties	7	(306,196)	(228,962)
Proceeds from the sale of property and equipment		-	48,500
Purchase of financial assets at fair value through other comprehensive income		-	(40,332)
Purchase of financial assets at amortized cost		(446,040)	(673,550)
Proceeds from sale of financial assets through profit or loss		391,671	464,457
Dividends received		256,087	478,061
Interest received		1,298,810	1,040,271
Net cash flows from investing activities		1,034,042	459,730
Net increase in cash and cash equivalent		7,172,668	11,001,475
Cash and cash equivalents at the beginning of the year		26,864,999	15,863,524
Cash and cash equivalents at the end of the year	32	34,037,667	26,864,999

The attached notes 1 to 48 form part of these financial statements

(1) GENERAL

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

The Company conducts all types of insurance activities inside the Hashemite Kingdom of Jordan and has branches in Abu Dhabi, Sharjah, and Dubai. It also markets insurance policies in Kuwait through an agency.

The financial statements were approved by the Board of Directors in its meeting held on 29 April 2025, and is subject to the General Assembly approval.

(2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

The financial statements were prepared according to the historical cost, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are shown at fair value at the date of the financial statements.

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

(2-1) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Company's financial statements.

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

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Company's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no material impact on the Company's financial statements.

(2-2) MATERIAL ACCOUNTING POLICES

The following are the major material accounting policies applied:

Sector information:

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

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

Date of recognition of financial assets

Purchases and sales of financial assets are recognized on the trade date (that being the date at which the sale or purchase takes place).

IFRS 17 Insurance Contracts

Insurance Contract Definition

The contract under which the insurance company accepts substantial insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event negatively affects the policyholder and the next term groups of insurance contracts issued are initially recognized from the earliest of the following;

- The beginning of the coverage period;
- The date of the first payment;
- The date when the contract is considered onerous.

As for insurance contracts that contain the direct participation feature and that have economic characteristics similar to the insurance contract (long coverage period, recurring premiums and the amount or timing of the return at the discretion of the issuer) and are linked to the same assets or participation in the performance of insurance contracts, contracts that contain that feature at the beginning of the contracts is as follows:

- Participation of the insured/beneficiaries with a share of the insurance contract portfolio.
- The possibility that the Company will pay the insureds/beneficiaries a significant share of the fair value proceeds of the investments associated with the group of insurance contracts.
- There is a high possibility that the amounts paid to the insured/beneficiaries will change by changing the fair value of the investments associated with the group of insurance contracts.

As for contracts that are not classified as an insurance contract, they are, for example, the following:

- Investment contracts that have a legal form similar to an insurance contract, but they do not transfer material insurance risks to the insurance company and include financial risks such as implicit derivatives, change in the fair value of a financial instrument, change in interest rates, change in currency exchange rates, or credit rating, so that they are classified as investment contracts in accordance with IFRS 9.
- Investment contracts that contain the optional participation feature, which are investment contracts with a legal form similar to an insurance contract, except that they do not transfer substantial insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified according to IFRS 17.
- Self-insurance (i.e. maintaining the risks that could have been covered by the insurance contract within the Company, i.e. there is no other party to the contract), such as the Company issuing an insurance contract in the name of the Company, a subsidiary or an associate company, classified in accordance with IFRS 15.

Insurance Contract Liabilities

Insurance contract liabilities are recognized when the Company has liabilities at the date of the financial statements arising from past events related to insurance contracts, and repayment of obligations is probable and reliably measurable.

The amounts recognized as insurance contract liabilities represent the best estimate of the amounts required to settle the obligation as at the date of the financial statements, taking into account the risks and uncertainties associated with insurance contract liabilities. When liabilities are valued on the basis of the estimated cash flows to settle the current obligation, the carrying amount represents the present value of those cash flows.

When some or all of the economic benefits required from third parties to settle liabilities are expected to be recovered, the receivable is recognized as an asset if the actual receipt of compensation is certain and its value can be reliably measured.

Retained Reinsurance contracts

They are contracts concluded with reinsurers to compensate the insurance company for claims arising from insurance contracts issued by it.

Reinsurance contracts held are recognized:

- The beginning of the coverage period of the reinsurance contract or upon the initial recognition of the insurance contract issued by the Company if the reinsurance contract is proportional with the set of insurance contracts.
- From the beginning of the coverage period for the set of reinsurance contracts held for other cases.

Liabilities for remaining coverage

The amount that the Company must monitor upon recognition of insurance contracts, which pertains to subsequent financial periods as a result of valid insurance contracts.

Liabilities for incurred claims

It is the total value of the expected costs incurred by the Company as a result of insurance contract covered notices that were signed before the end of the financial period and include those reported and unreported claims, in addition to related expenses.

Contractual Service Margin

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

Initial Recognition of Insurance Contracts / General Measurement Model

The group of insurance contracts at initial recognition is measured according to the following:

1. Cash flows to meet obligations arising from contracts which include:
 - Estimates of future cash flows
 - Adjustments to the time value of money and financial risks associated with future cash flows by not including such financial risks in future cash flow estimates.
 - Non-financial risk adjustments.
2. Contractual Service Margin

Post-measurement of insurance contracts / General measurement model

The Company shall recognize the book value of any of the insurance contract groups at the end of each period and the sum of the following shall be:

1. Liabilities for remaining coverage, which includes the net value of cash inflows and outflows after applying the discount rate plus adjustments for non-financial risks and contractual service margin.
2. Liabilities for incurred claims, which is calculated according to the best estimate of future cash flows for payment of claims plus adjustments for non-financial risks, taking into account the application of the discount rate on claims expected to be settled beyond one year.

Initial recognition of insurance contracts / Premiums allocation approach

The group of insurance contracts at initial recognition is measured according to the following:

- Insurance premiums received upon initial recognition.
- Minus any costs paid for the acquisition of insurance contracts on that date.
- Plus or minus any amount arising from cash flows related to the costs of acquiring insurance contracts.

Subsequent measurement / Premium allocation approach

1. At the end of each subsequent period, the Company shall recognize the book value of the obligation, taking into account the following adjustments to the balance of the obligation:
 - Add insurance premiums received for the period.
 - Minus the cash flows to acquire insurance contracts.
 - Add any amounts related to the amortization of cash flows to acquire insurance contracts recognized as an expense.
 - Adding amendments to the financing component.
 - Minus the amount recognized as insurance income for coverage provided in that period.
 - Minus any paid investment component or transfer of liabilities related to claims incurred.
2. Liabilities for incurred claims, which is calculated according to the best estimate of future cash flows for the payment of claims plus adjustments for non-financial risks, taking into account the application of the discount rate on claims.

Amendment of insurance contracts

The Company amends insurance contracts by addressing anticipated changes in future cash flows as a result of changes in estimates of cash flows for the fulfillment of contracts unless the conditions for the cancellation of recognition of insurance contracts apply.

Derecognition of insurance contracts

The Company derecognise the recognition of insurance contracts in the following cases:

- Termination of the contract (adjudication, obligation specified in insurance contract or fulfillment or cancelation).
- If insurance contract is amended and this amendment does not meet the conditions of the amendment according to the requirements of the standard, the Company cancels the contract and recognizes a new contract.

Onerous Insurance contracts

The Company recognizes insurance contracts as contracts expected to lose if the contract is expected to be lost on the date of initial recognition and the loss component is measured by comparing the expected cash flows to meet the requirements of the contract or group of contracts with the cash flows obtained from this contract or group of contracts. The Company shall disclose the loss component if the contractual service margin is zero (applicable only to the general measurement model and variable fee approach).

Summary of Measurement Methods

1. The Company classifies insurance and reinsurance contracts according to the following:

Insurance contract		Reinsurance contract	
Type	Measurement approach	Type	Measurement approach
Motors	Premium allocation approach	Motors	Premium allocation approach
Marine and transportaion	Premium allocation approach	Marine and transportation	Premium allocation approach
Fire and damages property	Premium allocation approach	Fire and damages property	Premium allocation approach
Liability	Premium allocation approach	Liability	Premium allocation approach
Medical	Premium allocation approach	Medical	Premium allocation approach
Life – Group	Premium allocation approach	Life – Group	Premium allocation approach
Life – Individual	General approach	Life – Individual	General approach
Others	Premium allocation approach	Others	Premium allocation approach

Aggregation level

IFRS 17 requires the Company to determine the level of aggregation for applying its requirements. Insurance contract portfolios are divided into groups by underwriting year so that they group portfolios of insurance contracts with similar risks and managed together.

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

The Company adopted the method of full retrospective application of the transition to IFRS 17 under the approach of premium allocation. Portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, the portfolios of contracts during each year of issue are divided into three groups, as follows:

- Any onerous contracts upon initial recognition.
- Any contracts that, upon initial recognition, do not have a substantial probability of becoming onerous later;
- Any remaining contracts in the portfolio.

Profitability level

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

- Contracts for which there is no probability of becoming onerous upon initial recognition.
- Contracts expected to be onerous.
- Other contracts (if any).

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information.
- Historical information.
- Results of similar contracts it has recognised.
- Environmental factors, e.g., a change in market experience or regulations.

Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set above.

Insurance contracts – modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired), or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Unit of measurement

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

- contracts that are onerous at initial recognition
 - contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
- or
- A group of remaining contracts. These Groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same company without performing an individual contract assessment.

For life risk and savings product lines, sets of contracts usually correspond to policyholder pricing Groups that the Company determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Company monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing Groups with no information available at a more granular level.

Contracts issued within participating product lines are always priced with high expected profitability margins, and thus, such contracts are allocated to groups of contracts that have no significant possibility of becoming onerous at the time of initial recognition.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of:

- Contracts for which there is a net gain at initial recognition, if any;
- Contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and
- Remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performances. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

Fulfilment of cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (a) Are based on a probability weighted mean of the full range of possible outcomes.
- (b) Are determined from the perspective of the Company, provided the estimates are consistent with observable market prices for market variables; and
- (c) Reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts. The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Company has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- The Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- Both of the following criteria are satisfied:
 - The Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - The pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Liabilities or assets related to expected premiums or compensation outside the boundaries of the insurance contract are not recognized. These amounts relate to future insurance contracts.

Measurement Model Application

The Company applies the Premium Allocation Approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds for which the coverage period is less than one year. For other contracts issued and held where the coverage period is more than one year, the Company performs PAA Eligibility testing to confirm whether the PAA may be applied. Subject to passing the PAA eligibility testing, the Company applied PAA on contract issued and reinsurance contracts held that pass the testing. As per the recent testing performed, General Measurement Model (GMM) has been applied.

When measuring liabilities for remaining coverage (LRC), the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Initial measurement - Groups of contracts not measured under the PAA - contractual service margin (CSM)

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognize as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- a) the initial recognition of the FCF.
- b) the derecognition at the date of initial recognition of any asset or liability recognized for insurance acquisition cash flows; and
- c) cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognized in the statement of income immediately with no CSM recognized on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognized as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognizes the net cost immediately in the statement of income. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognize as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired through business combination, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- a) the initial recognition of the FCF; and
- b) cash flows arising from the contracts in the Group at that date, including the fair value of the groups of contracts acquired at the acquisition date as a proxy of the premiums received.

No contracts acquired were assessed as onerous at initial recognition.

Subsequent measurement – Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- a. the LRC, comprising:
 - 1) the FCF related to future service allocated to the Company at that date; and
 - 2) the CSM of the Group at that date; and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The book value amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- a. the remaining coverage, comprising:
 - 1) the FCF related to future service allocated to the Group at that date; and
 - 2) the CSM of the Group at that date; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in cash flows

The FCF are updated by the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a) changes that relate to current or past service are recognized in the statement of income; and
- b) changes that relate to future service are recognized by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a) Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b) Changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
- c) Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- d) Changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments a, b and c above are measured using the locked-in discount rates as described in the section Interest accretion on the CSM below.

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- a) The effect of any new contracts added to the Company.
- b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c) Changes in the FCF relating to future service are recognized by adjusting the CSM. Changes in the FCF are recognized in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognized in insurance service expenses and a loss component is recognized within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d) The effect of any currency exchange differences.
- e) The amount recognized as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognized in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognized in the insurance service result.

Onerous contracts – Loss component on GMM

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous, and the Company recognizes the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- a) Expected incurred claims and expenses for the period;
- b) Changes in the risk adjustment for non-financial risk for the risk expired; and
- c) Finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in a. and b. above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Initial and subsequent measurement – Groups of contracts measured under the PAA

The Company uses the PAA for measuring contracts with a coverage period of one year or less and on contracts that pass the eligibility testing as stated above.

The excess of loss reinsurance contracts held provide coverage on the insurance contracts originated for claims incurred during an accident year and are accounted for under the PAA.

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset.

For reinsurance contracts held on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid.

The book value of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a) The LRC; and
- b) The LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The book value of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a) The remaining coverage; and
- b) The incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a) Increased for premiums received in the period;
- b) Decreased for insurance acquisition cash flows paid in the period;
- c) Decreased for the amounts of expected premiums received recognized as insurance revenue for the services provided in the period; and
- d) Increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a) Increased for ceding premiums paid in the period; and
- b) Decreased for the amounts of ceding premiums recognized as reinsurance expenses for the services received in the period.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money since motor insurance contracts issued by the Company and measured under the PAA typically have a settlement period of over one year.

Onerous contracts – Loss component on PAA

For all contracts measured under PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise.

For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

In addition, if facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. Once a group of contracts is determined as onerous on initial or subsequent assessment, loss is recognized immediately in the statement of income in insurance service expense.

The loss component is then amortized to the statement of income over the coverage period to offset incurred claims in insurance service expense. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company remeasures the same and adjusts the loss component as required until the loss component is reduced to zero. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

Insurance acquisition costs

The Company includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

- a) Costs directly attributable to individual contracts and groups of contracts; and
- b) Costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Before a group of insurance contracts is recognized, the Company could pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a group of insurance contracts when the insurance contracts are subsequently recognized.

The acquisition costs are generally capitalized and recognized in the statement of income over the life of the contracts. However, for contracts under PAA approach, there is an option to recognize any insurance acquisition cash flows as an expense when the Company incurs those costs. No separate asset is recognized for deferred acquisition costs. Instead, qualifying insurance acquisition cash flows are subsumed into the insurance liability for remaining coverage.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Insurance revenue

As the Company provides services under the group of insurance contracts, it reduces the LRC and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Company expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
 - a. Insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - i. Amounts related to the loss component;
 - ii. Repayments of investment components;
 - iii. Amounts of transaction-based taxes collected in a fiduciary capacity; and
 - iv. Insurance acquisition expenses;
 - b. Changes in the risk adjustment for non-financial risk, excluding:
 - i. Changes included in insurance finance income (expenses);
 - ii. Changes that relate to future coverage (which adjust the CSM); and
 - iii. Amounts allocated to the loss component;
 - c. Amounts of the CSM recognized in statement of income for the services provided in the period; and
 - d. Experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Company recognizes insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- a) Incurred claims and benefits excluding investment components;
- b) Other incurred directly attributable insurance service expenses;
- c) Insurance acquisitions costs incurred and amortization of insurance acquisition cash flows;
- d) Changes that relate to past service (i.e. changes in the FCF relating to the LIC); and
- e) Changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts not measured under the PAA, amortization of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the statement of income.

Net income (expenses) from Reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis between the amounts recoverable from reinsurers and allocation of the premiums for reinsurance contracts held, comprising the following amounts:

- a) Reinsurance expenses;
- b) Incurred claims recovery;
- c) Other incurred directly attributable insurance service expenses;
- d) Effect of changes in risk of reinsurer non-performance;
- e) For contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
- f) Changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognized similarly to insurance revenue. The amount of reinsurance expenses recognized in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Company expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- a) Insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components.
- b) Changes in the risk adjustment for non-financial risk, excluding:
 - Changes included in finance income (expenses) from reinsurance contracts held; and
 - Changes that relate to future coverage (which adjust the CSM);
- c) Amounts of the CSM recognized in statement of income for the services received in the period; and
- d) Ceded premium experience adjustments relating to past and current service.

For groups of reinsurance contracts held measured under the PAA, the Company recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a) The effect of the time value of money and changes in the time value of money; and
- b) The effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- a) Interest accreted on the FCF and the CSM;
- b) The effect of changes in interest rates and other financial assumptions; and
- c) Foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- a) Interest accreted on the LIC; and
- b) The effect of changes in interest rates and other financial assumptions.

Discount rates

The Company adopt a bottom-up approach in deriving appropriate discount rates. The starting point for these discount rates will be appropriate reference liquid risk-free curves– taking consideration for the currency characteristics of the contracts and their respective cashflows. The risk-free reference curve will be the European Insurance and Occupational Pensions Authority curve, and the relevant country specific credit risk premium will be loaded as required.

Risk adjustments

IFRS 17 requires to measure insurance contracts at initial recognition as the sum of the following items:

- Future Cash Flow (FCF) and comprising the Present Value of Future Cash Flows (PVFCF) with an appropriate discounting structure.
- Risk Adjustment (RA) for non-financial risk.
- Contractual Service Margin (CSM).

The risk adjustment for non-financial risk is the compensation that the entity requires for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk.

Derivation of the risk adjustment

The Company has determined that the derivation of the risk adjustment shall be performed at the operating company level using an appropriate methodology that is in line with IFRS 17 guidelines.

The risk adjustment for the Liability for Incurred Claims (LIC) has been estimated based the quantile approach performed on company's triangles with consideration to market benchmarks.

The Company applies judgment to determine the appropriate risk adjustment based on the non-financial risks associated with their portfolios of insurance contracts to determine the desired risk adjustment.

Fair value

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

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

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

The objective of the valuation method is to show a fair value that reflects market expectations. Where the fair value of an investment cannot be reliably measured, it is stated at cost less any impairment in the value.

A- Financial assets at amortized cost

Financial assets at amortized cost must be measured if the following conditions are met:

- Financial assets are measured at amortized cost only if these assets are held within a business model whose objective is to hold the assets to collect their contractual cash flows.
- The cash flows according to contractual condition for these assets arise in specific dates and only represent payment for the asset amount and for the interest calculated on these assets.

Assets at amortized cost are recorded at cost upon purchase plus acquisition expenses, the premium/discount (if any) is amortized by using the effective interest rate method records on the interest or for its account. Any provisions resulted from impairment in its value is deducted and any impairment in its value is recorded in the statement of income.

The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.

The standard permits in rarely cases to measure these assets at fair value through statement of income if that eliminates or reduces to a large extent the inconsistency in measurement (sometimes called accounting mismatch) that arise from measurement of assets or liabilities or profit and loss recognition resulted from them in different basis.

B- Financial assets at fair value through other comprehensive income

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

C- Financial assets at fair value through profit or loss

- These assets represent investments in shares of companies for trading purposes and that their purpose is to generate profits from short-term market price fluctuations or trading profit margin.
- These assets are recognized at fair value upon purchase (acquisition expenses are charged to the statement of income and expenses upon purchase) and subsequently revalued at fair value. The change in fair value is reflected in the statement of income and expenses, including the change in fair value resulting from the differences in the conversion of items of non-cash assets in foreign currencies. In the event of the sale of these assets or part of them, the resulting profit or loss is taken into account in the statement of income.
- Dividends or accrued interest are recorded in the statement of income.

Impairment in Financial Assets Value

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, the recoverable value is estimated in order to determine impairment loss.

Impairment amounts are determined by the following:

- Impairment in financial assets recorded at amortized cost is determined on the basis of the present value of the expected cash flows discounted at the original interest rate.

Impairment loss is recognized in the statement of income. Any recoveries in the future resulting from previously recognized impairment is credited to the statement of income.

Investment Properties

Investment properties are stated at cost less accumulated depreciation and are depreciated (excluding lands). The impairment loss is recorded in the statement of income, Operating revenues and expenses related to these investments are recorded in the statement of income.

Investment properties are revalued accordance to the Central Bank of Jordan's instructions and the related fair value is disclosed in the related note.

Cash and Cash equivalents

For cash flow purpose cash and cash equivalents comprise cash on hand and balances at banks, and bank deposits maturing within three months, less bank overdrafts and restricted balances.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property and equipment (except land) are depreciated when its ready for use. Depreciation is computed on a straight-line basis using the following depreciation rates, and the depreciation expense is recorded in the statement of income:

	<u>%</u>
Building	2
Equipment, tools and furniture	7-25
Vehicles	15

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

Property and equipment under construction are stated at cost less impairment loss.

Assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The impairment loss is recorded in the statement of income.

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

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

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

Intangible assets

Intangible assets acquired through business combinations are recorded at their fair value on that date, other intangible assets acquired through other way are measured on initial recognition at cost.

Intangible assets are classified based on either its estimated usual economic lives or indefinite useful lives. Intangible assets, with finite lives, are amortized over the useful economic lives and is in the statement of income while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired, and any impairment is taken to the statement of income.

Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.

Intangible assets include computer software and software licenses. These intangible assets are amortized on a straight-line basis at a rate of 25% annually.

Provisions

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

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

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

Provision for expected credit losses

The Company has applied the standard's simplified approach of International Financial Reporting Standard (IFRS 9) and has calculated the expected credit losses on accounts receivable and checks under collection. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors and economic environment.

End-of-service provision

The plans liability is determined actuarial expert. The obligation provision and pension costs are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Past service costs are recognized in profit or loss on the earlier of the date of plan amendment or the date that the company recognizes related costs. Actuarial gains or losses are recognized in OCI in the period in which they occur.

Gain or loss is realized from amendment or payment of the benefits when it occurs. The end of service obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

Income tax

Income tax represents accrued and deferred tax.

A- Accrued Income Tax

The accrued income tax expense is calculated based on taxable income, The taxable income differs from the actual income in the statement of income because the accounting income contains expenditures and revenues that are not tax deductible in the current year but in the preceding years or the accepted accumulated losses or any other not deductibles for tax purposes.

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

B- Deferred Tax

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

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

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

Offsetting

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

Dividend and interest revenues

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

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

Expense recognition

All commissions and other costs for obtaining new or renewed insurance documents are amortized in the income statement when they occur. Expenses are recognized using the accrual basis.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the transactions dates.

Monetary assets and liabilities in foreign currencies are translated into JD at rates of exchange prevailing at the statement of financial position date as issued by Central Bank of Jordan.

Non-financial assets and non-monetary liabilities denominated in foreign currencies at fair value are translated at the date of the determined fair value.

Any gains or losses are taken to the statement of income.

Translation gains or losses on non-monetary items are recorded as part of change in fair value.

Use of Estimates

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

The details of significant estimates made by management as follows:

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

- The management periodically reviews financial assets, which are shown at cost, to estimate any decline in their value, and this decline is recognized in the statement of income for the year.

Insurance and Reinsurance contracts

A. PAA Eligibility Assessment

The Company has calculated a Liability for remaining coverage (LRC) and Asset for remaining coverage (ARC) for those groups of insurance contracts written and reinsurance contracts held respectively where the coverage period was more than one year. After calculating the liabilities/assets applying PAA and GMM approach respectively, the Company then checks for any material differences for the contracts with coverage period of more than one year. In case the Company notes any material differences, it follows the GMM approach, and where there is no material difference, the Company has opted for PAA approach. The calculation was performed under both simplified approaches i.e., Premium Allocation Approach (PAA) and General Measurement Model (GMM).

Situations, which may cause the LRC and / or ARC under the PAA to differ from the LRC and / or ARC under the GMM:

- When the expectation of the profitability for the remaining coverage changes at a particular valuation date during the coverage period of a group of contracts;
- If yield curves change significantly from those in place at the Company's initial recognition;
- When the incidence of claims occurrence differs from the coverage units; and
- The effect of discounting under the GMM creates an inherent difference, this difference compounds over longer contract durations.

B. Liability for incurred claims

The main assumption underlying these techniques is that a company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

C. Onerousness determination

For contracts measured under GMM a company of contracts is onerous at initial recognition if there is a net outflow of fulfilment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the statement of income in insurance service expense. The loss component is then amortized to statement of income over the coverage period to offset incurred claims in insurance service expense.

For contracts measured under PAA, the Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

The Company also considers facts and circumstances to identify whether a group of contracts are onerous based on the following key inputs:

- Pricing information: Underwriting combined ratios and price adequacy ratios.
- Historical combined ratio of similar and comparable sets of contracts.
- Any relevant inputs from underwriters;
- Other external factors such as inflation and change in market claims experience or change in regulations; and
- For subsequent measurement, the Company also relies on the same group of contracts' weighted actual emerging experience.

D. Expense Allocation

The company identifies expenses that are directly attributable to obtaining insurance contracts (acquisition costs) and fulfilling/maintaining (other allocated expenses) such contracts, as well as those expenses that are not directly attributable to the aforementioned contracts (unallocated expenses). Acquisition costs, such as underwriting costs including other expenses except for the initial commission paid, are no longer recognized in the income statement when incurred; instead, they are amortized over the life of the group of contracts based on the passage of time.

Other allocated expenses related to groups of contracts are distributed using an allocation mechanism that considers cost estimation principles based on activities. The company has identified specific costs directly related to groups of contracts, as well as costs where judicial judgment is applied to determine the share of expenses as an acceptable liability for compensation to that company.

On the other hand, unallocated expenses and overheads are recognized in the income statement as soon as they are incurred. The ratio of directly attributable costs to unallocated costs will initially change the pattern in which expenses are recognized.

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(3) BANK DEPOSITS

This item consists of the following:

	31 December 2024				31 December 2023
	Deposits				
	Deposits maturing in 1 month	Deposits maturing in 1 month to 3 months	Deposits maturing more than one year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan -					
Arab Jordan Investment Bank	959,512	-	-	959,512	639,389
Jordan Commercial Bank	-	207,529	-	207,529	207,529
Arab Bank *	-	-	1,075,621	1,075,621	1,064,962
Arab Banking Corporation Bank	1,608,499	-	-	1,608,499	102,756
Blom Bank	937,046	-	-	937,046	789,198
Jordan Kuwait Bank	6,005	-	-	6,005	5,721
Total banks deposits inside Jordan	3,511,062	207,529	1,075,621	4,794,212	2,809,555
Outside Jordan -					
Arab Bank – UAE	-	480,000	1,276,800	1,756,800	5,993,628
Mashreq Bank	-	10,195,200	-	10,195,200	10,982,400
Shareqa Islamic Bank	-	11,647,960	-	11,647,960	-
Abu Dhabi First Bank	-	3,430,408	-	3,430,408	6,720,000
Total bank deposits outside Jordan	-	25,753,568	1,276,800	27,030,368	23,696,028
Total deposit at bank	3,511,062	25,961,097	2,352,421	31,824,580	26,505,583

* The pledged deposits in favor of the Governor of the Central Bank of Jordan in addition to his position amounted to JD 1,050,000 as at 31 December 2024 and 2023 and maturing more than after one year.

- Interest rates on deposits at banks in Jordanian dinars ranges from 3% to 6% and in US dollars from 0.05% to 0.25% as at 31 December 2024 and 2023.

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

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Shares of listed companies	1,942,873	2,407,605

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

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Inside Jordan:		
Listed shares	5,525,504	5,198,902
Unlisted shares	39,101	47,480
	<u>5,564,605</u>	<u>5,246,382</u>
Outside Jordan:		
Listed shares	12,331,026	14,007,823
Unlisted shares*	4,415,582	4,407,024
	<u>16,746,608</u>	<u>18,414,847</u>
	<u>22,311,213</u>	<u>23,661,229</u>

*This item includes 4,362,140 which represents an investment in the shares of Asia Insurance Company (Iraq). The shares registered in the name of the company amounted to 5,925,000,000 shares/Iraqi dinars, representing 19.75% of the company's paid-in capital as of 31 December 2024, and 2023.

(6) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Listed bonds in financial markets*	<u>1,119,590</u>	<u>673,550</u>

* This item represents bonds issued by Bank Al Etihad and Ahli Bank in U.S. dollars. These bonds have no maturity date (perpetual), with an annual interest rate of 8.5%, paid quarterly. noting that these bonds are listed on the Amman Stock Exchange.

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(7) INVESTMENT PROPERTY - NET

This item consists of the following:

	Land*	Buildings	Total
	JD	JD	JD
2024 -			
Cost -			
Balance at 1 January	11,979,661	7,537,299	19,516,960
Additions	179,789	126,407	306,196
Balance at 31 December	<u>12,159,450</u>	<u>7,663,706</u>	<u>19,823,156</u>
Accumulated depreciation -			
Balance at 1 January	-	3,831,234	3,831,234
Depreciation for the year	-	139,186	139,186
Balance at 31 December	-	3,970,420	3,970,420
Net book value at 31 December	<u>12,159,450</u>	<u>3,693,286</u>	<u>15,852,736</u>
2023 -			
Cost -			
Balance at 1 January	11,947,104	7,340,894	19,287,998
Additions	32,557	196,405	228,962
Balance at 31 December	<u>11,979,661</u>	<u>7,537,299</u>	<u>19,516,960</u>
Accumulated depreciation -			
Balance at 1 January	-	3,700,704	3,700,704
Depreciation for the year	-	130,530	130,530
Balance at 31 December	-	3,831,234	3,831,234
Net book value at 31 December	<u>11,979,661</u>	<u>3,706,065</u>	<u>15,685,726</u>

- The fair value of investment properties has been determined by real estate experts as of 31 December 2024 to be JD 26,675,128 (2023: JD 27,041,925). In the management's opinion, the fair value of the investment properties exceeds its book value as of 31 December 2024.

* The item includes land valued amounted to JD 163,009 registered in the name of the Jordanian Real Estate Development Company (a related party), with the company to sell and market this piece as it sees fit, aiming to generate profit and benefit for both parties. In return, the Jordanian Real Estate Development Company charges the Jordanian Insurance Company 15% of the profits realized from the sale.

(8) CASH ON HAND AND AT BANKS

This item consists of the following:

	31 December 2024 JD	31 December 2023 JD
Cash on hand	157,261	36,205
Balances with banks	<u>4,408,247</u>	<u>2,684,173</u>
	<u>4,565,508</u>	<u>2,720,378</u>

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(9) INSURANCE CONTRACTS ASSETS/LIABILITIES

Reinsurance contracts assets

	2024			2023		
	Premium allocation approach (9-C)	General approach (9-C)	Total	Premium allocation approach (9-C)	General approach (9-C)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	3,218,619	154,389	3,373,008	737,670	75,926	813,596
Liability of incurred claims	16,754,426	20,000	16,774,426	17,503,183	-	17,503,183
Total	19,973,045	174,389	20,147,434	18,240,853	75,926	18,316,779

Insurance contracts liabilities

	2024			2023		
	Premium allocation approach (9-A)	General approach (9-B)	Total	Premium allocation approach (9-A)	General approach (9-B)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	12,826,707	1,463,559	14,290,266	9,172,030	1,339,553	10,511,583
Liability of incurred claims	42,613,731	30,000	42,643,731	38,713,856	-	38,713,856
Total	55,440,438	1,493,559	56,933,997	47,885,886	1,339,553	49,225,439

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9 / A Assets / Liabilities of Insurance Contracts – Premium Allocation Approach

	Liability for remaining coverage				Liability for incurred claims				Total	
	Non- onerous contracts	Onerous contracts	Non- onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non- financial	Risk adjustment - non- financial		
	2024	2024	2023	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts liabilities / as at 1 January	8,127,041	1,044,989	5,616,285	814,874	37,319,151	32,624,347	1,394,705	983,651	47,885,886	40,039,157
Insurance contracts assets / as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contracts liabilities / as at 1 January	8,127,041	1,044,989	5,616,285	814,874	37,319,151	32,624,347	1,394,705	983,651	47,885,886	40,039,157
Prior year adjustments	619,361	-	-	-	181,119	-	-	-	800,480	-
Insurance contracts liabilities / as at 1 January	8,746,402	1,044,989	5,616,285	814,874	37,500,270	32,624,347	1,394,705	983,651	48,686,366	40,039,157
Insurance Contract Revenue	(88,851,751)	-	(87,789,494)	-	-	-	-	-	(88,851,751)	(87,789,494)
Insurance Contract Expense	-	(695,762)	-	(857,902)	59,800,643	50,605,751	800,250	655,128	59,905,131	50,402,977
Changes that relate to past service-changes in FCF relating to LIC	-	1,631,425	-	1,088,017	(5,619,041)	(318,610)	(940,543)	(250,559)	(4,928,159)	518,848
Administrative expenses	-	-	-	-	4,658,351	4,348,653	-	-	4,658,351	4,348,653
Amortization and acquisition expenses	6,076,312	-	7,939,353	-	-	-	-	-	6,076,312	7,939,353
Insurance services results	<u>(82,775,439)</u>	<u>935,663</u>	<u>(79,850,141)</u>	<u>230,115</u>	<u>58,839,953</u>	<u>54,635,794</u>	<u>(140,293)</u>	<u>404,569</u>	<u>(23,140,116)</u>	<u>(24,579,663)</u>
Finance expenses from insurance contracts issued	-	-	-	-	494,386	324,244	11,803	6,485	506,189	330,729
Net- Change in other comprehensive Income	<u>(82,775,439)</u>	<u>935,663</u>	<u>(79,850,141)</u>	<u>230,115</u>	<u>59,334,339</u>	<u>54,960,038</u>	<u>(128,490)</u>	<u>411,054</u>	<u>(22,633,927)</u>	<u>(24,248,934)</u>
Cash flows:										
Premiums received from subscribed contracts	93,967,176	-	90,300,250	-	-	-	-	-	93,967,176	90,300,250
Claims and other directly attributable expenses paid	-	-	-	-	(50,824,617)	(45,916,581)	-	-	(50,824,617)	(45,916,581)
Other expenses	-	-	-	-	(4,662,476)	(4,348,653)	-	-	(4,662,476)	(4,348,653)
Acquisition Expenses- paid	<u>(9,092,084)</u>	<u>-</u>	<u>(7,939,353)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,092,084)</u>	<u>(7,939,353)</u>
Total Cash Flows	<u>84,875,092</u>	<u>-</u>	<u>82,360,897</u>	<u>-</u>	<u>(55,487,093)</u>	<u>(50,265,234)</u>	<u>-</u>	<u>-</u>	<u>29,387,999</u>	<u>32,095,663</u>
Insurance contracts liabilities / as at 31 December	<u>10,846,055</u>	<u>1,980,652</u>	<u>8,127,041</u>	<u>1,044,989</u>	<u>41,347,516</u>	<u>37,319,151</u>	<u>1,266,215</u>	<u>1,394,705</u>	<u>55,440,438</u>	<u>47,885,886</u>
Insurance contracts assets / as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Insurance Contract Liabilities (Assets) – as at 31 December	<u>10,846,055</u>	<u>1,980,652</u>	<u>8,127,041</u>	<u>1,044,989</u>	<u>41,347,516</u>	<u>37,319,151</u>	<u>1,266,215</u>	<u>1,394,705</u>	<u>55,440,438</u>	<u>47,885,886</u>

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9 / B Insurance Contract Assets / Liabilities – General Measurement Approach

	Liability for remaining coverage				Liability for incurred claims				Total	
	2024	2024	2023	2023	2024	2023	2024	2023	2024	2023
	Non- onerous contracts	Onerous contracts	Non- onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non- financial	Risk adjustment - non- financial	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts liabilities/ as at 1 January	1,339,553	-	1,334,015	-	-	-	-	-	1,339,553	1,334,015
Insurance contracts assets / as at 1 January	-	-	-	-	-	-	-	-	-	-
Insurance contracts liabilities (assets) as at 1 January	1,339,553	-	1,334,015	-	-	-	-	-	1,339,553	1,334,015
Insurance Contract Revenue	(126,367)	-	(123,179)	-	-	-	-	-	(126,367)	(123,179)
Insurance Contract Expense										
Claims Incurred During the Period	-	-	22,870	-	169,084	-	-	-	169,084	22,870
Changes that relate to past service-adjustments in LFIC	(31,307)	42,267	27,074	-	-	-	-	-	10,960	27,074
Change in risk adjustments	(229)	-	52	-	-	-	-	-	(229)	52
Employees expenses	-	-	-	-	-	-	-	-	-	-
Amortization of acquisition cost and expenses	6,714	-	(8,135)	-	-	-	-	-	6,714	(8,135)
Administrative expenses	4,124	-	(5,324)	-	-	-	-	-	4,124	(5,324)
Other expenses	-	-	-	-	-	-	-	-	-	-
Changes in contracts expected to be lost	-	-	-	-	-	-	-	-	-	-
Insurance services results	(147,065)	42,267	(86,642)	-	169,084	-	-	-	64,286	(86,642)
Finance expenses from insurance contracts issued	124,476	-	-	-	-	-	-	-	124,476	-
Net- Change in other comprehensive Income	124,476	-	-	-	-	-	-	-	124,476	-
Premiums received from subscribed contracts	116,538	-	92,180	-	-	-	-	-	116,538	92,180
Incurred Claims	-	-	-	-	(139,084)	-	-	-	(139,084)	-
Acquisition Expenses- paid	(6,714)	-	-	-	-	-	-	-	(6,714)	-
Other expenses	(5,496)	-	-	-	-	-	-	-	(5,496)	-
Total Cash Flows	104,328	-	92,180	-	(139,084)	-	-	-	(34,756)	92,180
Insurance contracts liabilities as at 31 December										
Insurance contracts assets / as at 31 December										
Net Insurance Contract Liabilities (Assets) – as at 31 December	1,421,292	42,267	1,339,553	-	30,000	-	-	-	1,493,559	1,339,553

ACCOUNTS RECEIVABLE RELATED TO INSURANCE OPERATIONS

This item represents receivables related to insurance operations that were taken into account in the calculation of insurance contracts assets and liabilities:

	31 December 2024	31 December 2023
	JD	JD
Policyholders' receivables	14,464,267	15,901,403
Brokers' receivables	2,958,720	4,131,192
Employees' receivables	73,301	87,114
Other receivables	931,620	1,289,108
	18,427,908	21,408,817
Provision for expected credit losses *	(4,993,469)	(4,893,469)
	<u>13,434,439</u>	<u>16,515,348</u>

The details of the net aging of receivables are as follows:

	0-30 days	31-90 days	91-180 days	181-365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD
2024	4,337,800	5,758,858	1,733,204	1,669,896	4,928,150	18,427,908
2023	3,069,769	9,062,622	1,997,257	2,041,210	5,237,959	21,408,817

* The Movement on the provision for expected credit losses during was as follows:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	4,893,469	4,696,194
Provision for expected credit losses for the year	100,000	200,000
Writte offs	-	(2,725)
Balance at the end of the year	<u>4,993,469</u>	<u>4,893,469</u>

Checks Under Collection Related to Insurance Operations

This item represents checks under collection related to insurance operations, which were taken into account in calculating the insurance contracts assets and liabilities.

	31 December 2024	31 December 2023
	JD	JD
Checks under collection due within six months	15,792	75,267
Checks under collection due within more than six months up to one year	1,345,729	2,135,642
	1,361,521	2,210,909
Provision for expected credit losses	(35,350)	(35,350)
	<u>1,326,171</u>	<u>2,175,559</u>

LIFE POLICYHOLDERS' LOANS RELATED TO INSURANCE OPERATIONS

This item represents policyholder loans related to insurance operations, which were taken into account in the calculation of insurance contracts assets and liabilities:

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Loans to life policyholders which do not exceed the liquidation value	<u>14,897</u>	<u>21,959</u>

The maturity date for loans to life policyholders is as the following:

	More than a year	Total
	JD	JD
2024 -	14,897	14,897
2023 -	21,959	21,959

ACCOUNT PAYABLES RELATED TO INSURANCE OPERATIONS

This item represents the account payables related to insurance operations that were taken into account in the calculation of insurance contracts assets and liabilities.

	31 December 2024	31 December 2023
	JD	JD
Policyholders' payables	1,774,284	1,128,125
Garages' payables and vehicle's parts' payables	766,557	715,679
Agents' payables	570,698	619,714
Other payables	663,334	825,480
	<u>3,774,873</u>	<u>3,288,998</u>

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE FINANCIAL STATEMENTS
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9 /C Reinsurance Contracts Assets / Liabilities – Premium Allocation Approach

<u>Reinsurance contracts</u>	Assets for remaining coverage (ARC)				Assets for Insured coverage (AIC)				Total	
	2024	2024	2023	2023	2024	2023	2024	2023	2024	2023
	Non-		Non-		Present value	Present	Risk	Risk		
	onerous	Onerous	onerous	Onerous	of future cash	value of	adjustment -	adjustment		
	contracts	contracts	contracts	contracts	flows	future cash	non-	- non-	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Reinsurance contracts liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
Reinsurance contracts assets as at 1 January	735,325	2,345	1,416,165	18,818	16,816,920	17,158,997	686,263	429,265	18,240,853	19,023,245
Insurance contracts assets as at 1 January	735,325	2,345	1,416,165	18,818	16,816,920	17,158,997	686,263	429,265	18,240,853	19,023,245
Reinsurance expenses	(43,445,552)	-	(46,559,315)	-	-	-	-	-	(43,445,552)	(46,559,315)
Reinsurance Revenue	1,606,264	(1,116,982)	2,485,924	(590,810)	22,871,649	18,066,240	489,621	515,263	23,850,552	20,476,617
Differences Arising from Accounting Differences	-	1,092,260	-	574,337	763	4,680,420	(594,943)	(258,486)	498,080	4,996,271
Investments Component	-	-	-	-	-	-	-	-	-	-
Reinsurance services results	(41,839,288)	(24,722)	(44,073,391)	(16,473)	22,872,412	22,746,660	(105,322)	256,777	(19,096,920)	(21,086,427)
Finance expenses from reinsurance contracts issued	-	-	-	-	26,483	10,538	555	221	27,038	10,759
Effect of exchange rate fluctuation	-	-	-	-	-	-	-	-	-	-
Other Changes	-	-	-	-	-	-	-	-	-	-
Net Change in other comprehensive expenses	(41,839,288)	(24,722)	(44,073,391)	(16,473)	22,898,895	22,757,198	(104,767)	256,998	(19,069,882)	(21,075,668)
Cash from Written Contracts Paid to Reinsurer	44,344,959	-	43,392,551	-	-	-	-	-	44,344,959	43,392,551
Claims Incurred Recovered from Reinsure	-	-	-	-	(23,542,885)	(23,099,275)	-	-	(23,542,885)	(23,099,275)
Profit Commission Recovered from Reinsurer	-	-	-	-	-	-	-	-	-	-
Recovered Other Balances	-	-	-	-	-	-	-	-	-	-
Total Cash Flows	44,344,959	-	43,392,551	-	(23,542,885)	(23,099,275)	-	-	20,802,074	20,293,276
Reinsurance contracts liabilities / as at 31 Dec 2024	3,240,996	(22,377)	735,325	2,345	16,172,930	16,816,920	581,496	686,263	19,973,045	18,240,853
Reinsurance contracts assets / as at 31 Dec 2024	-	-	-	-	-	-	-	-	-	-
Net Reinsurance Contract Liabilities (Assets) – as at	3,240,996	(22,377)	735,325	2,345	16,172,930	16,816,920	581,496	686,263	19,973,045	18,240,853
31 December										

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
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9 / C Reinsurance Contracts Assets / Liabilities Held - General Measurement Model

	Assets for remaining coverage (ARC)				Assets for Insured coverage (AIC)				Total	
	2024	2024	2023	2023	2024	2023	2024	2023	2024	2023
	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non-financial	Risk adjustment - non-financial	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Reinsurance contracts liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
Reinsurance contracts assets as at 1 January	75,926	-	72,781	-	-	-	-	-	75,926	72,781
Insurance contracts assets as at 1 January	75,926	-	72,781	-	-	-	-	-	75,926	72,781
Reinsurance expenses	(43,271)	-	(39,367)	-	20,000	-	-	-	(23,271)	(39,367)
Reinsurance Revenue	-	-	-	-	-	-	-	-	-	-
Differences Arising from Accounting Differences	-	-	-	-	-	-	-	-	-	-
Investments Component	-	-	-	-	-	-	-	-	-	-
Reinsurance services results	(43,271)	-	(39,367)	-	20,000	-	-	-	(23,271)	(39,367)
Finance expenses from reinsurance contracts issued	35,909	-	-	-	-	-	-	-	35,909	-
Effect of exchange rate fluctuation	-	-	-	-	-	-	-	-	-	-
Other Changes	-	-	-	-	-	-	-	-	-	-
Net Change in other comprehensive expenses	35,909	-	-	-	-	-	-	-	35,909	-
Cash from Written Contracts Paid to Reinsurer	85,825	-	42,512	-	-	-	-	-	85,825	42,512
Claims Incurred Recovered from Reinsure	-	-	-	-	-	-	-	-	-	-
Profit Commission Recovered from Reinsurer	-	-	-	-	-	-	-	-	-	-
Recovered Other Balances	-	-	-	-	-	-	-	-	-	-
Total Cash Flows	85,825	-	42,512	-	-	-	-	-	85,825	42,512
Reinsurance contracts liabilities / as at 31 December	-	-	-	-	-	-	-	-	-	-
Re -Insurance contracts assets as at 31 December	154,389	-	75,926	-	20,000	-	-	-	174,389	75,926
Net Reinsurance Contract Liabilities (Assets) – as at 31 December	154,389	-	75,926	-	20,000	-	-	-	174,389	75,926

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
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9 / C Reinsurance Contracts Held - General Measurement Model

	2024	2023	2024	2023	2024	2023	2024	2023
	Best Estimate of Liabilities	Best Estimate of Liabilities	Risk Adjustments – Non-Financial	Risk Adjustments – Non-Financial	CSM	CSM	Total	Total
Reinsurance Contract Liabilities – as at 1 January	-	-	-	-	-	-	-	-
Reinsurance Contract Assets – as at 1 January	34,712	46,835	85	102	41,129	25,844	75,926	72,781
Net Reinsurance Contract Liabilities (Assets) – as at 1 January	34,712	46,835	85	102	41,129	25,844	75,926	72,781
Changes Related to Current Services	(72,853)	(58,439)	9	(25)	29,573	19,097	(43,271)	(39,367)
Release of Contractual Service Margin (+/-)	-	-	-	-	(9,110)	(7,064)	(9,110)	(7,064)
Experience Adjustments	(72,853)	(58,439)	37	1	38,683	26,161	(34,133)	(32,277)
Change in Risk Adjustments – Non-Financial	-	-	(28)	(26)	-	-	(28)	(26)
Changes Related to Future Services	508	2,384	1	4	(509)	(2,388)	-	-
Effect of Contracts Initially Recognized During the Period	508	2,384	1	4	(509)	(2,388)	-	-
Effect of Changes in Contractual Service Margin Assumptions	-	-	-	-	-	-	-	-
Effect of Recognizing the Recovery Component of Loss from Loss-Making Contracts	-	-	-	-	-	-	-	-
Effect of Reversing the Recovery Component of Loss from Loss-Making Contracts	-	-	-	-	-	-	-	-
Changes in estimates that adjust the CSM	-	-	-	-	-	-	-	-
Changes Related to Past Services	20,000	-	-	-	-	-	20,000	-
Changes in Recoverable Amounts Resulting from Changes in Liabilities for Incurred Claims	20,000	-	-	-	-	-	20,000	-
Finance expenses from reinsurance contracts issued	(5,260)	1,420	100	3	41,069	(1,423)	35,909	-
Effect of Changes in Reinsurer Default Risk (Credit Risk)	-	-	-	-	-	-	-	-
Effect of exchange rate fluctuation	-	-	-	-	-	-	-	-
Net Change in other comprehensive expenses	(5,260)	1,420	100	3	41,069	(1,423)	35,909	-
Cash from Written Contracts Paid to Reinsurer (-)	85,825	42,512	-	-	-	-	85,825	42,512
Claims Incurred Recovered from Reinsurer (+)	-	-	-	-	-	-	-	-
Profit Commission Recovered from Reinsurer (+)	-	-	-	-	-	-	-	-
Other Amounts Recovered (+)	-	-	-	-	-	-	-	-
Net Cash Flows	85,825	42,512	-	-	-	-	85,825	42,512
Reinsurance Contract Liabilities – as at 31 December	-	-	-	-	-	-	-	-
Reinsurance Contract Assets - as at 31 December	62,932	34,712	195	84	111,262	41,130	174,389	75,926
Net Reinsurance Contract Liabilities (Assets) – as at 31 December	62,932	34,712	195	84	111,262	41,130	174,389	75,926

Reinsurance Accounts Receivables

This item represents receivables related to reinsurance operations that have been taken into account in the calculation of reinsurance contracts assets and liabilities.

	2024	2023
	JD	JD
(local) Insurance companies	2,880,782	3,935,863
(foreign) Insurance companies	2,375,271	1,892,635
	5,256,053	5,828,498
Provision for expected credit losses*	(1,911,642)	(1,661,642)
	3,344,411	4,166,856

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
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* Movements on provision for impairment losses during the year:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	1,661,642	1,361,642
Provision for expected credit losses for the year	<u>250,000</u>	<u>300,000</u>
Balance at the end of the year	<u><u>1,911,642</u></u>	<u><u>1,661,642</u></u>

The details of the aging of the reinsurance receivables are as follows:

	<u>0-30</u> <u>days</u>	<u>31-90</u> <u>days</u>	<u>91-180</u> <u>days</u>	<u>181-365 days</u>	<u>More than 365</u> <u>days</u>	<u>Total</u>
	JD	JD	JD	JD	JD	JD
2024	-	1,799,959	650,492	550,167	2,255,435	5,256,053
2023	17,442	1,365,335	663,896	1,088,935	2,692,890	5,828,498

REINSURANCE ACCOUNT PAYABLES

This item represents payables related to reinsurance operations that were taken into account in the calculation of reinsurance contracts assets and liabilities.

	<u>2024</u>	<u>2023</u>
	JD	JD
Local reinsurance companies	2,043,423	1,629,746
Foreign reinsurance companies	<u>7,473,118</u>	<u>10,399,171</u>
	<u><u>9,516,541</u></u>	<u><u>12,028,917</u></u>

(10) INCOME TAX

A- Income tax provision

The income tax provision was calculated in accordance with Income Tax Law Number (34) of 2014 and its amendments, based on the Company's business results 31 December 2024 and 2023.

The Movement on the income tax provision were as follows:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	1,381,727	627,524
Income tax expense for the year	1,339,436	1,489,380
Income tax paid	(1,572,874)	(735,177)
	<u>1,148,289</u>	<u>1,381,727</u>

B- Income tax expense

The income tax expense in the statement of income represents the following:

	31 December 2024	31 December 2023
	JD	JD
Income tax due on the year's profit	1,339,436	1,489,380
Impact of deferred taxes	(55,329)	(402,529)
Income tax expense for the year	<u>1,284,107</u>	<u>1,086,851</u>

C- Summary of the reconciliation between accounting profit and taxable profit is as follows:

	31 December 2024	31 December 2023
	JD	JD
Accounting profit for Jordanian branches	4,478,462	4,309,225
<u>Add:</u> Non-deductible expenses	1,878,275	1,760,403
<u>Less:</u> Non-taxable profits	(1,047,368)	(368,872)
Taxable profit for the year	5,309,369	5,700,756
Statutory income tax rate	26%	26%
Effective income tax rate	<u>24%</u>	<u>19%</u>

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
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D- Deferred tax assets & liabilities

- The details of deferred tax assets are as follows:

Included accounts	31 December 2024					31 Decembe 2023
	Balance at the beginning of the year	Additions	Released amounts	Balance at the end of the year	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Provision of the expected credit losses	4,241,624	400,000	-	4,641,624	1,206,822	1,102,822
End-of-service indemnity provision	201,476	23,490	(161,118)	63,848	16,600	52,384
Insurance contracts liabilities	3,944,000	-	(304,251)	3,639,749	946,335	1,025,440
Unrealized losses for financial assets at fair value through profit or loss (inside Jordan)	1,309,979	254,685	-	1,564,664	406,813	340,595
Unrealized losses for financial assets at fair value through other comprehensive income (inside Jordan)	1,444,040	-	(318,732)	1,125,308	292,580	-
Unrealized losses for financial assets at fair value through other comprehensive income (outside Jordan)	-	1,031,606	-	1,031,606	123,793	375,450
	<u>11,141,119</u>	<u>1,709,781</u>	<u>(784,101)</u>	<u>12,066,799</u>	<u>2,992,943</u>	<u>2,896,691</u>

- The details of deferred tax liabilities are as follows:

Included accounts	31 December 2024					31 Decembe 2023
	Balance at the beginning of the year	Additions	Released Amounts	Balance at the end of the year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Unrealized gains for financial assets at fair value through profit or loss (outside Jordan)	2,291,518	-	-	2,291,518	274,982	274,982
Unrealized gains for financial assets at fair value through other comprehensive income (inside Jordan)	579,434	-	(579,434)	-	-	69,532
	<u>2,870,952</u>	<u>-</u>	<u>(579,434)</u>	<u>2,291,518</u>	<u>274,982</u>	<u>344,514</u>

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
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The Movement on deferred tax assets were as follows:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	2,896,691	2,802,399
Addition to deferred tax assets	300,118	652,051
Released from deferred tax assets	(203,866)	(557,759)
Balance at the end of the year	2,992,943	2,896,691

The Movement on deferred tax liabilities were as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	344,514	274,982
Addition to deferred tax liabilities	-	69,532
Released from deferred tax liabilities	(69,532)	-
Balance at the end of the year	274,982	344,514

E- Tax status

- A final settlement of income tax has been reached in Jordan until the end of 2018. The Company submitted its tax returns for the years 2019 until 2023.

- The Income Tax Department audited the financial statements for the years 2019 and 2020, resulting in an adjustment to the self-assessment statement submitted by the company for these years, which led to a claim for the company to pay tax differences amounting to JD 756,000. The company rejected this adjustment and filed a case with the Tax Court. According to the company's management and the legal advisor assigned to follow up on this case, the outcome is expected to be in favor of the company. The financial statements for the years 2021 and 2023 have not been audited by the Income Tax Department as of the date of preparing these financial statements.

- The income tax due for the year ended December 31, 2024, has been calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments. The management and tax advisor believe that the provisions recorded in the financial statements are sufficient to meet any tax obligations.

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE FINANCIAL STATEMENTS
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(11) PROPERTY AND EQUIPMENT, NET

This item consists of the following:

	Land	Building	Tools, equipment and furniture	Vehicles	Total
	JD	JD	JD	JD	JD
2024 -					
Cost:					
Balance as at 1 January	511,113	596,742	1,695,720	365,825	3,169,400
Additions	-	-	40,175	29,274	69,449
Disposals	-	-	(72,486)	(53,242)	(125,728)
Balance as at 31 December	<u>511,113</u>	<u>596,742</u>	<u>1,663,409</u>	<u>341,857</u>	<u>3,113,121</u>
Accumulated depreciation:					
Balance as at 1 January	-	241,838	1,580,451	200,919	2,023,208
Depreciation for the year	-	11,069	53,120	36,087	100,276
Disposals	-	-	(72,486)	(53,242)	(125,728)
Balance as at 31 December	<u>-</u>	<u>252,907</u>	<u>1,561,085</u>	<u>183,764</u>	<u>1,997,756</u>
Net book value as at 31 December	<u>511,113</u>	<u>343,835</u>	<u>102,324</u>	<u>158,093</u>	<u>1,115,365</u>
2023 -					
Cost:					
Balance as at 1 January	511,113	594,469	1,661,638	371,551	3,138,771
Additions	-	2,273	34,082	133,474	169,829
Disposals	-	-	-	(139,200)	(139,200)
Balance as at 31 December	<u>511,113</u>	<u>596,742</u>	<u>1,695,720</u>	<u>365,825</u>	<u>3,169,400</u>
Accumulated depreciation:					
Balance as at 1 January	-	230,769	1,527,792	313,323	2,071,884
Depreciation for the year	-	11,069	52,659	26,796	90,524
Disposals	-	-	-	(139,200)	(139,200)
Balance as at 31 December	<u>-</u>	<u>241,838</u>	<u>1,580,451</u>	<u>200,919</u>	<u>2,023,208</u>
Net book value as at 31 December	<u>511,113</u>	<u>354,904</u>	<u>115,269</u>	<u>164,906</u>	<u>1,146,192</u>

JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY
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(12) INTANGIBLE ASSETS, NET

This item consists of the following:

	Computer systems and programs	
	31 December	
	2024	2023
	JD	JD
Cost:		
Balance as at 1 January	1,417,036	1,309,512
Additions	99,382	107,524
Disposals	(11,646)	-
Balance as at 31 December	1,504,772	1,417,036
Accumulated amortization:		
Balance as at 1 January	1,122,392	967,933
Amortization for the year	140,583	154,459
Disposals	(11,646)	-
Balance as at 31 December	1,251,329	1,122,392
Net book value as at 31 December	253,443	294,644

(13) OTHER ASSETS

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Refundable deposits	1,086,492	1,216,692
Prepaid expenses	488,952	570,784
Accrued revenues	303,065	232,495
Employee receivables	73,301	87,114
Other receivables	1,355,296	1,656,717
	3,307,106	3,763,802
Less: Provision for expected credit losses*	(122,795)	(72,795)
	3,184,311	3,691,007

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* The movement in the allowance for expected credit losses during the year is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	72,795	75,778
Provision for expected credit losses for the year	50,000	-
Recovered from expected credit losses for the year	-	(2,983)
Balance at the end of the year	<u>122,795</u>	<u>72,795</u>

(14) OTHER PROVISIONS

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Provision for end-of-service compensation	664,299	832,011
Provision for commission on collective profits insurance policies	261,934	268,596
Provision for insurance management fees	86,603	89,085
Provision for default reserve in reinsurance	9,479	4,864
Provision vacation allowance	3,400	3,400
	<u>1,025,715</u>	<u>1,197,956</u>

Movements on other provisions were as follows:

	31 December 2024				31 December 2023
	Beginning balance for the year	Provision for the year	Paid during the year	Ending balance for the year	Ending balance for the year
	JD	JD	JD	JD	JD
Provision for end-of-service compensation	832,011	150,633	(318,345)	664,299	832,011
Provision for commission on collective profits					
Insurance policies	268,596	-	(6,662)	261,934	268,596
Provision for insurance management fees	89,085	343,700	(346,182)	86,603	89,085
Provision for default reserve in reinsurance	4,864	4,615	-	9,479	4,864
Provision vacation allowance	3,400	-	-	3,400	3,400
	<u>1,197,956</u>	<u>498,948</u>	<u>(671,189)</u>	<u>1,025,715</u>	<u>1,197,956</u>

(15) OTHER LIABILITIES

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Accrued sales tax	606,808	659,635
Revenues received in advance	402,829	423,980
Accrud expenses	206,711	177,944
Deposit of the Ministry of Finance	83,128	90,689
Board members remuneration	65,000	60,000
Life insurance deposits	14,578	14,596
Unpaid visa deposits	2,411	10,243
Entitlement deposits for individual insurance policies	5,685	5,685
Car parking deposits	4,940	4,920
Others	-	186,187
	<u>1,392,090</u>	<u>1,633,879</u>

(16) PAID-IN CAPITAL

The authorized paid-in capital amounted to JD 30,000,000 divided into 30,000,000 shares with a par value of JD 1 per each as at 31 December 2024 and 31 December 2023.

(17) STATUTORY RESERVE

This amount represents appropriations at 10% of net income before income tax. Moreover, the reserve balance amounted to 25% of the Company's capital according to the Companies Law. This reserve is not available for distribution to shareholders.

(18) FAIR VALUE RESERVE

The Movement on the fair value reserve during the year were as follows:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	(1,048,967)	(4,374,701)
Changes in fair value, net	(1,191,023)	3,325,734
Transfer from fair value reserve to retained earnings	(8,203)	-
Balance at the end of the year	<u>(2,248,193)</u>	<u>(1,048,967)</u>

(19) RETAINED EARNINGS

The Movement on retained earnings during the year were as follows:

	31 December 2024	31 December 2023
	<u>JD</u>	<u>JD</u>
Balances at the beginning of the year	7,764,836	5,954,952
Prior year adjustments	(800,480)	-
Adjusted balance	6,964,356	5,954,952
Transfer from fair value reserve to retained earnings	8,203	-
Profit for the year	2,310,557	1,809,884
Balance at the end of the year	<u>9,283,116</u>	<u>7,764,836</u>

The retained earnings balance includes an amount of JD 2,576,570 restricted against deferred tax assets as at 31 December 2024 (31 December 2023: JD 2,521,241).

The retained earnings balance includes an amount of JD 933,731 as at 31 December 2024, representing the difference between the deficit of fair value reserve of JD 2,248,193 and the effect of early adoption of International Financial Reporting Standard No. (9) of JD 1,314,462 which represents the revaluation differences and may not be used until realized according to the regulations of the Jordan Securities Commission.

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(20) INSURANCE CONTRACTS REVENUES

2024 -	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	27,148,951	17,557,554	344,247	712,454	1,655,310	10,819,236	173,057	29,070,762	87,481,571
Insurance contracts issuance fees	618,946	80,680	17,945	6,752	12,844	195,974	985	436,055	1,370,181
Expected incurred claims	-	-	-	-	-	-	-	125,918	125,918
Allocation of a portion of the premiums related to the recovery of cash flows for the acquisition of insurance	-	-	-	-	-	-	-	(149)	(149)
Expected incurred expenses	-	-	-	-	-	-	-	620	620
Change in risk adjustments – non financial	-	-	-	-	-	-	-	(23)	(23)
	27,767,897	17,638,234	362,192	719,206	1,668,154	11,015,210	174,042	29,633,183	88,978,118

2023 -	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	21,934,212	17,435,630	1,315,063	868,583	1,361,896	11,087,155	172,519	31,764,879	85,939,937
Insurance contracts issuance fees	904,245	132,325	43,371	9,393	15,597	309,402	1,186	434,038	1,849,557
Expected incurred claims	-	-	-	-	-	-	-	113,085	113,085
Allocation of a portion of the premiums related to the recovery of cash flows for the acquisition of insurance	-	-	-	-	-	-	-	746	746
Expected incurred expenses	-	-	-	-	-	-	-	9,250	9,250
Change in risk adjustments – non financial	-	-	-	-	-	-	-	98	98
	22,838,457	17,567,955	1,358,434	877,976	1,377,493	11,396,557	173,705	32,322,096	87,912,673

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(21) INSURANCE CONTRACTS EXPENSES

	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024 -									
Incurred insurance claims	(23,124,968)	(1,108,219)	(20,949)	(106,531)	(447,729)	(7,765,987)	138,831	(21,925,865)	(54,361,417)
Amortization of acquisition costs	(2,039,194)	(440,665)	(33,249)	(38,037)	(100,489)	(642,436)	(13,218)	(2,775,738)	(6,083,026)
General and administrative expenses (Note 29)	(2,503,563)	(461,620)	(8,369)	(30,479)	(57,013)	(953,889)	(7,716)	(639,826)	(4,662,475)
Recovered from loss from onerous contracts	(856,785)	-	-	-	-	(74,399)	-	(4,480)	(935,664)
Risk adjustments - non-financial	(113,514)	(31,259)	(733)	(7,351)	(16,014)	(2,163)	(1,361)	312,689	140,294
Total insurance contracts expense	(28,638,024)	(2,041,763)	(63,300)	(182,398)	(621,245)	(9,438,874)	116,536	(25,033,220)	(65,902,288)

	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2023 -									
Incurred insurance claims	(16,659,592)	(1,207,682)	535,853	42,286	(343,785)	(8,757,597)	(113,732)	(23,832,888)	(50,337,137)
Amortization of acquisition costs	(3,335,935)	(662,465)	(43,499)	(58,435)	(155,887)	(1,152,922)	(24,009)	(2,498,066)	(7,931,218)
General and administrative expenses (Note 29)	(2,276,946)	(436,208)	(28,365)	(23,909)	(52,392)	(901,351)	(5,981)	(618,177)	(4,343,329)
Recovered from loss from onerous contracts	(270,948)	-	-	-	-	-	-	40,833	(230,115)
Risk adjustments - non-financial	(75,740)	(285,083)	111,859	(36,368)	(74,090)	110,142	(26,913)	(128,376)	(404,569)
Total insurance contracts expense	(22,619,161)	(2,591,438)	575,848	(76,426)	(626,154)	(10,701,728)	(170,635)	(27,036,674)	(63,246,368)

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(22) RE- INSURANCE CONTRACTS REVENUES

2024 -	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Contract Liabilities – for Remaining Coverage									
Expected Incurred Claims	-	-	-	-	-	-	-	(14,133)	(14,133)
Change in Risk Adjustments – Non-Financial	-	-	-	-	-	-	-	(28)	(28)
Accrude contractual Service Margin	-	-	-	-	-	-	-	(9,110)	(9,110)
Other Revenue	(819,799)	(17,029,592)	(328,569)	(677,041)	(1,352,894)	(4,001,935)	(47,352)	(18,296,393)	(42,553,575)
Excess of Loss Expense	(516,560)	(320,417)	-	-	(55,000)	-	-	-	(891,977)
	(1,336,359)	(17,350,009)	(328,569)	(677,041)	(1,407,894)	(4,001,935)	(47,352)	(18,319,664)	(43,468,823)

2023 -	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Contract Liabilities – for Remaining Coverage									
Expected Incurred Claims	-	-	-	-	-	-	-	(32,277)	(32,277)
Change in Risk Adjustments – Non-Financial	-	-	-	-	-	-	-	(26)	(26)
Accrude contractual Service Margin	-	-	-	-	-	-	-	(7,064)	(7,064)
Other Revenue	(798,245)	(16,983,767)	(1,300,710)	(833,084)	(1,098,827)	(4,134,915)	(47,785)	(20,401,137)	(45,598,470)
Excess of Loss Expense	(581,811)	(324,034)	-	-	(55,000)	-	-	-	(960,845)
	(1,380,056)	(17,307,801)	(1,300,710)	(833,084)	(1,153,827)	(4,134,915)	(47,785)	(20,440,504)	(46,598,682)

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(23) REINSURANCE CONTRACTS RECOVERIES

	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024 -									
Insured insurance Claims	1,429,027	1,064,036	12,068	77,790	373,895	3,490,428	(25,379)	16,450,547	22,872,412
Amortization of acquisition costs	106,349	868,790	98,831	69,279	285,605	-	9,058	168,352	1,606,264
Loss on Onerous Contracts	5,149	-	-	-	-	(2,308)	-	(27,563)	(24,722)
Change in Non-Financial Risk Adjustments	11,293	24,056	(66)	4,022	14,256	(3,403)	4,874	(160,354)	(105,322)
Total contrucual insurance expenses	1,551,818	1,956,882	110,833	151,091	673,756	3,484,717	(11,447)	16,430,982	24,348,632
2023 -									
	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance Claims	357,691	1,065,693	(524,177)	(49,284)	239,431	4,013,262	(4,345)	17,652,549	22,750,820
Amortization of acquisition costs	212,353	1,651,990	159,994	94,896	300,745	-	32,760	29,026	2,481,764
Loss on Onerous Contracts	-	-	-	-	4,664	1,971	-	(23,108)	(16,473)
Change in Non-Financial Risk Adjustments	(745)	229,845	(92,893)	25,789	49,819	(38,182)	9,808	73,336	256,777
Total contrucual insurance expenses	569,299	2,947,528	(457,076)	71,401	594,659	3,977,051	38,223	17,731,803	25,472,888

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(24) FINANCE EXPENSE - INSURANCE CONTRACTS, NET

	<u>2024</u>	<u>2023</u>
	JD	JD
Finance expense	<u>(630,665)</u>	<u>(330,729)</u>

The Company used discount rates that ranged between 1% and 4% as at 31 December 2024 (31 December 2023: 1% and 4%).

(25) FINANCE INCOME – REINSURANCE CONTRACTS, NET

	<u>2024</u>	<u>2023</u>
	JD	JD
Finance income	<u>62,947</u>	<u>10,759</u>

The Company used discount rates that ranged between 1% and 2% as at 31 December 2024 and 2023.

(26) INTEREST INCOME

This item consists of the following:

	<u>2024</u>	<u>2023</u>
	JD	JD
Bank interests	1,298,810	1,040,271
Cash dividends	<u>169,944</u>	<u>200,000</u>
Total	1,468,754	1,240,271
Amount transferred to insurance revenues	<u>(169,944)</u>	<u>(200,000)</u>
	<u>1,298,810</u>	<u>1,040,271</u>

(27) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

This item consists of the following:

	<u>2024</u>	<u>2023</u>
	JD	JD
Cash dividends from financial assets at fair value through profit or loss	256,087	478,061
Rental income – net	412,468	368,931
Gain on the sale of financial assets at fair value through profit or loss	563	22,861
(Loss) Gain on the valuation of financial assets at fair value through profit or loss	(122,162)	917
	<u>546,956</u>	<u>870,770</u>

(28) OTHER REVENUE, NET

This item consists of the following:

	<u>2024</u>	<u>2023</u>
	JD	JD
Currency exchange losses	(102,651)	(81,359)
Help-on-the-road service premiums	36,590	27,587
Treaties profits*	55,293	136,519
Earned discount	121,557	116,519
Others	463,139	497,955
	<u>573,928</u>	<u>697,221</u>

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

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(29) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries and bonuses	2,508,279	2,425,215
Medical services management	481,246	465,903
Expected credit loss expense	238,910	300,290
Medical expenses	258,293	249,247
Depreciation and amortization	214,455	218,057
Insurance authority fees	205,282	216,223
Legal and attorney's fees	257,797	214,854
The company's share of social security	216,204	209,670
Computer software services	120,571	170,704
Government fees and other fees	149,422	149,264
Expenses of the Jordanian Federation of Insurance Companies	159,937	142,404
Travel and transportation	108,466	123,202
Professional fees	152,127	115,315
Marketing expenses	100,479	93,711
Post and telecommunication	97,949	93,316
Allowable deduction expenses	96,283	88,483
Donations and gifts	23,484	83,138
Miscellaneous vehicle insurance expenses	250,758	169,368
Transportation allowance for members of the Board of Directors	103,369	69,261
Rent	91,299	68,988
Stationery and publications	73,693	67,387
Water, electricity and heating	40,609	47,336
Insurance expenses	59,114	38,499
Tenders and guarantees expenses	59,865	33,938
Advertising, publishing and marketing	4,839	3,915
Provision for end-of-service indemnity	89,969	29,070
National agent commissions external	5,734	21,909
Hospitality and gifts	20,261	21,286
Subscriptions	9,872	8,564
Employees development and training	5,823	7,578
Bank interest and commissions	22,203	5,664
Computer maintenance	4,365	5,636
Maintenance	2,814	2,759
Licenses to use computer programs	11,382	775
Revaluation expenses	7,646	547
Others	618,012	521,584
Total	<u>6,870,811</u>	<u>6,483,060</u>
Total general and administrative expenses allocated to insurance contracts expenses (Note 21)	<u>4,662,475</u>	<u>4,343,329</u>
Total general and administrative expenses unallocated to insurance contracts expenses	<u>2,208,336</u>	<u>2,139,731</u>

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(30) OTHER EXPENSES

This item consists of the following:

	2024	2023
	JD	JD
End-of-service indemnity	-	29,466
Provision for default in insurance companies	4,615	-
Board of directors bonuses	-	55,000
	<u>4,615</u>	<u>84,466</u>

(31) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT FOR THE YEAR

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

	31 December 2024	31 December 2023
	JD	JD
Profit for the year	<u>2,310,557</u>	<u>1,809,884</u>
	Share	Share
Weighted average number of shares	<u>30,000,000</u>	<u>30,000,000</u>
	JD/share	JD/share
Basic and diluted earnings per share for the year	<u>0/077</u>	<u>0/060</u>

(32) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	31 December 2024	31 December 2023
	JD	JD
Deposits mature within three months (Note 3)	29,472,159	24,144,621
Current accounts at banks (Note 8)	4,408,247	2,684,173
Cash on hand (Note 8)	157,261	36,205
Cash and Cash Equivalent	<u>34,037,667</u>	<u>26,864,999</u>

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(33) RELATED PARTY TRANSACTIONS AND BALANCES

The related parties represent shareholders and companies in which they are major shareholders, subsidiaries, and the Company's senior executive management. Prices and terms related to these transactions are approved by the Company's management.

Below is a summary of the balances with related parties as shown in the statement of financial position as at 31 December:

	Nature of relationship	31 December 2024	31 December 2023
		JD	JD
Due from related parties-Policyholders' receivables			
	Company's employees' saving fund	242,337	242,337
Jordan Insurance Company Saving Fund			
	Company owned by a Board Member	194,260	206,862
Industrial Commercial Company			
	Company owned by a Board Member	272,346	248,818
Jordanian Commercial Company			
Other receivables		13,526	26,666
		<u>722,469</u>	<u>724,683</u>
Due to related parties			
Other payables		74,973	52,080
		<u>74,973</u>	<u>52,080</u>

Transactions with related parties included in the statement of income are as follows:

	Nature of relationship	2024	2023
		JD	JD
Underwriting premiums			
	Company owned by a Board Member	418,208	303,368
Jordanian Commercial Company			
	Company owned by a Board Member	372,141	267,582
Industrial Commercial Company			
	Company owned by a Board Member	189,397	193,151
Jordanian Commercial Company / Insurance receivables			
Other underwriting revenues		62,831	104,301
		<u>1,042,577</u>	<u>868,402</u>

Top Executive management (salaries, bonuses, and other benefits) are as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries and bonuses	<u>451,658</u>	<u>463,462</u>

(34) LAWSUITS AGAINST THE COMPANY

There are lawsuits against the Company claiming compensation on various accidents, The lawsuits at courts with determined amounts amounted to JD 1,773,247 as at 31 December 2024 (31 December 2023: JD 1,374,276). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions within the insurance contracts liabilities shall arise.

(35) CONTINGENT LIABILITIES

As at the date of the statement of financial position, the Company had contingent liabilities represented in bank guarantees in an amount of JD 3,322,937 guaranteed by the Company's solvency as at 31 December 2024 (JD 2,879,895 as at 31 December 2023).

(36) FAIR VALUE LEVELS

A - The fair value of the Company's financial assets, which are continuously determined at fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether this price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Some of the Company's financial assets are measured at fair value at the end of each financial year, and the following table provides information on how the fair value of these financial assets is determined (valuation methods and inputs used).

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
31 December 2024				
Financial assets:				
Financial assets at fair value through other comprehensive income	17,856,530	-	4,454,683	22,311,213
Financial assets at fair value through profit or loss	1,942,873	-	-	1,942,873
Financial assets at amortized cost	-	-	1,119,590	1,119,590
	<u>19,799,403</u>	<u>-</u>	<u>5,574,273</u>	<u>25,373,676</u>
31 December 2023				
Financial assets:				
Financial assets at fair value through other comprehensive income	19,206,725	-	4,454,504	23,661,229
Financial assets at fair value through profit or loss	2,407,605	-	-	2,407,605
Financial assets at amortized cost	-	-	673,550	673,550
	<u>21,614,330</u>	<u>-</u>	<u>5,128,054</u>	<u>26,742,384</u>

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2024, and the year ended 31 December 2023.

(37) THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES THAT ARE NOT PRESENTED AT FAIR VALUE IN THE FINANCIAL STATEMENTS

There are no significant differences between the book value and the fair value of financial assets and liabilities as of the end of 2024 and 2023.

(38) RISK MANAGEMENT

First: Explanatory Disclosures:

Risk management is the evaluation of the risk process of measurement and development of strategies to manage it. These strategies include the transfer of risks to another party, avoiding and mitigating their adverse effect on the Company, in addition to accepting the related consequences partially or wholly. Risk management can be divided into four sections:

First: Material risks such as natural catastrophes, fires, accidents, and other external risks not relating to the Company's operations.

Second: Legal risks resulting from legal claims or any risks arising from the laws and regulations issued by the Central Bank of Jordan and the related non-compliance.

Third: Intangible risks that are difficult to identify such as knowledge risk that occurs upon the application of inadequate knowledge by employees, Moreover, relationships risks occur when there is inefficient cooperation with clients. All these risks reduce the employee's productivity in knowledge and lessen the effectiveness of expenditures, profit, service, quality, reputation, and the quality of gains.

Management of risks adopted by the Company relies on prioritizing so that risks with huge losses and high probability are treated first while risks with lower losses and lesser probability are treated later on.

Risk Management Policy

First: Planning and Preparation

The work scope plan and criteria for adopting and evaluating risks at the Company have been set through creating the Institutional Development and Quality Department that monitors this performance.

Second: Identification of Risks

Risks represent events that create problems upon their occurrence. Therefore, these problems should be identified at their origin, When the problem or its origin is identified, the related accident may lead to new risks that can be treated prior to their occurrence. There are many ways to identify risks such as identification based on objectives as each of the Company's sections has certain objectives it endeavors to achieve. Any event that threatens the achievement of these objectives is considered a risk. Based on this, risks are studied and pursued. Moreover, there is a type of risk identification based on a comprehensive classification of all probable sources of risk. Still another type of risk identification is common risks especially for similar companies.

Third: Risk Treatment Method

The Company deals with probable risks by means of the following methods:

- **Transfer:** This represents the process of transferring the risk to another party through contracts or financial protection.
- **Avoidance:** This is an active process to ward off risk through avoiding works that lead to risks. Avoidance is the best preventive method against risk. This may deprive the Company from conducting certain activities profitable for the Company.
- **Reduction:** This is the process of decreasing the loss arising from the occurrence of risk.
- **Acceptance:** There should be a policy to accept unavoidable risks as acceptance of small risks is an effective strategy.

Fourth: Plan

An easy and clear plan has been set to deal with risks through a pricing policy that relies on historical statistics to avoid the occurrence of risks from any insurance branch so that the premium covers the probable cumulative risks.

Fifth: Execution

The Company's technical departments execute the plan so that the risk effects are mitigated. Moreover, all avoidable risks are avoided.

Sixth: Plan Review and Evaluation

The risks department follows up on the Company's development and constantly and continuously develops and upgrades the plan in effect.

Risk Management Arrangements

Determinants

Top priority is given to the Risks Department, This affects the Company's productivity and profitability, Moreover, the Risks Department distinguishes between actual risk and doubt, priorities are given to risks with huge losses and high probability so as to avoid them.

Risks Management Responsibilities

- Upgrading the risk data base constantly and continuously.
- Predicting any probable risk.
- Cooperating with executive management to treat risks and mitigate risk.
- Preparing plans and risk reports continuously in order to avoid the probable risk or reduce the probability of its occurrence.

Risk Treatment Strategy

- Determining the Company's objectives.
- Clarifying strategies for the Company's objectives.
- Distinguishing risk.
- Assessing risk.
- Identifying methods to avoid and treat risk.

Second: Quantitative Disclosures:

A - Insurance Risk

1. Insurance Risk

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

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

The Company is engaged in insurance business against fire, accidents, marine and transportation, motor insurance, public liability, and medical insurance through its main branch located in Jabal Amman, 3rd circle in Amman and its branches in United Arab Emirates and Kuwait.

Through its personnel consisting of professionals and administrative staff, the Company provides the best service to its clients, Moreover, a plan has been set to protect it against probable risks whether natural or unnatural. This requires that the necessary provisions as well as the necessary technical equipment be made available to maintain the Company's continuity and viability, hence, the necessity to set the risk management strategy.

Steps in Determining Assumptions

These steps rely on the internal data derived from the quarterly claims reports and the sorting of the executed insurance policies as at the statement of financial position date to identify the outstanding insurance policies, The effective results for the year's accidents are selected for each type of insurance based on the evaluation of the most appropriate mechanism for observing the historical development.

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2. Claims Development

The schedules below show the actual claims (based on management's estimates at year-end) compared to the expectations for the past four years based on the year in which the vehicles insurance claims were reported and on the year in which underwriting of the other general insurance types was executed as follows:

Gross - Motor Insurance:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	11,871,909	13,476,710	15,494,655	18,229,364	25,879,985	84,952,623
After one year	11,167,093	12,578,528	14,845,801	18,259,011	-	56,850,433
After two years	11,161,259	12,324,655	14,954,523	-	-	38,440,437
After three years	11,216,883	12,075,240	-	-	-	23,292,123
After Four years	10,910,039	-	-	-	-	10,910,039
Total accumulated claims paid	10,565,506	11,451,715	13,643,167	15,320,731	15,518,045	66,499,164
Total liabilities	2,805,171	623,525	1,311,356	2,938,280	10,361,940	18,040,272
Discounting effect	-	-	-	-	-	(582,497)
Total liabilities for incurred claims	2,805,171	623,525	1,311,356	2,938,280	10,361,940	17,457,775

Net - Motor Insurance:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	11,624,105	13,246,555	15,133,338	17,818,509	25,073,511	82,896,018
After one year	10,928,900	12,364,054	14,485,240	17,935,893	-	55,714,087
After two years	10,914,037	12,122,759	14,604,111	-	-	37,640,907
After three years	10,972,557	11,880,562	-	-	-	22,853,119
After Four years	10,650,568	-	-	-	-	10,650,568
Total accumulated claims paid	10,350,509	11,258,189	13,387,293	15,017,053	15,097,052	65,110,096
Total liabilities	2,607,186	622,373	1,216,818	2,918,841	9,976,459	17,341,677
Discounting effect	-	-	-	-	-	(563,892)
Total liabilities for incurred claims	2,607,186	622,373	1,216,818	2,918,841	9,976,459	16,777,785

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Gross - Medical:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	6,948,394	7,893,642	8,262,820	8,694,866	8,089,885	39,889,607
After one year	6,775,313	8,174,844	8,295,455	8,393,061	-	31,638,673
After two years	6,780,703	8,201,240	8,316,163	-	-	23,298,106
After three years	6,781,429	8,175,858	-	-	-	14,957,287
After four years	6,781,429	-	-	-	-	6,781,429
Total accumulated claims paid	6,781,429	8,175,858	8,316,163	8,392,185	7,040,537	38,706,172
Total liabilities	-	-	-	877	1,049,348	1,050,225
Total liabilities for incurred claims	-	-	-	877	1,049,348	1,050,225

Net - Medical:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	3,679,134	4,310,950	4,507,480	4,722,284	4,460,425	21,680,273
After one year	3,583,212	4,473,773	4,517,814	4,554,100	-	17,128,899
After two years	3,584,499	4,482,117	4,525,938	-	-	12,592,554
After three years	3,584,898	4,474,730	-	-	-	8,059,628
After four years	3,584,898	-	-	-	-	3,584,898
Total accumulated claims paid	3,584,898	4,474,730	4,525,938	4,553,827	3,891,818	21,031,211
Total liabilities	-	-	-	275	568,607	568,882
Total liabilities for incurred claims	-	-	-	275	568,607	568,882

Gross - Fire:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	8,457,160	1,549,558	2,359,581	1,426,869	3,263,365	17,056,533
After one year	2,447,874	391,053	2,250,526	565,385	-	5,654,838
After two years	2,316,024	322,732	2,116,829	-	-	4,755,585
After three years	2,199,009	324,277	-	-	-	2,523,286
After four years	2,203,358	-	-	-	-	2,203,358
Total accumulated claims paid	2,187,527	266,944	1,249,727	400,089	219,461	4,323,748
Total liabilities	102,887	57,333	867,102	165,295	3,043,903	4,236,520
Total liabilities for incurred claims	102,887	57,333	867,102	165,295	3,043,903	4,236,520

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Net - Fire:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	219,474	73,192	185,901	1,000,449	2,385,802	3,864,818
After one year	239,493	29,497	(295,579)	1,025	-	(25,564)
After two years	132,634	26,163	(1,823,997)	-	-	(1,665,200)
After three years	108,494	(15,695)	-	-	-	92,799
After four years	105,397	-	-	-	-	105,397
Total accumulated claims paid	100,583	28,069	94,478	91,614	34,286	349,030
Total liabilities	(86,367)	(43,764)	(1,918,474)	(90,589)	2,351,516	212,322
Total liabilities for incurred claims	(86,367)	(43,764)	(1,918,474)	(90,589)	2,351,516	212,322

Gross - Marine:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	1,187,285	457,478	394,640	401,464	524,949	2,965,816
After one year	966,428	435,570	379,626	281,617	-	2,063,241
After two years	964,962	420,748	393,480	-	-	1,779,190
After three years	985,074	418,470	-	-	-	1,403,544
After four years	982,366	-	-	-	-	982,366
Total accumulated claims paid	888,112	304,949	323,905	232,069	187,489	1,936,524
Total liabilities	495,022	113,522	69,575	49,547	337,460	1,065,126
Total liabilities for incurred claims	495,022	113,522	69,575	49,547	337,460	1,065,126

Net - Marine:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	193,536	118,792	118,783	157,703	155,604	744,418
After one year	129,533	101,031	106,149	85,488	-	422,201
After two years	129,446	94,091	106,528	-	-	330,065
After three years	134,337	93,519	-	-	-	227,856
After four years	133,368	-	-	-	-	133,368
Total accumulated claims paid	123,266	81,190	98,573	72,419	61,555	437,003
Total liabilities	23,907	12,330	7,955	13,070	94,049	151,311
Total liabilities for incurred claims	23,907	12,330	7,955	13,070	94,049	151,311

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Gross- Liability:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	1,239,611	74,383	437,705	278,411	495,121	2,525,231
After one year	229,182	18,514	102,918	26,100	-	376,714
After two years	54,290	17,810	46,845	-	-	118,945
After three years	71,583	9,916	-	-	-	81,499
After four years	25,405	-	-	-	-	25,405
Total accumulated claims paid	25,405	9,916	46,717	21,890	6,685	110,613
Total liabilities	-	-	128	4,210	488,436	492,774
Total liabilities for incurred claims	-	-	128	4,210	488,436	492,774

Net - Liability:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	130,382	14,566	40,663	190,275	53,044	428,930
After one year	23,535	3,359	(44,430)	10,064	-	(7,472)
After two years	4,571	(4,396)	10,855	-	-	11,030
After three years	(56,445)	2,975	-	-	-	(53,470)
After four years	4,674	-	-	-	-	4,674
Total accumulated claims paid	4,674	2,975	10,728	5,854	1,722	25,953
Total liabilities	-	-	128	4,210	51,322	55,660
Total liabilities for incurred claims	-	-	128	4,210	51,322	55,660

Gross - Life:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	16,650,475	26,692,679	19,990,939	21,588,002	21,877,552	106,799,647
After one year	16,753,187	28,897,257	21,926,012	21,082,069	-	88,658,525
After two years	16,917,685	28,994,504	21,790,411	-	-	67,702,600
After three years	17,014,348	29,450,939	-	-	-	46,465,287
After four years	17,006,652	-	-	-	-	17,006,652
Total accumulated claims paid	16,693,081	28,582,800	20,861,417	19,888,528	13,896,516	99,922,342
Total liabilities	1,514,800	868,139	928,993	1,193,541	7,981,035	12,486,508
Total liabilities for incurred claims	1,514,800	868,139	928,993	1,193,541	7,981,035	12,486,508

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Net - Life:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	4,281,802	5,853,920	5,070,285	5,552,258	5,442,903	26,201,168
After one year	4,236,184	6,536,401	5,672,949	5,408,489	-	21,854,023
After two years	4,280,933	6,503,983	5,616,323	-	-	16,401,239
After three years	4,294,843	6,519,470	-	-	-	10,814,313
After four years	4,295,619	-	-	-	-	4,295,619
Total accumulated claims paid	4,227,107	6,379,443	5,445,020	5,206,109	3,902,548	25,160,227
Total liabilities	254,890	140,027	171,303	202,379	1,540,355	2,308,954
Total liabilities for incurred claims	254,890	140,027	171,303	202,379	1,540,355	2,308,954

Gross - Others:

The accident occurrence year -	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	90,328	203,644	51,111	139,910	11,781	496,774
After one year	63,396	178,195	61,715	158,772	-	462,078
After two years	65,129	176,048	62,597	-	-	303,774
After three years	65,361	106,107	-	-	-	171,468
After four years	27,766	-	-	-	-	27,766
Total accumulated claims paid	8,646	90,842	58,005	31,552	91	189,136
Total liabilities	155,404	15,265	4,592	127,221	11,689	314,171
Total liabilities for incurred claims	155,404	15,265	4,592	127,221	11,689	314,171

Net - Others:

The accident occurrence year -	2019 and before JD	2020 JD	2021 JD	2023 JD	2024 JD	Total JD
At the end of the year	32,694	78,183	41,601	116,249	5,033	273,760
After one year	27,385	65,058	58,486	75,800	-	226,729
After two years	28,825	62,714	59,694	-	-	151,233
After three years	29,070	29,346	-	-	-	58,416
After four years	10,482	-	-	-	-	10,482
Total accumulated claims paid	(1,381)	20,974	58,005	31,552	91	109,241
Total liabilities	67,289	8,372	1,689	44,248	4,942	126,540
Total liabilities for incurred claims	67,289	8,372	1,689	44,248	4,942	126,540

3. INSURANCE RISK CONCENTRATIONS

Below are schedules presenting risk concentration based on insurance types and the geographical distribution:

Insurance liabilities are concentrated based on insurance type as follows:

	2024		2023	
	Net	Gross	Net	Gross
	JD	JD	JD	JD
Motor	17,626,208	18,328,242	15,595,205	16,082,685
Marine	189,091	1,176,012	205,388	999,854
Fire and properties	318,970	4,665,104	290,927	4,313,198
Liability	71,238	543,321	44,682	462,462
Medical	616,238	1,110,261	783,442	1,429,503
Life	2,379,478	12,658,808	2,510,505	11,801,733
Others	147,762	350,404	198,584	335,428
Total	21,348,985	38,832,152	19,628,733	35,424,863

Assets and liabilities are concentrated based on geographical distribution and sectors as follows:

	31 December 2024		31 December 2023	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
A- According to geographical area				
Inside Jordan	95,410,720	50,356,495	94,057,885	47,510,036
Other Middle East Countries	9,899,276	10,418,578	3,941,499	6,273,479
Europe	-	-	-	-
Asia *	-	-	-	-
Africa *	-	-	-	-
United States of America	-	-	-	-
Other Countries	-	-	-	-
	9,899,276	10,418,578	3,941,499	6,273,479
Total	105,309,996	60,775,073	97,999,384	53,783,515

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* Except for Middle East countries.

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
B- According to Sector				
Public sector	656,599	6,857	707,287	14,641
Private sector	-	-	-	-
Companies and corporations	102,258,340	60,466,241	94,777,427	53,496,711
Individuals	2,395,057	301,975	2,514,670	272,163
Total	105,309,996	60,775,073	97,999,384	53,783,515

INSURANCE RISK SENSITIVITY

The table below shows the effect of the possible reasonable change in underwriting premium rates on the statement of income and equity keeping all other affecting variables fixed.

2024 -	Change	CSM		Effect on the current year's pre-tax profit		Effect on equity	
		Gross	Net	Gross	Net	Gross	Net
		JD	JD	JD	JD	JD	JD
	%						
Mortality rate	+5	7,945	101,890	3,532	92,499	3,532	92,499
Mortality rate	-5	8,071	109,548	3,614	96,796	3,614	96,796
Longevity	+5	8,071	10,9548	3,614	96,796	3,614	96,796
Longevity	-5	7,945	101,890	3,532	92,499	3,532	92,499
Expenses	+5	7,066	5,215	4,189	8,720	4,189	8,720
Expenses	-5	7,083	98,651	4,205	90,471	4,205	90,471
Expiration rate	+5	3,326	109,478	6,611	101,083	6,611	101,083
Expiration rate	-5	2,441	102,898	6,142	88,756	6,142	88,756

2023 -	Change	CSM		Effect on the current year's pre-tax profit		Effect on equity	
		Gross	Net	Gross	Net	Gross	Net
		JD	JD	JD	JD	JD	JD
	%						
Mortality rate	+5	4,015	38,743	(851)	31,104	(851)	31,104
Mortality rate	-5	(4,078)	39,402	834	34,798	834	34,798
Longevity	+5	(4,078)	39,402	834	34,798	834	34,798
Longevity	-5	4,015	38,743	(851)	31,104	(851)	31,104
Expenses	+5	3,570	2,886	399	(6,411)	399	(6,411)
Expenses	-5	(3,579)	35,507	(407)	32,554	(407)	32,554
Expiration rate	+5	1,681	40,921	5,302	38,075	5,302	38,075
Expiration rate	-5	(1,233)	37,707	(5,313)	27,841	(5,313)	27,841

B- Financial Risks

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

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

1- Market Risks

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

	Change in the indicator	Effect on profit for the year	Effects on shareholder's equity
	%	JD	JD
2024	5	97,144	892,827
2023	5	120,380	960,336

In the case of a negative change, the impact will be equal to the above change but with the opposite sign.

2- Interest Rate Risk

The Company is exposed to interest rate risks on its interest-bearing assets and liabilities, such as bank deposits.

Interest rates on bank deposit balances in Jordanian dinars range from 3% to 6% and in dollars from 0.05% to 0.25% as at 31 December 2024 (31 December 2023: interest rates on bank deposit balances in Jordanian dinars ranged from 3% to 6% and in dollars from 0.05% to 0.25%).

The following table shows the income statement sensitivity to potential interest rate changes as at 31 December 2024 and 2023, assuming all other influencing variables remain constant.

Income statement sensitivity represents the impact of potential interest rate changes on the Company's profit for one year, calculated based on financial assets and liabilities with variable interest rates as at 31 December 2024 and 2023.

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	+ 0.5%		- 0.5%	
	2024	2023	2024	2023
	JD	JD	JD	JD
Increase (decrease) in profit for the year	159,123	132,528	(159,123)	(132,528)
Shareholders' equity	159,123	132,528	(159,123)	(132,528)

The table below shows the sensitivity of exposure to interest rates related to bonds as at 31 December 2024, where the analysis was prepared on the assumption that the outstanding bond amount on the date of the financial statements remained constant throughout the financial year.

	+ 0,5%		- 0,5%	
	2024	2023	2024	2023
	JD	JD	JD	JD
Increase (decrease) in profit for the year	5,598	3,368	(5,598)	(3,368)
Shareholders' equity	5,598	3,368	(5,598)	(3,368)

3- Foreign Currencies Risks

Foreign currency risk is the risk of changes in the value of financial instruments due to changes in foreign exchange rates. The Jordanian dinar is the Company's base currency. The Board of Directors sets limits for the financial position of each currency held by the Company. The foreign currency position is monitored daily, and strategies are followed to ensure that the foreign currency position remains within the approved limits.

Most of the Company's transactions are in Jordanian dinars and US dollars. The exchange rate of the Jordanian dinar is pegged at a fixed rate to the US dollar (1/41 dollars per dinar).

4- Liquidity Risk

Liquidity risk is the risk that the Company will be unable to provide the necessary funding to meet its obligations as they become due. To mitigate these risks, management diversifies funding sources, manages assets and liabilities, aligns their maturities, and maintains an adequate balance of cash and cash equivalents as well as marketable securities.

The Company monitors its liquidity needs on a monthly basis, and management ensures that sufficient funds are available to meet any obligations as they arise. Significant amounts of the Company's funds are invested in locally traded stocks.

Most of the Company's time deposits as at the financial statement date mature within original periods ranging from three months to one year.

The table below summarizes the maturities of financial liabilities based on the remaining period to the contractual maturity date from the date of the financial statements:

31 December 2024	Less than month	1 month to 3 months	3-6 months	6 months to 1 year	More than year	Total
	JD	JD	JD	JD	JD	JD
Liabilities -						
Insurance contracts liabilities	6,774,068	18,468,992	14,689,351	9,032,092	7,969,494	56,933,997
Income tax provision	454,630	-	693,659	-	-	1,148,289
Other provisions	124,259	-	-	-	901,456	1,025,715
Deferred tax liabilities	-	-	-	274,982	-	274,982
Other liabilities	1,049,616	163,349	74,752	19,248	85,125	1,392,090
Total Insurance Liabilities	8,402,573	18,632,341	15,457,762	9,326,322	8,956,075	60,775,073
Total Insurance Assets	6,864,625	3,641,727	8,976,586	12,815,477	73,011,581	105,309,996
31 December 2023						
Liabilities -						
Insurance contracts liabilities	5,856,896	15,968,390	12,700,492	7,809,195	6,890,466	49,225,439
Income tax provision	547,053	-	834,674	-	-	1,381,727
Other provisions	145,125	-	-	-	1,052,831	1,197,956
Deferred tax liabilities	-	-	-	344,514	-	344,514
Other liabilities	1,231,922	191,721	87,735	22,591	99,910	1,633,879
Total Insurance Liabilities	7,780,996	16,160,111	13,622,901	8,176,300	8,043,207	53,783,515
Total Insurance Assets	6,388,083	3,388,919	8,353,432	11,925,828	67,943,122	97,999,384

(39) MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	Within 1 year	More than 1 year	Total
	JD	JD	JD
<u>2024 -</u>			
Assets -			
Banks deposits	29,472,159	2,352,421	31,824,580
Financial assets at fair value through profit or loss	1,942,873	-	1,942,873
Financial assets at fair value through other comprehensive income	-	22,311,213	22,311,213
Financial assets at amortized cost	-	1,119,590	1,119,590
Investment property	-	15,852,736	15,852,736
Cash on hand and at banks	4,565,508	-	4,565,508
Reinsurance contracts assets - net	20,147,434	-	20,147,434
Deferred tax assets	-	2,992,943	2,992,943
Property and equipment – net	-	1,115,365	1,115,365
Intangible assets - net	-	253,443	253,443
Other assets	3,184,311	-	3,184,311
Total Assets	59,312,285	45,997,711	105,309,996
Liabilities -			
Insurance contracts liabilities	56,933,997	-	56,933,997
Other provisions	1,025,715	-	1,025,715
Income tax provision	1,148,289	-	1,148,289
Deferred tax liabilities	274,982	-	274,982
Other liabilities	1,392,090	-	1,392,090
Total Liabilities	60,775,073	-	60,775,073
Net Assets	(1,462,788)	45,997,711	44,534,923

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	Within 1 year	More than 1 year	Total
	JD	JD	JD
2023 -			
Assets -			
Banks deposits	24,144,621	2,360,962	26,505,583
Financial assets at fair value through profit or loss	2,407,605	-	2,407,605
Financial assets at fair value through other comprehensive income	-	23,661,229	23,661,229
Financial assets at amortized cost	-	673,550	673,550
Investment property	-	15,685,726	15,685,726
Cash on hand and at banks	2,720,378	-	2,720,378
Reinsurance contracts assets - net	18,316,779	-	18,316,779
Deferred tax assets	-	2,896,691	2,896,691
Property and equipment – net	-	1,146,192	1,146,192
Intangible assets - net	-	294,644	294,644
Other assets	3,341,070	349,937	3,691,007
Total Assets	50,930,453	47,068,931	97,999,384
Liabilities -			
Insurance contracts liabilities	49,225,439	-	49,225,439
Other provisions	1,197,956	-	1,197,956
Income tax provision	1,381,727	-	1,381,727
Deferred tax liabilities	344,514	-	344,514
Other liabilities	1,633,879	-	1,633,879
Total Liabilities	53,783,515	-	53,783,515
Net Assets	(2,853,062)	47,068,931	44,215,869

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(40) ANALYSIS OF MAIN SECTORS INCLUDING DISTRIBUTION OF THE ASSETS AND LIABILITIES OF THE COMPANY BY PRODUCT TYPE

	Motor		Marine and transportation		Fire and damages property		Liability		Medical		Personal Accidents		Life		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance Contract Assets:																
Reinsurance contracts assets	(1,323,652)	(1,700,406)	1,396,418	1,260,023	9,629,423	9,729,845	613,746	604,564	1,151,746	987,854	218,409	184,031	8,461,344	7,250,868	20,147,434	18,316,779
Accounts receivable	2,684,427	4,771,036	296,924	263,498	3,316,714	3,594,965	144,193	151,262	2,057,544	1,519,653	29,319	48,022	5,334,712	6,166,912	13,863,833	16,515,348
Financial assets	8,228,771	7,197,051	440,955	379,131	4,995,700	6,015,810	226,888	226,506	3,045,493	3,332,448	46,759	44,394	8,389,110	9,547,044	25,373,676	26,742,384
Investments property	5,141,097	4,221,425	275,496	222,379	3,121,168	3,528,569	141,753	132,857	1,902,735	1,954,645	29,214	26,039	5,241,273	5,599,812	15,852,736	15,685,726
Other assets	1,032,682	1,442,558	55,338	137,277	626,943	837,096	28,474	20,223	382,199	397,523	5,868	3,963	1,052,807	852,367	3,184,311	3,691,007
Total assets	15,763,325	15,931,664	2,465,131	2,262,308	21,689,948	23,706,285	1,155,054	1,135,412	8,539,717	8,192,123	329,569	306,449	28,479,246	29,417,003	78,421,990	80,951,244
Insurance Contract Liabilities:																
Insurance contracts liabilities	30,294,094	26,463,422	1,585,268	1,252,349	8,944,140	8,054,788	625,857	492,429	4,024,172	3,887,010	394,800	351,381	11,065,666	8,724,060	56,933,997	49,225,439
Other provisions	332,643	322,400	17,825	16,983	201,948	269,485	9,172	10,147	123,112	149,281	1,890	1,989	339,125	427,671	1,025,715	1,197,956
Other liabilities	451,460	463,098	24,192	18,001	274,082	407,012	12,448	10,755	167,087	279,604	2,565	2,108	460,256	453,301	1,392,090	1,633,879
Total liabilities	31,078,197	27,248,920	1,627,285	1,287,333	9,420,170	8,731,285	647,477	513,331	4,314,371	4,315,895	399,255	355,478	11,865,047	9,605,032	59,351,802	52,057,274

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The following is the distribution of the statement of income items of the Company by product type:

	Motor		Marine		Fire and damages property		Liability		Medical		Life		Personal Accidents		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	27,767,897	22,838,457	1,668,154	1,377,493	18,000,426	18,926,389	719,206	877,976	11,015,210	11,396,557	29,633,183	32,322,096	174,042	173,705	88,978,118	87,912,673
Less: insurance contracts expenses	28,638,024	22,619,161	621,245	626,154	2,105,063	2,015,590	182,398	76,426	9,438,874	10,701,728	25,033,220	27,036,674	(116,536)	170,635	65,902,288	63,246,368
Insurance contracts services results	(870,127)	219,296	1,046,909	751,339	15,895,363	16,910,799	536,808	801,550	1,576,336	694,829	4,599,963	5,285,422	290,578	3,070	23,075,830	24,666,305
Reinsurance contracts results	(1,336,359)	(1,380,056)	(1,407,894)	(1,153,827)	(17,678,578)	(18,608,511)	(677,041)	(833,084)	(4,001,935)	(4,134,915)	(18,319,664)	(20,440,504)	(47,352)	(47,785)	(43,468,823)	(46,598,682)
Reinsurance contracts recoveries	1,551,818	569,299	673,756	594,659	2,067,715	2,490,452	151,091	71,401	3,484,717	3,977,051	16,430,982	17,731,803	(11,447)	38,223	24,348,632	25,472,888
Reinsurance contracts services results	215,459	(810,757)	(734,138)	(559,168)	(15,610,863)	(16,118,059)	(525,950)	(761,683)	(517,218)	(157,864)	(1,888,682)	(2,708,701)	(58,799)	(9,562)	(19,120,191)	(21,125,794)
Net insurance and reinsurance contracts results	(654,668)	(591,461)	312,771	192,171	284,500	792,740	10,858	39,867	1,059,118	536,965	2,711,281	2,576,721	231,779	(6,492)	3,955,639	3,540,511
Finance expense – insurance contracts	(630,665)	(330,729)	-	-	-	-	-	-	-	-	-	-	-	-	(630,665)	(330,729)
Finance income – reinsurance contracts	62,947	10,759	-	-	-	-	-	-	-	-	-	-	-	-	62,947	10,759
Net insurance and reinsurance contracts results	(1,222,386)	(911,431)	312,771	192,171	284,500	792,740	10,858	39,867	1,059,118	536,965	2,711,281	2,576,721	231,779	(6,492)	3,387,921	3,220,541

B- Geographic concentration of risk

This disclosure illustrates the geographic distribution of the Company's operations, the Company mainly operates in Jordan, which represents domestic operations,

The following table represents the distribution of revenues and assets of the Company and capital expenditure by geographic region:

	Inside the Kingdom		Outside the Kingdom		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total assets	95,410,720	94,057,885	9,899,276	3,941,499	105,309,996	97,999,384
Insurance contracts						
revenues	78,011,565	80,633,175	10,966,553	7,279,498	88,978,118	87,912,673
Capital expenditures	462,021	467,192	13,006	39,123	475,027	506,315

(41) CAPITAL MANAGEMENT

Capital requirements are set and regulated by Jordan Central Bank to ensure a proper margin. Additional objectives have been established by the Company to maintain strong credit ratings and a high capital ratio to support its business and maximize shareholder value.

The Company manages its capital structure and makes necessary adjustments in response to changes in business conditions. The Company has not made any adjustments to the objectives, policies, or procedures related to capital structure during the current and previous years.

In the opinion of the Company's management, the regulatory capital is sufficient to meet any potential risks or obligations that may arise in the future.

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The amount the Company considers as capital and the solvency margin ratio are shown in the following table:

	2024	2023
	JD	JD
Basic Capital:		
Paid-in capital	30,000,000	30,000,000
Statutory reserve	7,500,000	7,500,000
Profit for the year net of deductions	1,058,736	1,975,729
Retained earnings	8,537,405	6,553,467
Total Basic Capital	47,096,141	46,029,196
Supplementary capital:		
Cumulative change in fair value	(2,248,193)	(1,048,967)
Increase in the value of real estate investments	10,822,392	11,356,199
Total Supplementary Capital	8,574,199	10,307,232
Total regulatory capital (a)	55,670,340	56,336,428
Total required capital (b)	40,320,419	49,454,897
Solvency margin ratio (a) / (b)	138%	114%

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(42) WRITTEN PREMIUMS BY INSURANCE BRANCH

	Motor		Marine and transportation		Fire and damages property		Liability		Medical		Life		Personal Accidents		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums -																
Direct premiums	27,229,081	23,174,301	1,329,053	1,053,404	15,850,972	17,324,382	788,389	763,628	10,582,452	11,234,829	29,150,409	32,186,367	162,479	148,954	85,092,835	85,885,865
Inward Facultative reinsurance	1,364,184	1,089,430	203,174	224,779	1,508,043	2,956,981	-	-	-	-	-	-	-	712	3,075,401	4,271,902
Total written premiums	28,593,265	24,263,731	1,532,227	1,278,183	17,359,015	20,281,363	788,389	763,628	10,582,452	11,234,829	29,150,409	32,186,367	162,479	149,666	88,168,236	90,157,767
Less: reinsurance premiums - local	9,620	1,538	199,668	153,547	2,734,500	3,639,778	-	-	668	817	284,704	301,084	-	-	3,229,160	4,096,764
Less: reinsurance premiums - foreign	754,169	848,551	1,078,670	873,657	14,071,451	16,172,703	753,079	726,199	3,922,830	4,147,977	18,053,426	20,230,309	35,038	31,607	38,668,663	43,031,003
Net Reinsurance premiums	27,829,476	23,413,642	253,889	250,979	553,064	468,882	35,310	37,429	6,658,954	7,086,035	10,812,279	11,654,974	127,441	118,059	46,270,413	43,030,000

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(43) ANALYSIS OF ACCOUNTS RECEIVABLE

	2024			2023		
	Accounts receivable	Provision for expected credit losses	Total	Accounts receivable	Provision for expected credit losses	Total
	JD	JD	JD	JD	JD	JD
Motor	5,009,072	1,929,483	3,079,589	7,027,118	2,256,082	4,771,036
Liability	229,458	88,387	141,071	222,790	71,528	151,262
Marine	472,502	182,007	290,495	388,098	124,600	263,498
Engineering	89,919	34,637	55,282	60,939	19,565	41,374
Fire	5,188,045	1,998,423	3,189,622	5,233,978	1,680,387	3,553,591
Life	5,334,712	-	5,334,712	6,166,912	-	6,166,912
Medical	2,057,544	792,561	1,264,983	2,238,252	718,599	1,519,653
Others	46,656	17,971	28,685	70,730	22,708	48,022
	<u>18,427,908</u>	<u>5,043,469</u>	<u>13,384,439</u>	<u>21,408,817</u>	<u>4,893,469</u>	<u>16,515,348</u>

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(44) EXPECTED RECOGNITION OF CSM FOR THE GENERAL APPROACH MODEL

2024

	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
Expected years of CSM recognition				
One year	108,860	108,860	23,571	23,571
Two years	104,614	104,614	22,652	22,652
Three years	100,259	100,259	21,709	21,709
Four years	77,666	77,666	16,817	16,817
Five years	73,928	73,928	16,008	16,008
Six to ten years	39,979	39,979	8,657	8,657
More than ten years	8,534	8,534	1,848	1,848
Total	513,840	513,840	111,262	111,262

2023

	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
Expected years of CSM recognition				
One year	55,004	55,004	8,714	8,714
Two years	52,859	52,859	8,374	8,374
Three years	50,658	50,658	8,025	8,025
Four years	39,242	39,242	6,217	6,217
Five years	37,354	37,354	5,917	5,917
Six to ten years	20,200	20,200	3,200	3,200
More than ten years	4,311	4,311	682	682
Total	259,628	259,628	41,129	41,129

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(45) AMORTIZATION OF ACQUISITION COSTS OF INSURANCE CONTRACT ASSETS

	Motor		Marine and transportation		Fire and damages property		Liability		Medical		Life		Personal Accidents	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Expected Number of Years to Amortize	1	-	1	-	1	-	1	-	1	-	1	-	1	-
Acquisition Costs of Insurance Contract Assets	1,635,326	-	(44,468)	-	(527,390)	-	(18,936)	-	351,494	-	18,884	-	5,282	-
One years	1,630,967	-	(45,058)	-	(527,434)	-	(19,016)	-	351,422	-	12,334	-	5,282	-
Two years	4,350	-	590	-	44	-	80	-	72	-	4,293	-	-	-
Three years	9	-	-	-	-	-	-	-	-	-	2,152	-	-	-
Four years	-	-	-	-	-	-	-	-	-	-	17	-	-	-
Five years	-	-	-	-	-	-	-	-	-	-	8	-	-	-
From 6 to 10 years	-	-	-	-	-	-	-	-	-	-	42	-	-	-
More than 10 years	-	-	-	-	-	-	-	-	-	-	38	-	-	-
Total	1,635,326	-	(44,468)	-	(527,390)	-	(18,936)	-	351,494	-	18,884	-	5,282	-

(46) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments.

Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Company's financial statements.

(47) LIFE INSURANCE INCOME STATEMENT

	<u>2024</u>	<u>2023</u>
Revenues -		
Insurance contract revenues	126,367	123,179
Less: Insurance contract expenses	<u>(190,653)</u>	<u>(36,537)</u>
Results of insurance contract operations	<u>(64,286)</u>	<u>86,642</u>
Reinsurance contract expenses	<u>(23,271)</u>	<u>(39,367)</u>
Reinsurance contract revenues	<u>-</u>	<u>-</u>
Results of reinsurance contract operations	<u>(23,271)</u>	<u>(39,367)</u>
Financing expenses – reinsurance contracts	<u>(87,557)</u>	<u>47,275</u>
Net results of insurance and reinsurance contract operations		
(Expenses) Financing – Insurance contracts, net	(124,476)	-
Financing expenses – reinsurance contracts	<u>35,909</u>	<u>-</u>
Net financing results of insurance and reinsurance operations	<u>(88,567)</u>	<u>-</u>
Net results of operations and financing of insurance and reinsurance contracts	<u>(176,124)</u>	<u>47,275</u>
Other revenues	<u>417,778</u>	<u>330,480</u>
Net profit	<u><u>241,654</u></u>	<u><u>377,755</u></u>

(48) SUBSEQUENT EVENTS

The Company's Board of Directors, in its meeting held on 25 November 2024, resolved to withdraw from the markets of the United Arab Emirates and the State of Kuwait. Preliminary approval was obtained from the Central Bank of Jordan on 12 February 2025, based on the Company's request. This approval was conditional upon obtaining the consent of the relevant regulatory authorities (the UAE Central Bank and the Insurance Regulatory Unit in the State of Kuwait). As of the date of preparation of the financial statements, the process is still in its early stages.