

Jordan French Insurance Company
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Consolidated Financial Statements and the
Independent Auditor's Report
For the Year Ended December 31, 2024

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Independent Auditor's Report

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

Opinion

We have audited the Consolidated Financial Statements for **Jordan French Insurance Company** ("company") which comprise the Consolidated Statement of Financial Position as at 31 December 2024, and the Consolidated Statement of income, the Consolidated Statement of comprehensive income, Consolidated Statement of changes in shareholders' equity and Consolidated Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the financial position as at 31 December 2024, and its financial performance and statements of changes in shareholders' equity, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit for the financial statements, 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 Matter

Without qualifying our opinion, we drew your attention to company's solvency margin as of December 31, 2024, as it falls below the regulatory threshold of 150% set by the Central Bank of Jordan.

Management and governance responsibilities for the financial statements.

The management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRS). Additionally, the management is responsible for implementing internal control systems that it deems necessary to prepare Financial Statements free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern and for making appropriate disclosures regarding matters related to going concern and the use of the going concern basis unless management intends to liquidate the company or cease its operations, or there is no realistic alternative to do so.

The governance bodies are responsible for overseeing the process of preparing the financial reports in the company.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, have received the greatest attention in our audit of the Financial Statements for the current year. These matters have been considered in the context of our audit of the Financial Statements as a whole, and when forming our opinion thereon, rather than for the purpose of expressing a separate opinion on these matters.

Independent Auditor's Report (Continued)

Key Audit Matters (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p>1. Assessment of incurred liabilities and Loss component.</p> <p>The estimation of liabilities related to incurred claims and the loss component involves a high degree of judgment. This requires estimating the present value of future cash flows and adjusting for non-financial risks (which are part of the incurred claims liabilities) and the loss component (which is part of the remaining coverage liabilities). Non-financial risk adjustments are applied to the estimated present value of future cash flows and reflect the compensation required by the company for bearing uncertainty about the amount and timing of cash flows from non-financial risks when settling its obligations under insurance contracts. The present value of future cash flows depends on the best estimate of the ultimate cost of all incurred claims, whether reported or not settled as of the reporting date. The loss component is recognized at any time during the coverage period if facts and circumstances indicate that a group of contracts is onerous. This loss component is remeasured at each reporting date as the difference between the cash flow amounts at specified settlement under the general measurement model related to future service and the carrying amount of the remaining coverage liabilities excluding the loss component.</p> <p>The Company engages an external actuarial expert, the "appointed actuarial expert," to assist in estimating these liabilities. The expert uses a range of methodologies to determine these liabilities based on a number of explicit or implicit assumptions regarding the expected settlement amount and settlement patterns of claims.</p> <p>As of December 31, 2024, the estimated present value of future cash flows and the risk adjustment for non-financial risks amount to 22 million Jordanian Dinars, as disclosed in Note 13 of the financial statements.</p> <p>We have considered this a key audit matter due to the inherent uncertainty in the estimation and the subjective judgments involved in assessing the estimated present value of future cash flows and the risk adjustment for non-financial risks arising from insurance contracts.</p> <p>Refer to Note 5 for significant accounting policies, judgments, and estimates related to insurance contract liabilities.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Understanding, evaluating, and testing key controls around claims processing operations and provisions determination. - Assessing the competence, capabilities, and objectivity of the appointed actuarial expert based on their professional qualifications, experience, and independence. - Conducting objective tests, on a sample basis, on recorded amounts of notified and paid claims, including comparing the outstanding claims amount with appropriate source documents to assess the adequacy of reserves. - Verifying the completeness of data used as inputs in actuarial assessments and testing, on a sample basis, the accuracy of core claims data used by the appointed actuarial expert in estimating the present value of future cash flows, adjusting non-financial risks, and assessing loss components by comparing them to accounting records and other records. - Engaging our own actuarial specialists to evaluate the company's actuarial practices, adequacy of reserves held, and obtaining confirmation regarding the report issued by the appointed actuarial expert. Our actuarial specialists performed the following: <ol style="list-style-type: none"> 1- Assessing whether the company's actuarial methodologies are generally consistent with accepted actuarial practices. 2- Evaluating the appropriateness of key actuarial accounting methods and assumptions used and conducting sensitivity analysis. 3- Providing independent forecasts of the present value of future cash flows, adjusting non-financial risks and loss components for significant lines of business for comparison with amounts recorded by management. 4- Assessing the adequacy and suitability of relevant disclosures in the financial statements.

Independent Auditor's Report (Continued)

Other Information included in the Company's 2024 Annual Report

The other information consists of information included in the company's 2024 annual report, excluding the financial statements and the auditor's report thereon. Management is responsible for the other information. The company's 2024 annual report is expected to be provided to us at a later date.

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

Our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit of the financial statements.

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

Our objectives are to obtain reasonable assurance about whether the Financial Statements 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 guarantee that an audit conducted in accordance with the ISAs that are endorsed in the Hashemite Kingdom of Jordan will always detect a material mis Statement 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 based on those financial statements.

As part of an audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Hashemite Kingdom of Jordan, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material mis Statement 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 mis Statement 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Management, 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 Management with a Consolidated Statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought bear on our independence, and where applicable, related safeguards.

We recommend the governing bodies to report those matters which were of significant importance during the audit of the Consolidated Financial Statements for the current year, considering them as key audit matters. We elucidate these matters in our report unless regulations and laws prohibit public disclosure, or in extremely rare circumstances, we deem it inappropriate to report due to the negative implications of disclosure, which reasonably align with the public interest in such reporting.

Independent Auditor's Report (Continued)

Report on Legal Requirements

Jordan French Insurance Company Public Limited Shareholding Company has proper accounting records for the year ended December 31, 2024 which are, in all material aspects, consistent with the accompanying financial statements, accordingly, we recommend the general authority on approving these financial statements.

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

Date: February 27, 2025

Amman - Jordan



Jordan French Insurance Company
(Public Limited Shareholding Company)
Consolidated Statement Of Financial position
As of December 31, 2024
(Jordanian Dinars)

	Note	2024	2023
<u>Assets</u>			
Deposits at banks, net	6	11,983,580	10,818,456
Financial assets at fair value through profit or loss statement	7	379,432	270,919
Financial assets at fair value through other comprehensive income	8	1,514,994	2,533,667
Investments in associate	9	3,524,995	-
Financial assets at amortized cost	10	1,636,990	175,000
Investment properties	11	5,099,622	2,342,962
Total investments		24,139,613	16,141,004
Cash on hand and at banks	12	1,493,233	2,186,563
Reinsurance contract assets held, net	14	3,493,454	3,589,198
Deferred tax assets	15	2,627,776	2,526,599
Accounts Receivable – Non-Insurance Related		674,703	-
Property and equipment, net	18	1,269,897	1,297,603
Intangible assets, net	16	20,611	30,807
Other assets	17	630,455	369,717
Total Assets		34,349,742	26,141,491
<u>Liabilities and Shareholders' Equity</u>			
<u>Liabilities</u>			
Insurance contract liabilities	13	21,697,146	15,384,188
Total insurance contract liabilities		21,697,146	15,384,188
Accounts Payable – Non-Insurance Related	19	262,189	-
Liability for Right-of-Use Asset		-	14,084
Provision for income tax	15	-	131,452
Other Provisions	21	33,441	26,754
Deferred tax liabilities	15	499,605	43,417
Other liabilities	20	302,969	244,472
Total liabilities		22,795,350	15,844,367
<u>Shareholders' Equity</u>			
Authorized and paid-up share capital	22	9,100,000	9,100,000
Statutory reserve	23	2,275,000	2,275,000
Fair value reserve	24	246,330	(132,865)
Retained (losses) / earnings	25	(998,992)	(945,011)
Total equity attributable to the company's shareholders.		10,622,338	10,297,124
Non-controlling equity	26	932,054	-
Total Shareholders' Equity		11,554,392	10,297,124
Total Liabilities and Shareholders' Equity		34,349,742	26,141,491

The accompanying notes from 1 to 54 are an integral part of these Consolidated financial statements

Jordan French Insurance Company
(Public Limited Shareholding Company)
Consolidated Statements of Profit or Loss
For the year ended December 31, 2024
(Jordanian Dinars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Revenues:			
Insurance contract revenues	27	43,202,789	41,262,921
Insurance contract expenses	28	(42,020,427)	(38,727,282)
Insurance contract operations results		1,182,362	2,535,639
Reinsurance contracts revenues	29	834,897	1,305,227
Reinsurance contracts expenses	30	(2,858,146)	(3,267,860)
Reinsurance contracts operations results		(2,023,249)	(1,962,633)
Net insurance operations results		(840,887)	573,006
Finance expenses - insurance contracts	31	(974,011)	(752,387)
Finance revenues – reinsurance contracts	32	125,633	95,162
Net financing results of insurance operations		(848,378)	(657,225)
Interest income	33	723,035	494,058
Effect of reclassification of financial assets at fair value through other comprehensive income to subsidiaries and associates.		1,995,837	-
Company's share of the results of associate companies' operations		236,798	
Net profit from financial assets and investments	34	275,551	97,758
Other revenues	35	510	9,217
Total revenue		3,231,731	601,033
Unallocated General and Administrative Expenses		(813,782)	(633,989)
Unallocated Depreciation and Amortization		(16,608)	(12,939)
Profit/(loss) for the year before income tax		712,076	(130,114)
Deducted: Income tax expense	15	237,071	278,442
Profit / (loss) for the year		475,005	148,328
And it returns to:			
Shareholders Equity		503,900	148,328
Non-controlling equity		(28,895)	-
		475,005	148,328
		(Fils / Dinar)	(Fils / Dinar)
The basic and diluted earnings per share from profit/(loss) for the year	37	0.055	0.0163

The accompanying notes from 1 to 54 are an integral part of these Consolidated financial statements

Jordan French Insurance Company
(Public Limited Shareholding Company)
Statements of Profit or Loss – Life Insurance
For the year ended December 31, 2024
(Jordanian Dinar)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Insurance contract revenues	27	702,178	781,461
Insurance contract expenses	28	(294,029)	(636,323)
Insurance contract operations results		408,149	145,138
Reinsurance contracts revenues	29	189,716	406,422
Reinsurance contracts expenses	30	(550,654)	(624,925)
Reinsurance contracts operations results		(360,938)	(218,503)
Net insurance operations results		47,211	(73,365)
Finance expenses - insurance contracts	31	-	-
Finance revenues – reinsurance contracts	32	-	-
Net financing results of insurance operations		-	-
Unallocated expenses	33	(13,496)	(12,252)

The accompanying notes from 1 to 54 are an integral part of these Consolidated financial statements

Jordan French Insurance Company
(Public Limited Shareholding Company)
Consolidated Statement of Other Comprehensive Income
For the year ended December 31, 2024
(Jordanian Dinars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Profit for the year		475,005	148,328
Add: Other comprehensive income items that will not be reclassified to profit or loss in subsequent period:			
Change in the fair value of financial assets through other comprehensive income.	24	<u>(178,686)</u>	<u>(108,552)</u>
Total Other Comprehensive Income for the Year		296,319	39,776
And it returns to:			
Shareholders' Equity		325,214	39,776
Non-controlling equity		<u>(28,895)</u>	<u>-</u>
		<u>296,319</u>	<u>39,776</u>

The accompanying notes from 1 to 54 are an integral part of these Consolidated financial statements

Jordan French Insurance Company
(Public Limited Shareholding Company)
Consolidated Statement of Changes in Shareholders' Equity
For the year ended December 31, 2024
(Jordanian Dinars)

				Retained (losses)			Shareholder's Equity/Company's Equity/Non-controlling equity		
	Authorized and paid-up share capital	Statutory Reserve	Fair Value Reserve	Realizable	Un Realizable	Total Retained (Losses)	Shareholder's Equity/Company's Equity	Non-controlling equity	Total Shareholder's Equity
<u>2023</u>									
Balance as of December 31, 2022 – After adjustment	9,100,000	2,275,000	194,691	(1,130,916)	(181,427)	(1,312,343)	10,257,348	-	10,257,348
Total comprehensive income for the year	-	-	(108,552)	102,487	45,841	148,328	39,776	-	39,776
Reclassification of investments in associated companies to financial assets at fair value through other comprehensive income	-	-	(219,004)	-	219,004	219,004	-	-	-
Balance As of December 31, 2023	<u>9,100,000</u>	<u>2,275,000</u>	<u>(132,865)</u>	<u>(1,028,429)</u>	<u>83,418</u>	<u>(945,011)</u>	<u>10,297,124</u>	<u>-</u>	<u>10,297,124</u>
<u>2024</u>									
Balance as of December 31, 2023	9,100,000	2,275,000	(132,865)	(1,028,429)	83,418	(945,011)	10,297,124	-	10,297,124
Investments in Subsidiary Companies	-	-	-	-	-	-	-	960,949	960,949
Reclassification Of Financial Assets at Fair Value Through Other Comprehensive Income to Investments in Associated Companies	-	-	68,745	-	(68,745)	(68,745)	-	-	-
Reclassification of Financial Assets at Fair Value Through Other Comprehensive Income to Investments in Subsidiary Companies	-	-	489,136	-	(489,136)	(489,136)	-	-	-
Total Comprehensive Income for the Year	-	-	(178,686)	(1,837,248)	2,341,148	503,900	325,214	(28,895)	296,319
Balance as of December 31, 2024	<u>9,100,000</u>	<u>2,275,000</u>	<u>246,330</u>	<u>(2,865,677)</u>	<u>1,866,685</u>	<u>(998,992)</u>	<u>10,622,338</u>	<u>932,054</u>	<u>11,554,392</u>

The accompanying notes from 1 to 54 are an integral part of these Consolidated financial statements

Jordan French Insurance Company
(Public Limited Shareholding Company)
Consolidated Statement of Cash Flows
For the year ended December 31, 2024
(Jordanian Dinars)

	2024	2023
Cash flow from Operating Activities:		
profit for the year before tax	712,076	(130,114)
Adjustments to reconcile net income before income tax to net cash flow provided by operating activities:		
Investment properties depreciation	11,218	11,218
Property and equipment depreciation	73,580	63,045
Intangible assets amortization	18,114	7,185
Dividend income	(116,024)	(50,121)
Interest income on financial assets at amortized cost	(80,857)	(6,188)
Bank interest income	(642,178)	(487,870)
Debit bank interest	6,546	9,556
Gain / (loss) from evaluation assets at fair value through income statement	(108,513)	(45,844)
Change In Financial Assets at Fair Value Through Other Comprehensive income	1,397,868	-
Lease liabilities interest	(14,084)	1,080
Right Of Use Assets depreciation	-	14,553
Company's share of the results of associated companies	(3,524,995)	-
Cash flows from operating activities before changes in working capital:	(2,267,249)	(613,500)
Changes in working capital		
Account payables – Non-Insurance Related	262,189	-
Reinsurance contract assets -net	95,744	731,724
Other assets	(260,738)	(66,547)
Insurance contract liabilities	6,312,958	6,413,850
Accounts payable	-	(4,132,303)
Account receivables – Non-Insurance Related	(674,703)	-
Paid rents	-	(14,573)
Other liabilities	65,184	25,856
Cash flows from operating activities before income tax	3,533,385	2,344,508
Income tax paid	(186,709)	(224,428)
Net cash flows provided by operating activities	3,346,676	2,120,080
<u>Cash flow from Investing Activities</u>		
Bank deposits (maturity after three months)	361,241	(3,382,319)
Paid against Bonds	(1,461,990)	(100,000)
Received dividend income	116,024	50,121
Received interest – financial assets at amortized cost	80,857	6,188
Received bank interest income	642,178	487,870
(Purchase) investment property	(2,767,878)	-
(Purchase) intangible assets	(7,918)	(37,795)
Change in investments in associate	-	101,327
(Purchase) property and equipment	(45,874)	(42,629)
Net cash flows (used in) investing activities	(3,083,360)	(2,917,237)
<u>Cash flow from financing activities</u>		
Debit bank interest	(6,546)	(9,556)
Non-controlling equity	932,054	-
Cash flows (used in) financing activities	925,508	(9,556)
Net increase/ (decrease) in cash and cash equivalent	1,188,824	(806,713)
Cash and cash equivalent at beginning of the year	5,692,954	6,499,667
Cash and cash equivalent at the end of the year	39 6,881,778	5,692,954
<u>Non cash activities</u>		
Reclassifying investments in associate to financial assets at fair value through other comprehensive income	-	497,877

The accompanying notes from 1 to 54 are an integral part of these Consolidated financial statements

The Jordanian French Insurance Company
(Public Limited Shareholding Company)
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

1- Legal Status and Activities

The Jordan French Insurance Company was established under the Jordanian Corporate Law and its amendments under No. (101) as a Public Limited Shareholding Company. The authorized and paid-up capital amounted to JD 9,100,000, divided into 9,100,000 shares, with a nominal value of JD 1 per share.

The Company's address is at Al-Sharif Abdul Hamid Sharaf Street, Building No. (124), P.O. Box (3272), Amman 11181, Jordan.

The Company aims to practice all types of life insurance, and general insurance (Marine and transport insurance, vehicle insurance, fire and other property damage insurance, responsibility insurance, medical insurance, accident insurance, and aviation insurance)

The Consolidated Financial Statements were approved by the Board of Directors' decision held on February 27, 2025.

2- Basis of Preparation

The Consolidated Financial Statements of the Company have been prepared in accordance with the standards issued by the International Accounting Standards Board ("IASB") and in accordance with the applicable local laws and according to the forms set by the Central Bank of Jordan ("CBJ").

The Consolidated Financial Statements have been prepared according to the historical cost principle, with the exception of financial assets at fair value through Consolidated Statement of profit or loss or other comprehensive income, which appear at fair value as of the date of the financial statements.

The Jordanian Dinar is the currency of showing the financial statements, which represents the main currency of the Company.

The most important accounting policies used in the preparation of the financial statements, which are disclosed in Note (5), have been applied on a consistent basis for all the years presented, unless otherwise stated.

The preparation of The Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") requires the use of significant and specific accounting estimates, and also requires management to use its own estimates in the process of applying the Company's accounting policies. Items in which significant estimates were used are disclosed in Note No. (4).

Principles of Financial Data Consolidation:

The key financial information for the subsidiary for the year ended December 31, 2024, is as follows:

Company Name	Total Assets	Total Liabilities	Total Revenue	Total Expense	Share Capital	Ownership Percentage	Acquisition Date
Darkom Investment Company	2,819,874	598,023	-	(33,480)	2,810,000	%58.1	2024/12/30

The primary activity of Darkom Investment Company is financing residential, industrial, commercial, and tourism real estate projects, as well as investing in shares and bonds traded on the Amman Stock Exchange.

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

The accounting policies followed in preparing The Consolidated Financial Statements are consistent with those followed in preparing The Consolidated Financial Statements for the fiscal year ending on December 31, 2024, except that the Company applied the following amendments as of January 1, 2023, if any:

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

Amendments to IAS 1 Presentation of Consolidated Financial Statements and IFRS Practice Consolidated Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Approach Rules.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

3- Application of international accounting standards for preparing new and amended financial reports (continued)

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

The company has implemented International Financial Reporting Standard (IFRS) 17 "Insurance Contracts", where it evaluated the impact of applying the standard and identified the gap between the previous situation and the requirements of the standard. And prepared a risk assessment system through actuarial statistical models for different insurance contracts, in addition to updating the information technology systems to ensure the availability of all necessary database rules for applying the actuarial models and preparing future cash flow estimation systems for contracts. And determined the present value of cash, in addition to update the accounting policies and procedures, and updated other operational policies and procedures which had an impact on the financial statements. The company also reassessed the models used in recognizing revenues from insurance contracts according to the requirements of the standard as outlined in the policy applied in Note NO (4).

The International Financial Reporting Standard (IFRS) 17 replaces IFRS 4 for annual periods beginning on or after January 1, 2023. The Company has applied the transitional provisions of IFRS 17 by adopting the full retrospective approach. The nature of the changes in accounting policies can be summarized as follows:

Changes in Classification and Measurement

International Financial Reporting Standard 17 sets out specific principles for recognizing issued insurance contracts and reinsurance contracts held by the group and how to measure them.

The key principles of IFRS 17 are as follows:

- Identification of Insurance Contracts: Contracts accepted by the group where the group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separation of Embedded Derivatives: Specific embedded derivatives and distinct investment components and distinct goods or services other than insurance services are separated from insurance contracts and accounted for under other standards.
- Segmentation of Insurance Contracts and Reinsurance: Insurance contracts and reinsurance are divided into groups for recognition and measurement.
- Recognition of Insurance Contract Groups and Measurement as follows:
 - Modified Present Value of Future Cash Flows (Cash Flows for Fulfilling Obligations): This involves discounting future cash flows (cash flows for fulfilling obligations) at the adjusted present value based on all available information about cash flows for fulfilling obligations in a manner consistent with observable market information. If a group of contracts is expected to be onerous (i.e., loss-making) during the remaining coverage period, the group recognizes the loss immediately.
- Recognition of the asset representing cash flows arising from holding insurance contracts concerning cash flows paid or incurred before recognition of the related insurance contract group. This asset is derecognized when cash flows arising from holding insurance contracts are included in the measurement of the related insurance contract group.
- Under IFRS 17, issued insurance contracts and reinsurance contracts held by the group qualify for measurement using either the premium allocation approach or the variable fee approach. The premium allocation approach simplifies the measurement of insurance contracts compared to the general model in IFRS 17.
- The measurement principles in the premium allocation approach differ from the "earned premium approach" used by the group under IFRS 4 in the following key aspects:
 - The liability for remaining coverage reflects premiums received, net of deferred cash flows for holding
 - Insurance contracts, and less the amounts recognized in revenue for services provided.
 - Measurement of the liability for incurred claims (claims unpaid as of the reporting date and incurred but not reported reserves) is based on the expected discounted cash flow value with explicit adjustment for non-financial risks. This includes the group's obligation to pay other incurred insurance expenses.

3- Application of international accounting standards for preparing new and amended financial reports (Continued):

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

- The measurement of the asset related to the remaining coverage is adjusted to reflect reinsurance premiums paid for retained reinsurance contracts (including the loss recovery element, which reflects the expected recovery of losses from onerous contracts when these contracts reinsure directly onerous contracts).

The company has decided that all its insurance contracts qualify for the simplified method. As a result, the group has determined its choice of policy for calculating its insurance contracts under the premium allocation approach.

The application of the premium allocation model is optional. This means that if the eligibility criteria for a certain group of insurance contracts are met, a company can choose between measuring that group of contracts under the general model or under the premium allocation approach.

(The company has decided that contracts qualify for the application of the premium allocation approach if the coverage period is one year or less) or if the liability for the remaining coverage is not significantly different from the liability for the remaining coverage under the general model for any of the specified financial statement periods.

Changes in Presentation and Disclosure

The company aggregates its issued insurance and reinsurance contracts and retained reinsurance contracts as follows:

*Portfolios of issued insurance and reinsurance contracts representing assets.

*Portfolios of issued insurance and reinsurance contracts representing liabilities.

*Portfolios of retained reinsurance contracts representing assets.

*Portfolios of retained reinsurance contracts representing liabilities.

-The above-mentioned portfolios are those created upon initial recognition in accordance with the requirements of International Financial Reporting Standard (IFRS) 17.

-The portfolios of issued insurance contracts include any assets related to the cash flows associated with holding insurance contracts.

Transition to IFRS 17 Implementation on the transition date, January 1, 2022, the company did the following:

-Identified and recognized each group of insurance contracts and measured them as if IFRS 17 had been applied permanently.

-Identified the assets related to cash flows from holding insurance contracts and recognized and measured them as if IFRS 17 had been applied permanently on the transition date. An impairment assessment was conducted, and no impairment losses were identified.

-Derecognized any existing balances that would not exist if IFRS 17 had been applied permanently.

-Recognized any net difference in retained earnings.

B. IFRS in issue but not yet effective:

The accounting policies used in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended January 31, 2023, except that the company has applied the following amendments as of January 1, 2024. These standards did not have a significant impact on the amounts or disclosures presented in the current or prior financial period's information, but they may affect the accounting treatments of future transactions and arrangements, if any:

New and amended accounting standards applicable for the current period:

1. Lease liabilities in sale and leaseback transactions:

- IFRS 16 – Leases

2. Presentation of financial statements and classification of liabilities:

- Amendments to IAS 1 regarding the classification of liabilities as current or non-current.
- Amendments to IAS 1 regarding non-current liabilities with covenants.

3- Application of international accounting standards for preparing new and amended financial reports (Continued):

3. Statement of cash flows and disclosures of financial instruments:

- Amendments to IAS 7 and IFRS 7 regarding supplier finance arrangements.

4. Disclosures related to sustainability and climate:

- IFRS S1 for financial disclosures related to sustainability.
- IFRS S2 for climate-related disclosures.

* The application of these standards is subject to approval by the regulatory authorities in the countries where the company operates, and no instructions have been issued regarding them as of the date of preparation of these financial statements.

Accounting standards issued but not yet effective:

The company has not previously adopted the following standards, which are not yet effective, and management is currently assessing their impact:

- **Effective for periods beginning on or after January 1, 2025:**

- Amendments to IAS 21 regarding the currency non-convertibility.

- **Effective on January 1, 2027:**

- IFRS 18 related to presentation and disclosures in financial statements.

- **Indefinitely delayed:**

- Amendments to IFRS 10 and IAS 28 regarding the accounting for the sale or contribution of assets from an investor."

- **Effective for periods beginning on or after January 1, 2025:**

- Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments.

4- Use of Estimates and Assumptions

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

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

Expected Credit Loss

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

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

Impairment in the value of financial assets

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

4- Use of Estimates and Assumptions (continued)

Income Tax

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

1- Accrued Tax

Income tax was estimated in accordance with International Financial Reporting Standard No. 17, noting that the income and sales tax law had not been amended as of the date of preparing the financial statements.

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

2- Deferred Tax

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

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

Property, equipment and intangible assets

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

The present value of future cash flows

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

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

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

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

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

4- Use of Estimates and Assumptions (continued)

The present value of future cash flows (continued)

Non-insurance Components

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

Cases Filed Against the Company

A provision is made for lawsuits filed against the company based on a legal study prepared by the company's lawyers, which determines the potential risks that may arise in the future. These studies are reviewed periodically.

Fair Value Levels

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

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

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

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

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

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

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

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

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

5-

5- Significant Accounting Policies

A. Segments Information

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

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

B. Goodwill

Goodwill is recorded at the cost representing the increase in the cost of acquiring or purchasing a subsidiary company or companies owned in partnership with other companies over the company's share in the net fair value of the assets and liabilities of that company at the acquisition date. Goodwill resulting from investment in subsidiary companies is recorded as a separate item, such as intangible assets.

As for the goodwill resulting from investment in associate companies, it appears as part of the investment account in the associate company. Any decrease in the value of the investment reduces the cost of goodwill.

Goodwill is allocated to cash-generating units for impairment testing purposes.

If the estimated recoverable amount of the cash-generating unit(s) to which goodwill is allocated is less than the carrying amount recorded in the books for the cash-generating unit(s), impairment is recognized in the income statement.

The impairment loss of goodwill is not reversed in subsequent periods, and in the event of selling the subsidiary or the company owned in partnership with other companies, the value of goodwill is considered when determining the amount of profit or loss from the sale transaction.

C. Insurance contracts

Definition of insurance contract

It is a contract whereby one party (the issuer) accepts a substantial insurance risk from another party (the contract holder), by agreeing to compensate the contract holder in case of the occurrence of a specific and uncertain future event (the insured event) such that this event, if it occurs, adversely affects the contract holder/beneficiary, the insurance contract is recognized according to the following deadlines, whichever is earlier:

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

5- Significate Accounting Policies (continued)

Company's products

All contracts issued by the Company meet the definition of an insurance contract. Below is a breakdown of the insurance contracts issued by the Company that meet the definition:

<u>Main Insurance Type</u>	<u>Sub-Insurance Type</u>
Vehicles	Third party liability insurance Comprehensive insurance Buses against third parties Border complexes
Marine	Marine insurance Open-ended cover Aviation Structures
Engineering insurance	Contractors' risk Machine installation Equipment and machinery
Fire	All risks Fire
General accidents	Professional responsibility
Loan insurance	Loan insurance

Direct participating feature

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

- The contractual terms specify that the insurance contract holders participate in a share of the insurance contract portfolio.
- The Company expects to pay the contract holder a significant share of the fair value proceeds from the portfolio of insurance contracts.
- The company expects the amounts to be paid to contract holders to vary in line with the changes in the fair value of the assigned asset portfolio.

5- Significant Accounting Policies (continued)

Direct participating feature (continued)

Types of direct participating feature

Investment contracts:

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

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

Self-insurance:

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

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

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

Separation of non-insurance components

The investment component

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

- 1- The investment component and the insurance component are not closely related.
- 2- The contract is sold on equivalent terms, or may be sold, separately in the same market or Jurisdiction, either by the entities issuing the insurance contracts or by other parties.

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

- Medical insurance contract for Jordan French Insurance Company' employees.
- Life insurance contract for Jordan French Insurance Company' employees.
- Vehicle insurance contracts owned by Jordan French Insurance Company
- All-risk insurance contracts for buildings owned by Jordan French Insurance Company.

5- Significate Accounting Policies (continued)

Self-insurance (continued)

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

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

The company does not have products containing an investment component.

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

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

Components of services and goods

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

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

The Company has the following service component that is not separated from the insurance contract under item (A + B):

Service / commodity	Insurance contract that includes the service / commodity	Related IFRS standard
Road assistance service	Comprehensive/Complementary motor insurance	IFRS 17
Ownership' transfer service	Motor vehicles	IFRS 17
Issuance fees service	All types	IFRS 17

Acquisition cost

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

When applying the premium allocation approach, the entity may choose to recognize any cash flows from acquiring insurance as an expense when those costs are incurred, only if the coverage period for each contract in the group on initial recognition does not exceed one year.

The company has not elected the mentioned exception and has amortized all revenues and expenses over the contract year.

Recognition of the insurance contract

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

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

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

Amending Insurance Contracts

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

Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

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

The amount that the company should recognize when recognizing insurance contracts, relating to subsequent financial years due to effective insurance contracts.

Expected Loss Insurance Contracts

The company recognizes insurance contracts as expected loss-making contracts if the contract is expected to result in a loss at the initial recognition date. The loss component is measured by comparing the expected cash flows required to fulfill the obligations of the contract or group of contracts with the cash flows expected to be received from that contract or group of contracts.

Additionally, the company is required to disclose the loss component if the value of the Contractual Service Margin (CSM) equals zero. (This applies only to the General Measurement Model and the Variable Cost Approach).

Jordan French Insurance Company
(Public Limited Shareholding Company)
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

5- Significant Accounting Policies (continued)

Summary of Measurement Approaches

Insurance Contract		Reinsurance Contract	
Product Type	Measurement Approaches	Product Type	Measurement Approaches
Vehicles	PAA	Vehicles	PAA
Medical	PAA	Medical	PAA
Fire	PAA	Fire	PAA
Engineering	PAA	Engineering	PAA
Marine	PAA	Marine	PAA
Aviation	PAA	Aviation	PAA
Civil liability	PAA	Civil liability	PAA
Credit and Guarantee	PAA	Credit and Guarantee	PAA
Other branches	PAA	Other branches	PAA
Life	PAA	Life	PAA

Liabilities versus claims incurred

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

Contractual service margin

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

Liabilities for Remaining Coverage

The amount that the company must set aside upon recognizing insurance contracts, which relates to subsequent financial periods as a result of insurance contracts that are still in force.

Liabilities versus remaining coverage

Contracts measurement approach

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

1- Premium allocation approach:

It applies to the group of insurance contracts shown below:

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

2- General approach:

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

5- Significant Accounting Policies (continued)

Contracts measurement approach(continued)

3- Variable cost approach:

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

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

Premium allocation approach

1- Initial proof of insurance contracts:

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

2- Subsequent measurement/ premium allocation approach:

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

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

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

3 - Liabilities for claims incurred:

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

Measurement approaches

Aggregating level

Insurance contract portfolios are separated into groups according to the year of issuance, whereby portfolios with similar and jointly managed risks are aggregated together.

5- Significate Accounting Policies (continued)

The present value of future cash flows

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

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

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

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

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

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

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

A- Risk-free yield curve:

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

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

5- Significate Accounting Policies (continued)

The present value of future cash flows (continued)

B- Market risk premium for credit risk:

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

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

Non-financial risk adjustments

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

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

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

Reinsurance contracts held

Definition of reinsurance contracts held

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

1- Recognition of reinsurance contracts held:

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

2- Compilation of reinsurance contracts:

The Company segments its reinsurance contract portfolios in accordance with paragraphs “14” to “24” of IFRS 17, except that references to onerous contracts in those paragraphs should be replaced with a reference to contracts for which there is a net gain on initial recognition. For some reinsurance contracts held, application of paragraphs “14” to “24” of IFRS 17 will result in a group consisting of a single contract.

The Company collects reinsurance contracts held into separate portfolios to be classified and processed independently for the year of underwriting (Cohort) and then profitability (Group) at the portfolio level.

5- Significate Accounting Policies (continued)

2- Compilation of reinsurance contracts (continued)

A) Determine the portfolios of reinsurance contracts held:

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

B) Recognition of aggregation level (Cohort):

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

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

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

Reinsurance contract commissions

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

Reinsurance contract assets

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

Profitability level

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

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

Financial assets

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

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

A- Financial assets at amortized cost:

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

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

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

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

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5- Significate Accounting Policies (continued)

A- Financial assets at amortized cost (continued)

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

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

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

- The remaining financial assets that do not meet the conditions of financial assets at amortized cost are measured as financial assets at fair value.
- Financial assets at fair value through the Consolidated Statement of profit or loss represent investments in equity and debt instruments for trading purposes, and the purpose of keeping them is to generate profits from short-term market price fluctuations or trading profit margin.
- Financial assets are recorded through the Consolidated Statement of profit or loss at fair value upon purchase (acquisition expenses are recorded in the Consolidated Statement of profit or loss upon purchase) and are re-evaluated at the date of The Consolidated Financial Statements at fair value, and subsequent changes in the fair value are recorded in the Consolidated Statement of profit or loss at the same time. The year the change occurred, including the change in fair value resulting from translation differences on non-monetary asset items in foreign transactions. Dividends or returns are recorded in the Consolidated Statement of profit or loss when they are realized.

(Approved by the General Assembly of Shareholders)

Reclassification

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

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

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

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

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5- Significant Accounting Policies (continued)

Financial assets (continued)

Real estate investments

Real estate investments represent investments in land and buildings held for the purpose of earning rentals or for capital appreciation. Real estate investments do not include land and buildings used in the ordinary activities of the group or for administrative purposes.

Real estate investments are stated at cost after subtracting accumulated depreciation and any provision for impairment, and real estate investments (excluding land) are depreciated when they are ready for use on a straight-line method over their expected useful lives.

The carrying amount of real estate investments is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. In the presence of such indicators and when the carrying amount exceeds the recoverable amount, the value of real estate investments is reduced to their recoverable amount, and an impairment provision is recorded in the income statement.

The profits or losses resulting from the disposal of real estate investments (calculated based on the difference between the cash proceeds and the carrying amount of the disposed asset) are recognized in the consolidated income Consolidated Statement upon disposal of the real estate investments.

The useful life and depreciation method are periodically reviewed to ensure that the depreciation method and period are consistent with the expected economic benefits from the real estate investments.

Investments in Associates

Associates are companies over which the Company exercises significant influence over financial and operating policy decisions (but does not control them), and in which it holds between 20% and 50% of the voting rights. Investments in associates are presented using the equity method.

Property and equipment

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

Asset	Depreciation Rate (%)
Buildings	2%
Equipment, Furniture & fixtures	10%
Vehicles	15%
Computers	40%

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

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

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

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

5- Significant Accounting Policies (continued)

Intangible assets

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

Cash and its equivalent

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

Offsetting

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

Date of recognition of financial assets

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

Fair value

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

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

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

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

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5- Significate Accounting Policies (continued)

Financial liabilities

The company classifies financial liabilities based on the purpose of the obligation's creation. The company initially recognizes the bank payable item at fair value, net of costs related to obtaining the facilities. Such liabilities that bear interest are subsequently measured at amortized cost using the effective interest rate method. The financing cost includes initial costs, the premium paid upon settlement, as well as the interest that accrues during the life of the obligation.

Insurance Contract Liabilities

Provisions are recognized when the Company has obligations at the date of The Consolidated Financial Statements arising from past events, and the settlement of the obligations is probable and their value can be measured reliably. The amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as of the date of the financial statements, taking into account the risks. And uncertainty associated with commitment. When the value of the provision is determined on the basis of the estimated cash flows to settle the current obligation, its book value represents the present value of these cash flows.

When it is expected that some or all of the economic benefits required from other parties will be recovered to settle a provision, the receivable is recognized as an asset if the actual receipt of compensation is certain and its value can be measured reliably.

End of service benefits provision:

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

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

Foreign currency

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

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5- Significate Accounting Policies (continued)

Treasury stocks

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

Costs of issuing or purchasing insurance Company shares

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

Realize revenue

1- Dividend and interest income:

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

2- Rental income:

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

Insurance contract expenses

The Company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio. Separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the Company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the Consolidated Statement of profit or loss.

Acquisition costs

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

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6- Deposits at Banks

This item consists of the following:

	2024				2023
	Deposits due within a month	Deposits due from 1 to 3 months	Deposits due from 3 months to 1 year	Total	Total
Inside Jordan					
Jordan Kuwait Bank	-	2,250,000	1,762,535	4,012,535	3,934,826
Housing Bank For Trade And Finance	1,000,000	882,154	-	1,882,154	2,227,239
Jordan Commercial Bank	-	-	2,500,000	2,500,000	2,600,000
Jordan Investment Bank	-	2,056,391	1,532,500	3,588,891	2,056,391
Less:					
Expected credit loss provision	-	-	-	-	-
Total	1,000,000	5,188,545	5,795,035	11,983,580	10,818,456

-Interest rates on bank deposits balances in Jordanian Dinar ranges from 5.75% to 6.80% during the year ended December 31,2024 (December 31,2023: 6.25% to 6.75%), and on US Dollars deposits from 4.85% to 5.50% during the year ended December 31,2024 (December 31,2023: 4.65% to 4.85%).

-Deposits pledged to the order of the Central Bank Governor amounted to JD 800,000 at the Investment Bank, in addition to JD 250,000 at the Jordan Kuwait Bank as of December 31,2024 (December 31,2023: JD 800,000 at the Investment Bank, JD 250,000 Jordan Kuwait Bank).

There is no restricted withdrawal balances except for the deposits pledged for the Central Bank governor's order, in addition to his position.

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

	2024	2023
Outside Jordan		
Shares listed	379,432	270,919

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8- Financial Assets at Fair Value through Other Comprehensive Income

	2024	2023
<u>Inside Jordan</u>		
Shares listed		
Jordanian Company for Specialized Investments	9,216	4,464
Jordanian Company for Management and Consulting	-	744,960
Mithaq Real Estate Investments Company	118,000	115,600
Tihama Financial Investments Company	7,488	-
Total	134,704	865,024
Shares Un-listed		
Al-Mutakhassisa Investment and Real Estate Dev	503,582	605,492
Darkom Investment Company	-	278,873
Total	503,582	884,365
<u>Outside Jordan</u>		
Shares listed		
Almashreq Insurance Company	380,528	430,000
Syrian National Insurance Company	496,180	354,278
Total	876,708	784,278
Total	1,514,994	2,533,667

9- Investment in associate company

This item represents the value of the company's investment in the Jordanian Management and Consulting Public Shareholding Company, percentage to 43.6% of its share capital of 2,500,000 Jordanian Dinars as of December 31, 2024. The investment in the associate is presented in the financial statements using the equity method.

This item was reclassified from financial assets at fair value through other comprehensive income to investments in associates due to an increase in the company's voting rights in the Jordanian Management and Consulting Company from 18.9% to 43.6% during the year. As a result, the company gained significant influence over decisions related to the financial and operational policies of the Jordanian Management and Consulting Company. The reclassification resulted in an unrealized gain of 1,811,960 Jordanian Dinars, and the company's share of the associate's results amounted to 236,798 Jordanian Dinars.

	<u>Country</u>	<u>Ownership Percentage</u>		<u>Investment Value</u>	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Jordanian Management and Consulting Company LPC	Jordan	%43.6	-	3,524,995	-

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10- Financial Assets at Amortized Cost

	<u>2024</u>	<u>2023</u>
<u>Inside Jordan</u>		
Not Listed		
Bond of a loan Ethmar Invest LLC	<u>250,000</u>	<u>175,000</u>
Total:	<u>250,000</u>	<u>175,000</u>
<u>Outside Jordan</u>		
Shares Listed		
Government Bonds-Dollar	<u>1,386,990</u>	<u>-</u>
Total:	<u>1,386,990</u>	<u>-</u>
Total Financial Assets at Amortized Cost:	<u>1,636,990</u>	<u>175,000</u>

The maturity date of bonds and loan notes is as follows:

	9 Month					
	Month To	3 Month To	6 Month to	To a	More Than	
<u>2024</u>	3Month	6Month	9Month	Year	One Year	Total
<u>Inside Jordan</u>						
Bond of a loan Ethmar						
Invest LLC	25,000	50,000	-	-	175,000	250,000
<u>Outside Of Jordan</u>						
Government Bonds-Dollar	-	-	-	-	1,386,990	1,386,990
<u>Total</u>	25,000	50,000	-	-	1,561,990	1,636,990

- The interest rates on loan bonds in Jordanian Dinar range from 9% to 10% for the period ended December 31, 2024, while the interest rates on government bonds in US Dollars range from 7.14% to 7.28% for the same period.
- The above bonds carry fixed yields

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11- Investment Properties

2024	Buildings	Lands*	Total
<u>Cost:</u>			
The balance as of January 1, 2024	560,859	1,888,668	2,449,527
Additions	-	2,767,878	2,767,878
The balance as of December 31, 2024	560,859	4,656,546	5,217,405
Less:			
<u>Accumulated amortization:</u>			
The balance as of January 1, 2024	106,565	-	106,565
Depreciation	11,218	-	11,218
The balance as of December 31, 2024	117,783	-	117,783
Net book value As of December 31, 2024	443,076	1,888,668	5,099,622
<u>2023</u>			
<u>Cost:</u>			
The balance as of January 1, 2023	560,859	1,888,668	2,449,527
The balance as of December 31, 2023	560,859	1,888,668	2,449,527
Less:			
<u>Accumulated amortization:</u>			
The balance as of January 1, 2023	95,347	-	95,347
Depreciation	11,218	-	11,218
The balance as of December 31, 2023	106,565	-	106,565
Net book value As of December 31, 2023	454,294	1,888,668	2,342,962

The company estimated the fair value of its investment properties as of December 31, 2024, by engaging an independent, licensed real estate expert who estimated the fair value of the real estate investments as of December 31, 2024, at 4,068,481 dinars using the market comparison approach.

*The increase represents real estate investments (land) owned by the subsidiary, with a value of 2,767,878 dinars.

12- Cash on Hand and at Banks

	2024	2023
Cash on hand	12,286	4,402
Cash at banks	1,480,947	2,182,161
Total	1,493,233	2,186,563

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

	Liabilities for remaining coverage				Liabilities for Incurred Claims				Total	
	2024	2024	2023	2023	2024	2023	2024	2023	2024	2023
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cashflow	Present value of cashflow	Risk adjustments-non financial	Risk adjustments-non financial	Total	Total
Insurance contracts liabilities-beginning	-	(564,049)	-	(487,693)	(17,697,063)	(15,578,535)	(681,121)	(477,601)	(18,942,233)	(16,543,829)
Insurance contracts assets-beginning	3,558,044	-	3,441,187	-	-	-	-	-	3,558,044	3,441,187
Net insurance contracts (liabilities)/Assets - beginning	3,558,044	(564,049)	3,441,187	(487,693)	(17,697,063)	(15,578,535)	(681,121)	(477,601)	(15,384,189)	(13,102,642)
Insurance contracts revenues	43,202,789	-	41,262,921	-	-	-	-	-	43,202,789	41,262,921
Insurance contracts expenses										
The incurred claim during the period	-	-	-	-	(35,027,794)	(31,246,438)	136,545	(177,386)	(34,891,249)	(31,423,824)
Changes related to previous service-Adjustments on LFIC	-	-	-	-	(3,080,050)	(2,807,998)	-	-	(3,080,050)	(2,807,998)
Acquisition cost	(2,221,416)	-	(2,324,831)	-	-	-	-	-	(2,221,416)	(2,324,831)
Administrative cost	-	-	-	-	(2,119,929)	(2,094,273)	-	-	(2,119,929)	(2,094,273)
Losses resulting from contracts expected to be lost and the recovery of these losses	-	292,217	-	(76,356)	-	-	-	-	292,217	(76,356)
Insurance service results	40,981,373	292,217	38,938,090	(76,356)	(40,227,773)	(36,148,709)	136,545	(177,386)	1,182,362	2,535,639
Finance costs - from insurance contracts	-	-	-	-	(920,904)	(726,253)	(53,108)	(26,134)	(974,012)	(752,387)
Cash received from written contracts	(45,526,655)	-	(38,821,232)	-	-	-	-	-	(45,526,655)	(38,821,232)
The incurred claim	-	-	-	-	39,005,348	34,756,434	-	-	39,005,348	34,756,434
Total Cash Flows	(45,526,655)	-	(38,821,232)	-	39,005,348	34,756,434	-	-	(6,521,307)	(4,064,798)
Insurance contracts liabilities-Ending	(987,238)	(271,832)	-	(564,049)	(19,840,392)	(17,697,063)	(597,684)	(681,121)	(21,697,146)	(18,942,233)
Insurance contracts assets-Ending	-	-	3,558,045	-	-	-	-	-	-	3,558,045
Net insurance contracts (liabilities)/Assets - Ending	(987,238)	(271,832)	3,558,045	(564,049)	(19,840,392)	(17,697,063)	(597,684)	(681,121)	(21,697,146)	(15,384,188)

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13,1 - Receivables Related to Insurance Operations

	2024	2023
Policy holders' receivables	6,128,328	4,410,162
Government receivables	8,634,002	14,705,572
Agents' receivables	31,655	35,377
Brokers' receivables	919	4,487
	14,794,904	19,155,598
Less: Provision for credit losses *	(2,200,000)	(2,200,000)
	12,594,904	16,955,598

Analysis of the receivables according to their time period:

	2024	2023
Receivables not yet due	3,964,154	10,021,705
Receivables during 0-90 days	3,091,139	4,532,352
Receivables during 91-180 days	3,407,650	1,189,790
Receivables during 181-365 days	2,131,961	1,211,751
Receivables more than 365 days	-	-
Total	12,594,904	16,955,598

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

	2024	2023
The balance at the beginning of the year	2,200,000	2,200,000
Additions	-	-
The balance at the end of the year	2,200,000	2,200,000

13,2 - cheques under collection related to insurance operations:

	2024	2023
Checks for collection due within 6 months	179,936	222,579
Checks for collection due in 6 months to 1 year	4,040	1,192,895
Checks for collection due in over 1 year	-	1,370
Total	183,976	1,416,844
Less: Allowance for Expected Credit Losses	-	-
	183,976	1,416,844

13,3 - Payable Related to Insurance Operations:

	2024	2023
Post Dated Cheques	3,723,333	3,679,369
Policy holders' Payables	253,229	352,236
Agents' Payables	41,305	40,759
Brokers' Payables	46,545	36,732
Garages And Spare Parts Payables	59,145	148,771
Other Payables	89,837	130,570
Net value of Payables related to insurance operations	4,213,394	4,388,437

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

	Liabilities for remaining coverage				Liabilities for Incurred Claims				Total	
	2024	2024	2023	2023	2024	2023	2024	2023	2024	2023
	Excluding loss component	Loss component	Excluding loss component	Loss component	Present value of cashflow	Present value of cashflow	Risk adjustments- non financial	Risk adjustments- non financial	Total	Total
Reinsurance contracts liabilities-beginning	-	-	-	-	-	-	-	-	-	-
Reinsurance contracts assets-beginning	239,771	399	637,967	50	3,207,409	3,554,977	141,619	137,660	3,589,198	4,330,654
Net reinsurance contracts (liabilities)/Assets - beginning	239,771	399	637,967	50	3,207,409	3,554,977	141,619	137,660	3,589,198	4,330,654
Reinsurance contracts expenses	(2,858,146)	-	(3,267,860)	-	-	-	-	-	(2,858,146)	(3,267,860)
Reinsurance contracts revenue	193,268	(399)	255,772	349	708,890	1,050,165	(66,862)	(1,059)	834,897	1,305,227
Reinsurance service contracts results	(2,664,878)	(399)	(3,012,088)	349	708,890	1,050,165	(66,862)	(1,059)	(2,023,249)	(1,962,633)
Finance cost - from reinsurance contracts	-	-	-	-	114,777	90,144	10,857	5,018	125,634	95,162
Cash for written contracts paid to the reinsurance	3,080,778	-	2,613,892	-	-	-	-	-	3,080,778	2,613,892
Cash recovered from the reinsurance for incurred claims	-	-	-	-	(1,278,907)	(1,487,877)	-	-	(1,278,907)	(1,487,877)
Total Cash Flows	3,080,778	-	2,613,892	-	(1,278,907)	(1,487,877)	-	-	1,801,871	1,126,015
Reinsurance contracts liabilities-Ending	-	-	-	-	-	-	-	-	-	-
Reinsurance contracts assets-Ending	655,671	-	239,771	399	2,752,169	3,207,409	85,614	141,619	3,493,454	3,589,198
Net reinsurance contracts (liabilities)/Assets – Ending	655,671		239,771	399	2,752,169	3,207,409	85,614	141,619	3,493,454	3,589,198

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14,1- Receivables related to insurance operations (Reinsurance contract held)

	2024	2023
Reinsurance contracts assets (Local)	879,261	989,994
Reinsurance contracts assets (Foreign)	1,445,179	1,469,061
Total receivables	2,324,440	2,459,055
Less: Provision for credit losses*	(1,150,000)	(1,150,000)
Total receivables	1,174,440	1,309,055

Analysis of the receivables according to their time period:

	2024	2023
Receivables not yet due	-	-
Receivables during 0-90 days	322,541	332,578
Receivables during 91-180 days	382,080	183,087
Receivables during 181-365 days	469,819	793,390
Receivables more than 365 days	-	-
Total	1,174,440	1,309,055

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

	2024	2023
The balance at the beginning of the year	1,150,000	1,150,000
Additions	-	-
The balance at the end of the year	1,150,000	1,150,000

14,2 - Accounts Payable related to insurance operations (Reinsurance contract held)

	2024	2023
Local insurance companies	183,316	138,946
Foreign reinsurance companies	632,172	669,580
Total	815,488	808,526

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15- Income Tax

A- Provision for Income Tax:

The movement on the income tax provision during the year is as follows:

	2024	2023
Balance at beginning of the year	131,453	-
Income tax paid	(186,709)	(224,428)
Income tax expense for the year	55,256	355,881
Balance at the end of the year	-	131,453

B- Income tax presented in the Consolidated Statement of profit or loss it includes the following:

	2024	2023
Accrued income tax for profit of the year	-	310,280
National contribution tax	-	25,857
Income Tax for Foreign Investments	5,649	299
National contribution tax For Foreign Investments	1,130	60
	6,779	336,496
Income tax for previous years	-	19,385
	6,779	355,881
Effect of deferred tax assets	230,292	(634,322)
Balance at the end of the year	237,071	(278,441)

C - Summary of reconciliation of accounting profit with tax profit:

	2024	2023
Accounting profit / (loss)	740,971	(130,114)
Non-taxable revenue	(8,061,008)	(4,256,057)
Expenses that are not tax acceptable	6,261,909	5,679,005
Tax profit / (loss)	(1,058,128)	1,292,834
Actual income tax payable	6,779	336,496
Income tax for previous years	-	19,385
Effect of deferred tax assets	230,292	(634,322)
	237,071	(278,441)
Actual income tax rate	-	-
Statutory income tax rate		
(Including a 2% national contribution tax)	%26	%26

Income tax

- Income tax provision for the company has been calculated for the years ended in 2024 and 2023 in accordance with Income Tax Law No. (34) Of 2014 and its amendments.
- A final settlement has been reached with the Income Tax Department until the end of the year 2020.
- The company submitted the self-assessment declaration for the years 2023 and 2022 and 2021 on time. However, the Income Tax and Sales Department has not reviewed the company's records until the date of these financial statements. In the opinion of the company's management and its tax advisor, the provision for income tax is sufficient to meet any tax obligations.

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15- Income Tax (continue)

Sales tax

A final settlement has been reached with the Sales Tax Department until the end of December 2020.

Deferred Tax Assets/Liabilities

	2024				2023	
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
1- Deferred tax assets:						
Provision for expected credit losses	3,350,000	-	-	3,350,000	871,000	871,000
Insurance contracts liabilities	5,663,372	658,234	1,252,187	6,257,325	1,626,905	1,472,477
Unrealized losses from investments through the income statement	126,379	108,513	-	17,866	1,787	12,638
Unrealized losses from investments through other comprehensive income	655,705	562,633	94,302	187,374	48,717	170,484
Unrealized losses from investment in an subsidiary company	-	-	305,259	305,259	79,367	-
	<u>9,795,456</u>	<u>1,329,380</u>	<u>1,651,748</u>	<u>10,117,824</u>	<u>2,627,776</u>	<u>2,526,599</u>
	2024				2023	
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
2- Deferred tax liabilities:						
Unrealized gains from investments in associate companies.	-	-	1,743,215	1,743,215	453,236	-
Unrealized gains from financial assets through other comprehensive income	395,776	110,145	145,725	431,356	46,369	43,417
	<u>395,776</u>	<u>110,145</u>	<u>1,888,940</u>	<u>2,174,571</u>	<u>499,605</u>	<u>43,417</u>

Movement on deferred tax assets and liabilities is as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Balance at the beginning of the year	2,526,599	1,754,689	43,417	46,535
Additions	429,455	866,392	468,420	10,032
Disposals	(328,278)	(94,482)	(12,232)	(13,150)
Balance at the end of the year	<u>2,627,776</u>	<u>2,526,599</u>	<u>499,605</u>	<u>43,417</u>

A tax rate of 26% was applied to the deferred tax assets and liabilities within Jordan, while a tax rate of 10% was applied to the deferred tax assets and liabilities outside Jordan. In the opinion of the company's management, it is expected that these amounts will be realized in the future.

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16- Intangible Assets

Cost	2024	2023
	Computer Systems and Software	Computer Systems and Software
Balance at the beginning of the year	339,814	302,019
Additions	7,918	37,795
Balance at the end of the year	347,732	339,814
Accumulated amortization		
Balance at the beginning of the year	309,007	301,822
Amortization	18,114	7,185
Balance at the end of the year	327,121	309,007
Net book value	20,611	30,807

17- Other Assets

	2024	2023
Prepaid expenses	288,841	135,335
Refundable deposits	12,732	12,732
Accrued and unreceived revenues	269,271	208,098
Other	59,611	13,552
Total:	630,455	369,717

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18- Property and Equipment

	<u>Lands</u>	<u>Buildings</u>	<u>Equipment, machinery and furniture</u>	<u>Vehicles</u>	<u>Computer devices</u>	<u>Total</u>
<u>Cost:</u>						
Balance as of December 31, 2023	734,577	935,305	365,861	72,000	399,327	2,507,070
Additions	-	-	4,724	-	41,150	45,874
Disposals	-	-	3,001	-	776	3,777
Balance As of December 31, 2024	734,577	935,305	367,584	72,000	439,701	2,549,167
<u>Less:</u>						
<u>Accumulated depreciation</u>						
Balance as of December 31, 2023	-	500,354	319,193	21,600	368,320	1,209,467
Charge for the year	-	19,522	11,049	10,800	32,209	73,580
Disposals	-	-	3,001	-	776	3,777
Balance As of December 31, 2024	-	519,876	327,241	32,400	399,753	1,279,270
<u>Net Book value:</u>						
Balance As of December 31, 2024	734,577	415,429	40,343	39,600	39,948	1,269,897
Balance as of December 31, 2023	734,577	434,951	46,668	50,400	31,007	1,297,603

- Fully depreciated assets amounted to 636,523 JD as of December 31, 2024 (594,080 dinars as of December 31, 2023).
- There is a mortgage on a portion of the company's buildings in favor of the Jordan Kuwait Bank against the ceiling of guarantees granted to the company amounting to 4,500,000 JD.

19- Accounts Payable Non-insurance Related

This item represents the value of accounts payable for the subsidiary, "Darkom Investment Company," amounting to 262,189 Jordanian Dinars.

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20- Other Liabilities

	2024	2023
Accrued expenses	13,925	18,317
Revenues received in advance	38,515	64,917
Shareholders' deposits	52,737	54,323
Governmental deposits	156,252	106,915
Others	41,540	-
Total	302,969	244,472

21- Other Provisions

	2024	2023
Provision Central Bank Fees	33,441	26,754

The following table shows the movement in the other provisions:

	Beginning Balance	Made During the Year	Utilized During the Year	Reversed to Income	Ending Balance
Provision Central Bank Fees	26,754	186,268	179,581	-	33,441

22- Authorized Paid Up Capital

The issued and paid-up capital of the company amounts to JD 9,100,000, divided into 9,100,000 shares, with a nominal value of one dinar per share, as on December 31, 2024 and December 31, 2023.

23- Legal Reserves

Statutory Reserve

The amounts accumulated in this account represent the transferred annual profit before taxes at a rate of 10% during the year and previous years in accordance with the Companies Law, and up to 25% of the paid-up capital and it is not distributable to shareholders, it is permissible, with the approval of the Company's general assembly, to continue deducting this percentage until it reaches the balance of this reserve is equivalent to 100% of the Company's authorized capital.

24- Fair Value Reserve

This amount represents the net change in fair value of financial assets through other comprehensive income.

The details of the movement on this item are as follows:

	2024	2023
The balance at the beginning of the year	(132,865)	194,691
The change during the year	(53,967)	(249,258)
Profit on reclassification of investments in an associate company to financial assets at fair value through other comprehensive income	-	(219,004)
Losses from reclassification of financial assets at fair value through other comprehensive income — investments in an associate.	68,745	-
Losses from reclassification of financial assets at fair value through other comprehensive income — investments in a subsidiary.	489,136	-
Deferred tax liabilities	(2,953)	3,118
Deferred tax assets	(121,766)	137,588
The balance at the end of the year	246,330	(132,865)

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25- Retained (losses)

	<u>2023</u>	<u>2022 (Adjusted)</u>
The balance at the beginning of the year	(945,011)	(1,312,343)
Net profit for the year	503,900	148,328
Profit on reclassification of investments in an associate company to financial assets at fair value through other comprehensive income	-	219,004
Losses on Reclassification of Financial Assets at Fair Value through Other Comprehensive Income to Investments in Associates	(68,745)	-
Losses on Reclassification of Financial Assets at Fair Value through Other Comprehensive Income to Investments in Subsidiaries	(489,136)	-
The balance at the end of the year	(998,992)	(945,011)

26- Non-Controlling Equity

This item represents the non-controlling equity in the net equity of the subsidiary as of December 31, 2024, with details as follows:

2024

Company Name	Ownership Percentage	Paid-in Capital	Statutory Reserve	Proposed Dividends	Retained Earning /losses	Profit (Loss) for the Period	Total Equity	Non-controlling equity	Share of non-controlling equity in Net Profit (Loss) for the Year
Darkom Investment Company	%58.1	2,810,000	3,617	-	(591,766)	(33,480)	2,221,851	932,054	(28,895)

2023

Company Name	Ownership Percentage	Paid-in Capital	Statutory Reserve	Proposed Dividends	Retained Earning /losses	Profit (Loss) for the Period	Total Equity	Non-controlling equity	Share of non-controlling equity in Net Profit (Loss) for the Year
Darkom Investment Company	-	-	-	-	-	-	-	-	-

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27- Insurance Contracts Revenue

December 31, 2024	Vehicles	Medical	Fire	Engineering	Marine	Aviation	Civil liability	Credit and guarantee	Other branches	Life	Total
Change in insurance contracts liabilities against remaining coverage	16,522,779	18,074,823	983,067	135,132	782,128	423,135	64,426	142,771	88,273	592,560	37,809,094
Insurance contracts issuance fees	2,034,088	2,330,421	269,687	45,137	451,561	117,674	12,997	21,597	915	109,618	5,393,695
Total insurance contracts revenue	18,556,867	20,405,244	1,252,754	180,269	1,233,689	540,809	77,423	164,368	89,188	702,178	43,202,789

December 31, 2023	Vehicles	Medical	Fire	Engineering	Marine	Aviation	Civil liability	Credit and guarantee	Other branches	Life	Total
Change in insurance contracts liabilities against remaining coverage	15,470,545	17,431,891	1,026,037	182,899	554,011	431,127	140,677	148,219	41,034	655,546	36,081,986
Insurance contracts issuance fees	2,250,049	2,259,888	232,725	42,649	152,789	81,866	13,620	20,002	1,431	125,916	5,180,935
Total insurance contracts revenue	17,720,594	19,691,779	1,258,762	225,548	706,800	512,993	154,297	168,221	42,465	781,462	41,262,921

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28- Insurance Contracts Expenses

December 31, 2024	Vehicles	Medical	Fire	Engineering	Marine	Aviation	Civil liability	Credit and guarantee	Other branches	Life	Total
Insurance claims incurred	(15,860,963)	(20,731,288)	(490,187)	9,257	(90,337)	7,190	(40,617)	(630,925)	(29,737)	(250,236)	(38,107,843)
Amortization of acquisition costs	(1,069,911)	(821,534)	(132,737)	(11,605)	(78,613)	(13,388)	(19,333)	(42,250)	(17,586)	(14,459)	(2,221,416)
Administrative expenses	(836,156)	(1,069,073)	(57,373)	(4,035)	(40,750)	(7,986)	(7,386)	(51,914)	(12,312)	(32,944)	(2,119,929)
Loss on contracts burdened with liabilities	204,093	92,589	-	-	-	-	-	(4,937)	-	472	292,217
Risk Adjustments - Non Financial	(190,982)	(99,460)	(10,331)	(357)	(5,610)	-	7	(5,540)	(1,823)	(10,273)	(324,369)
Supplementary from non-financial risk adjustments	259,342	127,519	47,625	4,553	11,189	10,240	38,054	(51,082)	60	13,413	460,913
Total insurance contracts expenses	(17,494,577)	(22,501,247)	(643,003)	(2,187)	(204,121)	(3,944)	(29,275)	(786,648)	(61,398)	(294,027)	(42,020,427)
December 31, 2023	Vehicles	Medical	Fire	Engineering	Marine	Aviation	Civil liability	Credit and guarantee	Other branches	Life	Total
Insurance claims incurred	(14,099,036)	(19,161,308)	(5,485)	(48,161)	67,512	(17,730)	(210,066)	52,211	(768)	(631,605)	(34,054,436)
Amortization of acquisition costs	(1,246,489)	(697,969)	(174,860)	(18,719)	(77,518)	(10,410)	(31,773)	(32,136)	(6,358)	(28,599)	(2,324,831)
Administrative expenses	(857,831)	(1,007,248)	(73,273)	(11,517)	(39,460)	(3,849)	(6,896)	(23,712)	(1,395)	(69,092)	(2,094,273)
Loss on contracts burdened with liabilities	27,424	(103,322)	-	-	14	-	-	-	-	(472)	(76,356)
Risk Adjustments - Non Financial	(216,269)	(127,467)	(6,256)	(1,911)	(6,776)	-	(154)	(6,620)	-	(14,094)	(379,547)
Supplementary from non-financial risk adjustments	92,925	64,020	27,267	4,244	3,505	(17,765)	(77,171)	(2,402)	-	107,538	202,161
Total insurance contracts expenses	(16,299,276)	(21,033,294)	(232,607)	(76,064)	(52,723)	(49,754)	(326,060)	(12,659)	(8,521)	(636,324)	(38,727,282)

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29- Reinsurance Contracts Revenue

December 31, 2024	Vehicles	Medical	Fire	Engineering	Marine	Aviation	Civil liability	Credit and guarantee	Other branches	Life	Total
The reinsurance share of incurred insurance claims.	(118,371)	(11,224)	639,130	29,004	113,784	8,396	(31,046)	161	15,347	189,716	834,897
Total Reinsurance contracts revenue	(118,371)	(11,224)	639,130	29,004	113,784	8,396	(31,046)	161	15,347	189,716	834,897

December 31, 2023	Vehicles	Medical	Fire	Engineering	Marine	Aviation	Civil liability	Credit and guarantee	Other branches	Life	Total
The reinsurance share of incurred insurance claims.	189,265	208,454	7,432	53,425	6,765	56,777	376,688	-	-	406,421	1,305,227
Total Reinsurance contracts revenue	189,265	208,454	7,432	53,425	6,765	56,777	376,688	-	-	406,421	1,305,227

30- Reinsurance Contracts Expenses

December 31, 2024	Vehicles	Medical	Fire	Engineering	Marine	Aviation	Civil liability	Credit and guarantee	Other branches	Life	Total
The reinsurance share of the change in reinsurance contract liabilities for the remaining coverage.	(32,260)	-	(917,562)	(115,305)	(771,553)	(422,083)	(47,760)	(969)	-	(550,654)	(2,858,146)
Total Reinsurance contracts Expense	(32,260)	-	(917,562)	(115,305)	(771,553)	(422,083)	(47,760)	(969)	-	(550,654)	(2,858,146)

December 31, 2023	Vehicles	Medical	Fire	Engineering	Marine	Aviation	Civil liability	Credit and guarantee	Other branches	Life	Total
The reinsurance share of the change in reinsurance contract liabilities for the remaining coverage.	(330,159)	(148,993)	(957,356)	(156,380)	(510,889)	(430,127)	(108,556)	(475)	-	(624,925)	(3,267,860)
Total Reinsurance contracts Expense	(330,159)	(148,993)	(957,356)	(156,380)	(510,889)	(430,127)	(108,556)	(475)	-	(624,925)	(3,267,860)

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31- Financing (Expenses) –Insurance Contracts

	<u>2024</u>	<u>2023</u>
Financing (expenses)	<u>(974,011)</u>	<u>(752,387)</u>
	<u>(974,011)</u>	<u>(752,387)</u>

The company used discount rates ranging from 5.18% to 6.315% as of December 31, 2024 (December 31, 2023: 11.7% and 13.8%).

32- Financing Revenues – Reinsurance Contracts

	<u>2024</u>	<u>2023</u>
Financing revenues	<u>125,633</u>	<u>95,162</u>
	<u>125,633</u>	<u>95,162</u>

The company used discount rates ranging from 5.18% to 6.315% as of December 31, 2024 (compared to 11.7% and 13.8% as of December 31, 2023).

33- Interest income

	<u>2024</u>	<u>2023</u>
Bank Interest	<u>642,178</u>	<u>487,870</u>
Interest from Investment in financial assets at amortized cost	<u>80,857</u>	<u>6,188</u>
	<u>723,035</u>	<u>494,058</u>

34- Net Profit of Financial Assets and Investments

	<u>2024</u>	<u>2023</u>
Gains from the revaluation of financial assets at fair value through profit or loss	<u>108,513</u>	<u>45,844</u>
Cash dividend returns	<u>116,024</u>	<u>50,121</u>
Losses on selling of Investments	<u>(3,734)</u>	<u>(48,455)</u>
Rental revenue	<u>51,508</u>	<u>47,018</u>
Other revenue	<u>3,240</u>	<u>3,230</u>
	<u>275,551</u>	<u>97,758</u>

35- Other Income

	<u>2024</u>	<u>2023</u>
Others	<u>510</u>	<u>9,217</u>
	<u>510</u>	<u>9,217</u>

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36- Employees' Expenses

	2024	2023
Salaries and bonuses	1,890,274	1,852,946
End-of-service benefits	-	-
Company's share of social security	211,949	209,400
Others	39,863	50,647
	2,142,086	2,112,993

37- General and administrative expenses

	2024	2023
Professional and legal fees	278,943	163,836
Insurance operations fees	186,270	193,284
Governmental fees and others	135,403	64,344
Bank interest	224	9,556
Compensation for motor vehicle accident claimants	123,145	62,089
Board members' transportation (Note 32)	134,750	106,997
Non-deductible tax	51,059	53,512
Donations	49,594	22,794
Postage and communication	24,599	28,445
Water, electricity, and heating	32,600	34,924
Advertising and marketing	38,863	40,497
Stationery and printing	19,885	24,040
Insurance expenses	26,520	28,305
Maintenance	10,460	35,401
Amortization of right-of-use assets	-	14,553
Bank charges	6,322	20,273
Rent	29,924	28,037
Hospitality	11,194	12,371
Subscriptions	2,829	3,879
Interest on lease liabilities	-	1,080
Stamps	139	232
Other expenses	95,940	97,655
	1,258,662	1,046,104

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37- Earnings Per Share from the year's profit

Earnings per share (EPS) are calculated by dividing the profit for the year by the number of shares, as follows:

	<u>2024</u>	<u>2023</u>
Profit for the year / Jordanian dinar	503,900	148,328
Weighted Average number of shares / one share	9,100,000	9,100,000
	(Fils / Dinar)	(Fils / Dinar)
Basic earnings per share (Fils / Dinar)	<u>0.055</u>	<u>0.0163</u>

38- Related Parties Transactions

The Company entered into transactions with members of the Board of Directors and senior management within the normal trading activities of the Company and using insurance premiums and commercial commissions. All receivables from related parties are considered working and no allocations have been taken for them as of December 31, 2024

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

	<u>2024</u>			
	<u>Subsidiary companies</u>	<u>Members of the Board of Directors</u>	<u>Total</u>	<u>2023</u>
<u>Items of financial position statement</u>				
Insurance contract assets	1,393	4,835,549	4,836,942	3,146,995
Insurance contract liabilities	3,441,306	7,041	3,448,347	3,272,613
<u>Items of profit or loss statement</u>				
Insurance revenues	113,005	3,645,583	3,758,588	3,507,954
Other revenue – rental revenue	43,237	-	43,237	37,288

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

	<u>2024</u>	<u>2023</u>
Salaries and rewards	498,373	561,039
Travel expenses	9,114	11,490
	<u>507,487</u>	<u>572,529</u>

39- Cash and its equivalent

Cash and its equivalents as of December 31, 2024, as shown in the cash flow statement, represent cash in hand, bank balances, and deposits with banks due within three months, net of overdraft balances with banks as of December 31, 2024.

	<u>2024</u>	<u>2023</u>
Cash on hand and balances with banks (Note 12)	1,493,233	2,186,563
Add: Deposits with banks due within three months (Note 6)	6,188,545	4,306,391
Less: Deposit pledged for the Central Bank's account	(800,000)	(800,000)
	<u>6,881,778</u>	<u>5,692,954</u>

40 - The Fair Value of Financial Assets and Liabilities that are not stated at Fair Value

There are no material differences between the carrying amount and the fair value of assets and financial liabilities as of the end of 2024 and 2023.

41- Risk Management

First: Descriptive disclosures

The company manages diversified risks through multiple mechanisms, employing a comprehensive strategy that identifies, addresses, and mitigates risks. This strategy is established by the board of directors, who review risks, implement necessary measures to address them, and work towards reducing and limiting them. Additionally, all operational units are responsible for identifying risks related to their activities, establishing appropriate control measures, and monitoring their effectiveness continuously. The company is exposed to insurance risks, credit risks, liquidity risks, and market risks.

Risk Management Process:

The company's board of directors is responsible for identifying and monitoring risks. Additionally, there are several other entities responsible for managing the company's risks.

Risk Measurement and Reporting Systems:

Risk monitoring and control are carried out by monitoring the allowable limits for each type of risk. These limits reflect the company's business strategy and various market factors. Information is collected from various departments within the company and analyzed to identify expected risks. This information is then presented and explained to the company's board of directors.

Second: Quantitative disclosures

1. Insurance risks

The risks of any insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the claim related to that event. This is due to the nature of the insurance contract, where the risks are volatile and unpredictable for insurance contracts related to an insurance category. Probability theory can be applied to pricing and reserve. The main risks facing the Company the claims incurred and related payments may exceed the carrying value of the insurance liabilities. This may happen if the possibility and seriousness of claims are greater than expected, because insurance events are not constant and vary from year to year, estimates may differ from the statistics related to them.

Studies have shown that the more similar the insurance contracts are, the closer the expectations are to the actual loss rate. The presence of diversification in the insurance risks that are covered leads to a decrease in the probability of total insurance loss.

The repetition of claims can occur, and their amounts may be influenced by several factors. The company's main insurance activities include coverage against fire risks, general accidents, marine and air risks, medical insurance, and life insurance. These insurance contracts are typically short-term and are usually paid within one year from the date of the insured event, which helps mitigate the insurance risk.

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41- Risk Management (continued)

Second: Quantitative disclosures

1. Insurance risks

Risk management strategies in products are primarily based on two main elements: uncertainty and the size of risks/exposure, as follows:

- 1- Risk acceptance in the case of low uncertainty/low exposure in product marketing.
- 2- For low uncertainty/high exposure risks, the company has introduced relevant controls by implementing appropriate procedures to reduce risks.
- 3- For low exposure/high uncertainty risks, the company has transferred these risks to a third party through contractual arrangements, ensuring proper risk management for the external parties involved in bearing the risks.
- 4- Appropriate emergency plans were adopted to manage high exposure/high uncertainty risks, and high exposure/high uncertainty risks were avoided whenever possible.

The above risks were managed by the Risk Department, which sent periodic reports related to all company risks to the Risk Management Committee, which reports to the Board of Directors. These risks were discussed, and recommendations were sent to the executive management for implementation in the company.

When addressing the quantitative data related to insurance risks, the company disclosed the methods used, their strengths, limitations, assumptions, the impact of reinsurance, the participation of the contract holder, and other mitigating factors.

- The company has not entered into any insurance contracts with participation features.

- There is no emergency obligation on the company to contribute to the government or other guarantee funds.

2. Development of allegations

The tables below present information on gross and net claims development 10 years prior to the reporting period. The incurred claims shown in the table correspond to the total carrying value of the groups of insurance contracts:

(The minimum portfolio of insurance contracts related to branches is taken into account in accordance with the legislation in force in this regard.)

<u>Vehicles insurance</u>	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	6,431,543	7,685,403	10,115,032	12,814,399	14,501,166	51,547,542
After 1 year	6,720,868	9,723,623	11,202,118	13,660,941	-	41,307,550
After 2 years	7,383,751	9,692,157	11,526,184	-	-	28,602,092
After 3 years	7,618,763	10,053,109	-	-	-	17,671,872
After 4 years	7,724,260	-	-	-	-	7,724,260
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	7,569,799	9,681,056	10,787,595	11,846,891	7,747,064	47,632,405
Total liabilities of accident years for last 10 years	887,680	372,053	738,589	1,814,050	6,754,102	10,566,474
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(1,060,950)
Total liabilities versus claims incurred	-	-	-	-	-	9,505,523

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

<u>Vehicles insurance</u>	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	6,406,417	7,596,089	10,094,145	12,728,523	14,436,066	51,261,240
After 1 year	6,690,998	9,508,117	11,178,183	13,622,906	-	41,000,204
After 2 years	7,358,797	9,585,824	11,526,016	-	-	28,470,637
After 3 years	7,570,563	9,956,825	-	-	-	17,527,388
After 4 years	7,709,321	-	-	-	-	7,709,321
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	7,569,799	9,681,056	10,787,595	11,846,891	7,747,064	47,632,405
Net liabilities of accident years for last 10 years	589,811	275,769	738,421	1,776,015	6,689,002	10,069,018
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(1,040,386)
Net liabilities versus claims incurred	-	-	-	-	-	9,028,632

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

<u>Medical Insurance</u>	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	10,747,343	12,583,138	13,920,976	18,814,442	20,237,527	76,303,427
After 1 year	10,530,855	13,190,914	14,258,769	19,309,677	-	57,290,214
After 2 years	10,530,810	13,199,984	14,257,211	-	-	37,988,005
After 3 years	10,530,810	13,200,014	-	-	-	23,730,824
After 4 years	10,530,810	-	-	-	-	10,530,810
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	10,530,810	13,200,014	14,257,023	19,308,607	16,493,166	73,789,620
Total liabilities of accident years for last 10 years	-	-	188	1,070	3,744,361	3,745,618
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	-	-	-	-	-	3,745,618

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

Medical Insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	10,444,755	12,015,818	13,201,207	18,592,052	20,237,527	74,491,359
After 1 year	10,228,266	12,575,804	13,590,158	19,141,826	-	55,536,054
After 2 years	10,228,222	12,584,874	13,544,554	-	-	36,357,650
After 3 years	10,228,222	12,584,904	-	-	-	22,813,126
After 4 years	10,228,222	-	-	-	-	10,228,222
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	10,228,222	12,584,904	13,591,115	19,154,007	16,493,166	72,051,414
Net liabilities of accident years for last 10 years	-	-	(46,561)	(12,181)	3,744,361	3,685,618
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	-	-	-	-	-	3,685,618

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

Fire Insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	738,897	91,176	258,393	49,733	303,912	1,442,110
After 1 year	2,050,089	38,840	372,012	10,118	-	2,471,060
After 2 years	2,713,577	28,319	629,063	-	-	3,370,958
After 3 years	2,710,953	28,319	-	-	-	2,739,272
After 4 years	2,710,922	-	-	-	-	2,710,922
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	2,710,922	28,319	618,022	8,107	173,882	3,539,252
Total liabilities of accident years for last 10 years	53,999	-	11,041	2,011	130,030	197,081
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(10,290)
Total liabilities versus claims incurred	-	-	-	-	-	186,791

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

Fire Insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	138,069	6,296	(9,947)	7,287	31,660	173,364
After 1 year	110,419	(1,206)	153,000	(8,409)	-	253,804
After 2 years	90,783	1,448	93,047	-	-	185,278
After 3 years	91,062	1,448	-	-	-	92,509
After 4 years	91,115	-	-	-	-	91,115
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	91,115	1,448	82,091	(6,865)	14,755	182,543
Net liabilities of accident years for last 10 years	44,209		10,956	(1,543)	16,905	70,526
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(1,722)
Net liabilities versus claims incurred	-	-	-	-	-	68,804

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

Engineering Insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	151,571	16,188	25,388	33,512	4,385	231,043
After 1 year	115,253	12,940	35,428	27,361	-	190,982
After 2 years	95,312	12,940	35,386	-	-	143,638
After 3 years	92,387	12,940	-	-	-	105,327
After 4 years	92,410	-	-	-	-	92,410
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	92,358	12,940	35,386	20,953	-	161,637
Total liabilities of accident years for last 10 years	10,278	-	-	6,408	4,385	21,070
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(986)
Total liabilities versus claims incurred	-	-	-	-	-	20,084

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

Engineering Insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	20,675	1,423	18,511	13,395	42	54,046
After 1 year	13,262	392	2,769	289	-	16,713
After 2 years	6,679	392	2,727	-	-	9,799
After 3 years	9,674	392	-	-	-	10,067
After 4 years	9,644	-	-	-	-	9,644
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	9,653	392	2,727	1,442	-	14,214
Net liabilities of accident years for last 10 years	(743)	-	-	(1,153)	42	(1,854)
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	-	-	-	-	-	(1,854)

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

Marine Insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	141,733	682,451	79,542	54,790	148,152	1,106,667
After 1 year	17,154	276,435	56,067	23,398	-	373,054
After 2 years	17,154	179,359	55,617	-	-	252,131
After 3 years	17,154	160,043	-	-	-	177,198
After 4 years	17,154	-	-	-	-	17,154
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	17,154	160,043	55,617	23,398	81,755	337,968
Total liabilities of accident years for last 10 years	-	-	-	-	66,396	66,396
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(1,639)
Total liabilities versus claims incurred	-	-	-	-	-	64,758

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

Marine Insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	25,630	35,847	10,648	34,402	14,033	120,560
After 1 year	633	22,138	3,874	110	-	26,755
After 2 years	633	(26,797)	3,424	-	-	(22,740)
After 3 years	633	3,323	-	-	-	3,956
After 4 years	633	-	-	-	-	633
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	633	3,323	3,424	110	4,074	11,563
Net liabilities of accident years for last 10 years	-	-	-	-	9,959	9,959
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(252)
Net liabilities versus claims incurred	-	-	-	-	-	9,707

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

Civil liability insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	53,478	72,503	44,050	877	508	171,416
After 1 year	33,644	31,007	37,736	-	-	102,387
After 2 years	3,545	5,079	38,111	-	-	46,736
After 3 years	3,710	8,625	-	-	-	12,335
After 4 years	13,769	-	-	-	-	13,769
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	3,248	2,929	851	-	-	7,027
Total liabilities of accident years for last 10 years	412,433	5,696	37,261	-	508	857,810
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(10,680)
Total liabilities versus claims incurred	-	-	-	-	-	847,130

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

Civil liability insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	50,418	72,503	43,898	877	508	168,203
After 1 year	30,444	31,007	1,538	-	-	62,989
After 2 years	3,107	86	384	-	-	3,577
After 3 years	1,991	58	-	-	-	2,049
After 4 years	2,974	-	-	-	-	2,974
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	1,944	(1)	(2)	-	-	1,941
Net liabilities of accident years for last 10 years	51,903	59	386	-	508	52,857
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(1,021)
Net liabilities versus claims incurred	-	-	-	-	-	51,835

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

Life insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	927,150	1,051,281	492,609	521,581	354,670	3,347,289
After 1 year	1,196,345	932,938	420,394	441,006	-	2,990,683
After 2 years	1,183,559	951,882	387,383	-	-	2,522,824
After 3 years	1,280,761	954,282	-	-	-	2,235,043
After 4 years	1,282,261	-	-	-	-	1,282,261
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	1,229,813	901,958	320,500	419,812	194,959	3,067,042
Total liabilities of accident years for last 10 years	136,493	52,324	66,883	21,194	159,710	436,605
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	-	-	-	-	-	436,605

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

Life insurance	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	227,504	201,213	125,075	109,897	70,549	734,238
After 1 year	85,731	188,667	105,981	76,157	-	456,535
After 2 years	100,914	195,809	106,153	-	-	402,875
After 3 years	173,757	200,633	-	-	-	374,390
After 4 years	178,031	-	-	-	-	178,031
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	167,541	190,168	92,776	71,918	38,750	561,153
Net liabilities of accident years for last 10 years	27,299	10,465	13,377	4,239	31,800	87,179
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	-	-	-	-	-	87,179

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

Other branch Insurances	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	7,291	-	1,238	-	31,458	39,987
After 1 year	7,301	2,185	1,238	843	-	11,567
After 2 years	7,301	2,185	1,238	-	-	10,724
After 3 years	7,301	2,185	-	-	-	9,486
After 4 years	7,301	-	-	-	-	7,301
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	7,301	2,185	1,238	771	10,421	21,916
Total liabilities of accident years for last 10 years	-	-	-	72	21,038	21,110
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(1,541)
Total liabilities versus claims incurred	-	-	-	-	-	19,569

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

Other branch Insurances	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	4,218	-	329	-	15,182	19,730
After 1 year	4,229	2,185	329	843	-	7,586
After 2 years	4,229	2,185	329	-	-	6,743
After 3 years	4,229	2,185	-	-	-	6,414
After 4 years	4,229	-	-	-	-	4,229
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	4,229	2,185	329	771	10,421	17,935
Net liabilities of accident years for last 10 years	-	-	-	72	4,761	4,834
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(391)
Net liabilities versus claims incurred	-	-	-	-	-	4,443

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

Credit and Guarantee Insurances	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	15,260	2,953	25,585	44,201	67,430	155,430
After 1 year	48,822	32,384	12,886	33,515	-	127,607
After 2 years	(8,205)	5,070	18,499	-	-	15,365
After 3 years	(3,243)	12,773	-	-	-	9,530
After 4 years	1,455	-	-	-	-	1,455
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	22,954	13,955	46,127	14,986	7,524	105,546
Total liabilities of accident years for last 10 years	631,226	(1,182)	(27,627)	18,529	59,906	680,852
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(22,535)
Total liabilities versus claims incurred	-	-	-	-	-	658,317

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

Credit and Guarantee Insurances	2019 and before	2020	2021	2022	2023	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	15,260	2,953	25,585	44,201	67,430	155,430
After 1 year	48,822	32,384	12,886	33,515	-	127,607
After 2 years	(8,205)	5,070	18,499	-	-	15,365
After 3 years	(3,243)	12,773	-	-	-	9,530
After 4 years	1,455	-	-	-	-	1,455
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	22,954	13,955	46,127	14,986	7,524	105,546
Net liabilities of accident years for last 10 years	631,226	(1,182)	(27,627)	18,529	59,906	680,852
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(22,535)
Net liabilities versus claims incurred	-	-	-	-	-	658,317

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

Aviation Insurances	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	-	-	-	-	-	-
After 1 year	-	-	-	-	-	-
After 2 years	-	-	-	-	-	-
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	-	-	-	-	-	-
Total liabilities of accident years for last 10 years	89,614	-	-	-	-	89,614
Total liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	(1,594)
Total liabilities versus claims incurred	-	-	-	-	-	88,019

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

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41- Risk Management (continued)

2. Development of allegations (continued)

<u>Aviation Insurances</u>	2020 and before	2021	2022	2023	2024	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	-	-	-	-	(2)	(2)
After 1 year	-	-	-	-	-	-
After 2 years	-	-	-	-	-	-
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net cumulative claims paid	-	-	-	-	-	-
Net liabilities of accident years for last 10 years	2	-	-	-	(2)	-
Net liabilities for the previous years' accidents	-	-	-	-	-	-
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	-	-	-	-	-	-

* Estimates represent reported and unreported claims

Maximum claims = Claims under settlement + paid claims + claims that occurred but were not reported

3. Concentration of insurance risks

Tables showing risk concentrations by types of insurance, geographic distribution, and sectors are appear below.

Insurance contract receivables are concentrated according to the type of insurance as follows:

<u>Insurance Type</u>	2024		2023	
	Net	Total	Net	Total
Vehicles	18,741,558	19,239,013	14,841,291	17,730,761
Marine	27,957	398,331	23,851	298,832
Aviation	10,618	327,227	9,730	324,090
Fire and other damages	123,800	840,919	240,145	870,037
Responsibility	64,644	530,513	52,005	475,806
Credit	931,593	1,225,127	390,596	1,197,545
Personal accidents	-	-	-	-
Medical	6,253,257	6,464,371	7,420,991	7,643,846
Life	664,844	1,073,641	717,165	1,222,842
Total	26,818,271	30,099,142	23,695,774	29,763,759

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41- Risk Management (continued)

3. Concentration of insurance risks (continued)

- Assets and liabilities are concentrated according to geographical and sectoral distribution as follows:

A- According to Geographical region

	2024			
	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities
Inside the Kingdom	29,600,148	22,795,350	2,048,275	-
Middle East Countries	1,256,140	-	303,281	-
Europe	-	-	853,488	-
Asia	-	-	288,410	-
Africa	-	-	-	-
America	-	-	-	-
Other Countries	-	-	-	-
Total	30,856,288	22,795,350	3,493,454	-

	2023			
	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities
Inside the Kingdom	21,497,096	15,844,367	2,807,156	-
Middle East Countries	1,055,197	-	168,841	-
Europe	-	-	475,354	-
Asia	-	-	137,847	-
Africa	-	-	-	-
America	-	-	-	-
Other Countries	-	-	-	-
Total	22,552,293	15,844,367	3,589,198	-

* This item represents all Asian, Middle Eastern, European, African, and American countries.

B- By Sector

	2024			2023		
	Assets	Liabilities	Items outside financial position statement	Assets	Liabilities	Items outside financial position statement
BY sector						
Companies and Establishments	32,511,132	22,109,940	4,960,019	24,742,237	15,367,959	4,380,977
Individuals	1,838,610	685,410	-	1,399,254	476,408	-
Total	34,349,742	22,795,350	4,960,019	26,141,491	15,844,367	4,380,977

4. Reinsurance risks

Just like other insurance companies, and in order to reduce exposure to financial losses that may arise from large insurance claims, the company routinely enters into reinsurance agreements with other parties as part of its ordinary business operations. In order to reduce its exposure to significant losses as a result of the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies with which it deals and monitors concentrations of credit risks resulting from geographic regions and activities or economic components similar to those companies.

The reinsurance contracts issued do not relieve the Company of its obligations towards insurance policyholders, and as a result the Company remains committed to the balance of reinsured claims in the event that the reinsurers are unable to fulfill their obligations in accordance with the reinsurance contracts.

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41- Risk Management (continued)

5. Insurance risk sensitivity

2024	Change ratio	Contractual service margin		Profit or loss		Impact on owners' equity	
		Total	Net	Total	Net	Total	Net
Death rate	+5%	-	-	(254)	(254)	(254)	(254)
Death rate	-5%	-	-	83	83	83	83
Morbidity	+5%	-	-	-	-	-	-
Morbidity	-5%	-	-	-	-	-	-
Long life	+5%	-	-	83	83	83	83
Long life	-5%	-	-	(254)	(254)	(254)	(254)
Expenses	+5%	-	-	(40)	(40)	(40)	(40)
Expenses	-5%	-	-	40	40	40	40
Expiry rate	+5%	-	-	-	-	-	-
Expiry rate	-5%	-	-	-	-	-	-
Gross loss rate	+5%	-	-	-	-	-	-
Gross loss rate	-5%	-	-	-	-	-	-

2023	Change ratio	Contractual service margin		Profit or loss		Impact on owners' equity	
		Total	Net	Total	Net	Total	Net
Death rate	+5%	-	-	(127)	(127)	(127)	(127)
Death rate	-5%	-	-	64	64	64	64
Morbidity	+5%	-	-	-	-	-	-
Morbidity	-5%	-	-	-	-	-	-
Long life	+5%	-	-	64	64	64	64
Long life	-5%	-	-	(127)	(127)	(127)	(127)
Expenses	+5%	-	-	(21)	(21)	(21)	(21)
Expenses	-5%	-	-	21	21	21	21
Expiry rate	+5%	-	-	-	-	-	-
Expiry rate	-5%	-	-	-	-	-	-
Gross loss rate	+5%	-	-	-	-	-	-
Gross loss rate	-5%	-	-	-	-	-	-

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41- Risk Management (continued)

Financial risks

The risks to which the Company is exposed revolve around the possibility that the collection of premiums and the return on investments will be insufficient to finance the obligations arising from insurance contracts and investments.

The Company follows financial policies to manage various risks within a specific strategy. The Company's management is responsible for monitoring and controlling risks and making the optimal strategic distribution of both financial assets and financial liabilities. The risks include interest rates, credit risks, foreign currency rate risks and market risks. The Company follows a financial hedging policy for both financial assets and financial liabilities whenever necessary, which is hedging related to expected future risks.

1- Market risk

It is the risk of fluctuation in the fair value or cash flows of financial instruments as a result of changes in market prices such as interest rates, currency rates, and stock prices. Market risks arise as a result of the presence of open positions in interest rates, currencies, and investments in stocks. These risks are monitored in accordance with specific policies and procedures and through specialized committees. And the relevant business centers. Market risks include interest rate risks, exchange rate risks, and the risks of changes in stock prices.

Market risks and their monitoring are measured using sensitivity analysis.

A- Interest rate risk:

The company is exposed to interest rate risks on its assets and liabilities, including interest-bearing items such as deposits with banks.

As of December 31, 2024 the interest rate on bank deposits in Jordanian Dinar is 5.75% to 6.80% annually (from 6.25 to 6.75% annually: 2023).(Note6)

The table below shows the sensitivity of the income Consolidated Statement to reasonably possible changes in interest rates as of December 31, 2024, and 2023, with all other variables held constant.

The sensitivity of the income Consolidated Statement reflects the impact of reasonably possible changes in interest rates on the company's profit for one year. It is calculated based on the assets and financial liabilities that carry variable interest rates as of December 31, 2024, and 2023.

2024

<u>Currency</u>	<u>The increase in interest rates</u>	<u>The increase (decrease) in the year' profit</u>
Jordanian Dinar	<u>1%</u>	<u>119,836</u>

2023

<u>Currency</u>	<u>The increase in interest rates</u>	<u>The increase (decrease) in the year' profit</u>
Jordanian Dinar	<u>1%</u>	<u>108,184</u>

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

41- Risk Management (continued)

B- Foreign currency risks:

Foreign currency risks arise from fluctuations in the value of financial instruments due to changes in foreign exchange rates. The majority of the Company's assets and liabilities are funded using either the Jordanian Dinar or the US Dollar. The exchange rate between the Jordanian Dinar and the US Dollar is fixed at a rate of 0.709. The likelihood of this risk occurring is low. Therefore, the company does not hedge against foreign currency risks for the following reasons:

- The exchange rate for the US Dollar is fixed between 0.708 and 0.710 for buying and selling by the Central Bank of Jordan.
- Also, there are no accounts in other foreign currencies; however, the company continuously monitors fluctuations in currency exchange rates.

Foreign currency risk is the risk that the value of financial instruments will change as a result of changes in foreign currency rates. The Jordanian dinar is the Company's base currency. The Board of Directors sets limits for the Company's financial position for each currency. The foreign currency position is monitored on a daily basis and strategies are followed to ensure that the foreign currency position is maintained within approved limits.

The company's management believes that foreign currency risks and their impact on The Consolidated Financial Statements are immaterial.

The Company's net concentration of major foreign currencies is as follows:

Currency Type	Foreign currency		Equivalent to Jordanian Dinars	
	2024	2023	2024	2023
US Dollar	2,886,916	5,209,192	2,046,823	3,693,317

2- Credit Risk

These are the risks that may result from the failure of one party to the financial department to fulfill an obligation and cause the other party to bear a financial loss. To mitigate credit risks, the company takes the following procedures:

- Setting credit limits for brokers and agents.
- Monitoring accounts receivable.
- Establishing reinsurance policies with financially sound parties.
- Maintaining cash balances with local and international banks.

3- Operational Risk

These are the risks resulting from systems failure or could result from any intentional or unintentional human error.

These risks can affect the Company's reputation, as they can lead to financial loss. Such dangers can be avoided by separating duties and establishing the necessary procedures to obtain any information from the systems used in the Company, and through educating and training Company staff.

4- Legal Risk

This type of danger results from legal claims against the Company. To avoid these dangers, the Company has established an independent legal department to follow up on the Company's work in accordance with the law regulating insurance business and the instructions of the Insurance Authority and the instructions of the Central Bank.

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41- Risk management (continued)

5- Liquidity Risk

Liquidity risk is represented by the Company's inability to provide the necessary funding to perform its obligations on their due dates. To protect against these risks, management diversifies funding sources, manages assets and liabilities, aligns their terms, and maintains a sufficient balance of cash, cash equivalents, and tradable securities.

The management implements a suitable system for managing risks related to short and long-term financing by maintaining appropriate reserves. This is achieved through actual monitoring of expected cash flows and comparing asset maturity against financial requirements and technical obligations.

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than one year	Without maturity	Total
December 31, 2024							
Liability							
Insurance liabilities	-	2,635,564	3,407,650	11,689,778	-	3,964,154	21,697,146
Income tax provision	-	-	-	-	-	-	-
Lease contracts							
liabilities	-	-	-	-	-	-	-
Non-Insurance							
Payables	-	-	-	262,189	-	-	262,189
Deferred Tax							
Liabilities	-	-	-	-	-	499,605	499,605
Other liability	-	33,441	-	302,969	-	-	336,410
Total	-	2,669,005	3,407,650	12,254,936	-	4,463,759	22,795,350
Total assets	1,379,432	6,284,887	150,620	8,729,390	-	17,805,413	34,349,742
	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than one year	Without maturity	Total
December 31, 2023							
Liability							
Insurance liabilities	3,639,010	40,359	-	8,710,823	-	2,993,996	15,384,188
Deferred Tax							
Liabilities	-	-	-	-	43,417	-	43,417
Income tax provision	52,581	-	78,871	-	-	-	131,452
Lease contracts							
liabilities	-	-	-	14,084	-	-	14,084
Other liability	-	-	-	271,226	-	-	271,226
Total	3,691,591	40,359	78,871	8,996,133	43,417	2,993,996	15,844,367
Total assets	2,390,244	3,443,464	2,298,481	5,512,215	10,742,327	1,754,760	26,141,491

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42 - Analysis of Main Sectors

Information about the Company's business sectors:

For administrative purposes, as outlined in the clarification of insurance contract revenue (Note 27) and insurance contract expenses (Note 28), the group is organized to include the general insurance sector, covering vehicle insurance, marine and transportation insurance, fire and other property damage insurance, liability insurance, medical insurance, life insurance, and other branches. This sector constitutes the primary segment used by the company to present information related to the main sectors. It also includes investments and cash management for the company's account. Transactions between business sectors are conducted on the basis of estimated market prices and under the same conditions as dealings with third parties.

	Vehicles		Medical		Fire		Engineering		Marine		Aviation		Civil liability		Credit and Guarantee		Other branches		Life		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Assets																						
Reinsurance																						
Contracts																						
Assets	385,969	675,815	62,135	514,159	641,944	622,905	73,589	59,462	732,072	225,042	324,101	178,911	449,818	346,647	17,605	10,081	16,337	-	430,933	455,645	3,134,503	3,088,668
Reinsurance																						
contract	904,175	1,007,812	1,105	1,232	13,730	15,304	-	-	53,112	59,200	-	-	98,968	110,312	-	-	-	-	103,350	115,196	1,174,440	1,309,055
receivables																						
receivables																						
liability																						
Insurance																						
Contracts	18,090,525	16,527,101	6,949,597	12,428,624	834,986	808,561	91,730	121,685	1,154,201	538,875	386,830	386,130	527,376	490,033	1,035,292	403,767	63,987	43,671	1,128,108	1,299,115	30,262,632	33,047,561
liability																						
payables	558,701	291,222	3,568,080	387,945	20,241	6,129	000	000	000	3,597	000	000	000	000	000	8,644	1,595	000	64,778	11,531	4,213,395	709,068
Reinsurance																						
contract	242,128	332,070	897	442,360	387,585	6,989	000	000	000	4,101	68,482	000	57,858	000	000	9,856	000	000	58,539	13,149	815,489	808,525
payables																						

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42 - Analysis Of Main Sectors (continued)

Information about the Company's business sectors:

Below is the distribution of items on the company's income Consolidated Statement by product type:

	Vehicles		Medical		Fire		Engineering		Marine		Aviation		Civil liability		Credit and Guarantee		Other branches		Life		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Insurance																						
revenue	18,556,868	17,720,595	20,405,244	19,691,779	1,252,754	1,258,762	180,269	225,548	1,233,688	706,800	540,809	512,993	77,423	154,297	164,368	168,221	89,188	42,465	702,178	781,461	43,202,789	41,262,921
Insurance																						
expenses	(17,494,577)	(16,299,276)	(22,501,248)	(21,033,295)	(643,003)	(232,607)	(2,187)	(76,064)	(204,121)	(52,723)	(3,944)	(49,754)	(29,274)	(326,060)	(786,647)	(12,659)	(61,398)	(8,521)	(294,029)	(636,323)	(42,020,427)	(38,727,282)
Insurance																						
contracts results	1,062,291	1,421,319	(2,096,004)	(1,341,516)	609,751	1,026,155	178,082	149,484	1,029,567	654,077	536,865	463,239	48,149	(171,763)	(622,279)	155,562	27,790	33,944	408,150	145,138	1,182,362	2,535,639
Reinsurance																						
contracts																						
expenses	(32,260)	(330,160)	-	(148,993)	(917,562)	(957,355)	(115,305)	(156,381)	(771,553)	(510,890)	(422,083)	(430,127)	(47,760)	(108,556)	(969)	(475)	-	-	(550,654)	(624,925)	(2,858,146)	(3,267,862)
Reinsurance																						
contracts																						
recoverables	(118,371)	189,265	(11,224)	208,454	639,130	7,432	29,004	53,425	113,784	6,765	8,396	56,777	(31,046)	376,688	161	-	15,347	-	189,716	406,422	834,897	1,305,228
Reinsurance																						
contracts																						
revenue	(150,631)	(140,895)	(11,224)	59,461	(278,431)	(949,923)	(86,302)	(102,956)	(657,770)	(504,125)	(413,686)	(373,350)	(78,806)	268,132	(808)	(475)	15,347	-	(360,938)	(218,503)	(2,023,249)	(1,962,634)
Finance																						
expenses	(869,816)	(675,200)	-	-	(37,128)	(39,634)	(3,996)	(5,058)	(8,275)	(7,553)	(7,658)	(4,270)	(32,507)	(13,883)	(13,384)	(6,750)	(1,246)	(39)	-	-	(974,011)	(752,387)
Finance revenue	58,431	52,412	-	-	22,521	22,488	2,350	1,839	6,335	6,402	7,403	4,254	27,605	7,766	-	-	989	-	-	-	125,633	95,161
Net finance																						
results	(811,385)	(622,788)	-	-	(14,608)	(17,146)	(1,646)	(3,219)	(1,940)	(1,151)	(255)	(16)	(4,902)	(6,117)	(13,384)	(6,750)	(257)	(39)	-	-	(848,378)	(657,226)

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42 - Analysis Of Main Sectors (continued)

Geographic distribution information:

This note represents the geographical distribution of the Company's operations. The Company conducts its activities primarily within the Kingdom, which represents local business, noting that the Company has no activities or branches outside the country.

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

Particulars	Inside Kingdom		Outside Kingdom		Total	
	2024	2023	2024	2023	2024	2023
Total insurance revenues	43,202,789	41,262,921	-	-	43,202,789	41,262,921
Total assets	31,648,423	25,086,294	2,701,319	1,256,140	34,349,742	26,141,491

43 – Share Capital Management

Capital requirements are established and organized by the insurance management to ensure adequate margin. Additional goals have been set by the company to maintain strong credit ratings and a high capital ratio to support its operations and increase the maximum value for shareholders. A description of what is considered capital.

The company manages its capital structure and makes necessary adjustments in light of changing business conditions. However, the company has not made any amendments to the objectives, policies, and procedures related to capital structure during the current and previous years.

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

The company considers the amount it holds as capital and the solvency margin percentage, according to the following table:

	2024	2023
Core Capital Items		
Paid-up capital	9,100,000	9,100,000
Legal reserve	2,275,000	2,275,000
Retained earnings	(831,736)	1,945,932
Minority interest	932,054	-
Deficiency in provisions and technical reserves	-	(1,000,000)
	11,475,318	12,320,932
Supplementary Capital Items		
Increase in the fair value of investment properties	1,736,735	1,575,746
Accumulated change in fair value through Other Comprehensive Income (OCI)	246,330	(132,865)
	1,983,065	1,442,881
Less: Investments in subsidiaries and financial associates	3,524,995	-
Total Regulatory Capital (A)	9,933,388	13,763,813
Total Required Capital (B)	11,466,877	9,633,652
Solvency Margin Ratio (A/B)	86.63%	142.87%

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43 – Share Capital Management (continued)

Solvency margin ratio

The solvency margin ratio for the company before any excess is introduced in accordance with the "Regulations on the Principles of Investing Insurance Company Funds and Determining the Nature of Insurance Company Assets and their Positions to Meet the Insurance Liabilities Arising Therefrom" No. (2) Of 2006. It should be noted that the minimum solvency margin ratio is equal to 150% of the available capital as per the regulations of the Insurance Authority.

44- Cases Filed Against the Company

The company appears as a defendant in a number of legal cases amounting to 3,943,942 JD. The company has allocated sufficient provisions to meet the obligations related to these lawsuits, and in the opinion of the company's management, the provisions of 3,943,942 JD as of December 31, 2024 (December 31, 2023: 2,718,540 JD) are sufficient to meet the obligations related to these lawsuits.

The value of cases filed by the company against others amounted to 2,906,563 JD as of December 31, 2024 (December 31, 2023: 2,322,938 JD). These represent receivables due to the company and returned checks resulting from the company's normal business activities.

45 - Obligations That May Arise

As of the Consolidated Financial Statements date, the company has potential obligations represented by banking guarantees amounting to 4,960,019 dinars compared to 4,380,977 dinars as of December 31, 2024, and December 31, 2023, respectively.

46 - Comparative Figures

Some figures in the Consolidated Financial Statements for the year 2023 have been reclassified to align with the presentation of the Consolidated Financial Statements for the year 2024. The reclassification did not result in any impact on profit and equity.

47 – Fair value

The company uses the following hierarchy for valuation techniques and inputs in determining and presenting the fair value of financial instruments:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques where all significant inputs that have a bearing on the fair value can be observed directly or indirectly from market data.

Level 3: Other techniques where inputs that have a significant impact on fair value are used, but they are not based on observable market data.

The following table shows the analysis of financial instruments at fair value according to the hierarchical levels mentioned:

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47 – Fair value (continued)

	<u>First level</u>	<u>Third level</u>	<u>Total</u>
<u>December 31, 2024</u>			
Financial assets			
Financial assets at fair value through income statement	379,432	-	379,432
Financial assets at fair value through other comprehensive income	<u>1,011,412</u>	<u>503,582</u>	<u>1,514,994</u>
	<u>1,390,844</u>	<u>503,582</u>	<u>1,894,426</u>
<u>December 31, 2023</u>			
Financial assets			
Financial assets at fair value through income statement	270,919	-	270,919
Financial assets at fair value through other comprehensive income	<u>1,649,302</u>	<u>884,365</u>	<u>2,533,667</u>
	<u>1,920,221</u>	<u>884,365</u>	<u>2,804,586</u>

48 - Maturity Analysis of Current and Non-Current Assets and Liabilities

Particulars	Up to one year	More than one year	Total
<u>December 31, 2024</u>			
Assets:			
Deposits with banks	11,983,580	-	11,983,580
Financial assets at fair value through profit and loss	379,432	-	379,432
Financial assets at fair value through other comprehensive income	-	1,514,994	1,514,994
Investment in associate company	-	3,524,995	3,524,995
Financial assets at amortized cost	75,000	1,561,990	1,636,990
Real estate investments	-	5,099,622	5,099,622
Right to use an asset	-	-	-
cash on hand and at banks	1,493,233	-	1,493,233
Reinsurance contract assets - Net	3,493,454	-	3,493,454
Deferred tax assets	-	2,627,776	2,627,776
Intangible assets, net	-	20,611	20,611
property and equipment, net	-	1,269,897	1,269,897
Non-Insurance Receivables	-	674,703	674,703
Other assets	-	630,455	630,455
Total assets	17,424,699	16,925,043	34,349,742
Liabilities:			
Insurance contract liabilities - Net	21,697,146	-	21,697,146
Non-Insurance Payables	262,189	-	262,189
Income tax provision	-	-	-
Deferred tax liability	-	499,605	499,605
Other Provisions	33,441	-	33,441
Other liabilities	302,969	-	302,969
Total liability	22,295,745	499,605	22,795,350
Net	(4,871,046)	16,425,438	11,554,392

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48 - Maturity Analysis of Current and Non-Current Assets and Liabilities (continued)

Particulars	Up to one year	More than one year	Total
<u>December 31, 2023</u>			
Assets:			
Deposits with banks	10,818,456	-	10,818,456
Financial assets at fair value through profit and loss	270,919	-	270,919
Financial assets at fair value through other comprehensive income	-	2,533,667	2,533,667
Investment in associate company	-	-	-
Financial assets at amortized cost	-	175,000	175,000
Real estate investments	-	2,342,962	2,342,962
Right to use an asset	-	-	-
cash on hand and at banks	2,186,563	-	2,186,563
Reinsurance contract assets - Net	3,589,198	-	3,589,198
Deferred tax assets	-	2,526,599	2,526,599
Intangible assets, net	-	30,807	30,807
property and equipment, net	-	1,297,603	1,297,603
Other assets	369,717	-	369,717
Total assets	17,234,853	8,906,638	26,141,491
Liabilities:			
Insurance contract liabilities - Net	15,384,188	-	15,384,188
Credit Bank	-	-	-
End of service benefits provision	-	-	-
Right to use an asset' liability	-	14,084	14,084
Income tax provision	131,452	-	131,452
Deferred tax liability	-	43,417	43,417
Other liabilities	271,226	-	271,226
Total liability	15,786,866	57,501	15,844,367
Net	1,447,987	8,849,137	10,297,124

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49- Written Premiums - Insurance Branch

	<u>Vehicles</u>		<u>Medical</u>		<u>Fire</u>		<u>Engineering</u>		<u>Marine</u>		<u>Aviation</u>		<u>Civil liability</u>		<u>Credit and Guarantee</u>		<u>Other branches</u>		<u>Life</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Written premiums																						
Direct premiums	16,734,630	16,493,553	16,835,484	18,421,677	1,067,582	918,499	125,758	217,792	1,127,340	680,936	426,272	469,302	62,873	109,089	109,091	230,077	106,364	63,180	610,612	703,708	37,206,006	38,307,813
Received	-	-	-	-	5,655	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,655	-
Total Written premiums	<u>16,734,630</u>	<u>16,493,553</u>	<u>16,835,484</u>	<u>18,421,677</u>	<u>1,073,237</u>	<u>918,499</u>	<u>125,758</u>	<u>217,792</u>	<u>1,127,340</u>	<u>680,936</u>	<u>426,272</u>	<u>469,302</u>	<u>62,873</u>	<u>109,089</u>	<u>109,091</u>	<u>230,077</u>	<u>106,364</u>	<u>63,180</u>	<u>610,612</u>	<u>703,708</u>	<u>37,211,661</u>	<u>38,307,813</u>
Less:																						
Local reinsurer share	-	222,509	-	-	14,442	277,217	-	-	-	363,356	-	-	-	82,213	-	-	-	-	-	-	14,442	945,295
Foreign reinsurer share	-	-	409,674	428,198	994,633	578,549	106,566	187,210	1,116,978	304,088	424,332	468,302	49,460	1,248	18,349	(46,198)	-	-	602,645	667,531	3,722,637	2,588,928
Net written premiums	<u>16,734,630</u>	<u>16,271,044</u>	<u>16,425,811</u>	<u>17,993,480</u>	<u>64,162</u>	<u>62,733</u>	<u>19,192</u>	<u>30,582</u>	<u>10,362</u>	<u>13,492</u>	<u>1,940</u>	<u>1,000</u>	<u>13,413</u>	<u>25,628</u>	<u>90,742</u>	<u>276,275</u>	<u>106,364</u>	<u>63,180</u>	<u>7,967</u>	<u>736,17</u>	<u>33,474,582</u>	<u>34,773,590</u>

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50-Amortization of Acquisition Cost for Insurance Contract Assets

		2024				
		Vehicles	Medical	Fire	Marine	Total
No. of expected years to amortize acquisition cost to insurance contracts assets						
1 year		414,320	41,637	51,306	3,898	511,161
Total		414,320	41,637	51,306	3,898	511,161
		2023				
		Vehicles	Medical	Fire	Marine	Total
No. of expected years to amortize acquisition cost to insurance contracts assets						
1 year		649,183	49,190	48,990	6,535	753,898
Total		649,183	49,190	48,990	6,535	753,898

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51. Account receivables analysis

	2024			2023		
	Account receivables	Expected credit loss provision	Net	Account receivables	Expected credit loss provision	Net
Vehicles	4,399,344	(654,182)	3,745,162	5,489,596	(630,474)	4,859,122
Medical	7,861,302	(1,168,975)	6,692,327	11,495,309	(1,320,224)	10,175,085
Fire	331,046	(49,227)	281,819	267,068	(30,672)	236,396
Engineering	-	-	-	-	-	-
Marine	1,077,318	(160,197)	917,121	807,050	(92,689)	714,361
Aviation	75,694	(11,256)	64,438	72,242	(8,297)	63,945
Civil liability	64,095	(9,531)	54,564	18,641	(2,141)	16,500
Credit and Guarantee	678,749	(100,930)	577,819	797,971	(91,646)	706,325
Other branches	11,161	(1,660)	9,501	11,876	(1,364)	10,512
Life	296,193	(44,042)	252,151	195,845	(22,493)	173,352
Total	14,794,902	(2,200,000)	12,594,902	19,155,598	(2,200,000)	16,955,598

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52- Other expenses

2024					2023				
Acquisition costs	Costs attributable to contracts (Direct)	Costs attributable to contracts (Indirectly)	Costs not attributable to contracts	Total	Acquisition costs	Costs attributable to contracts (Direct)	Costs attributable to contracts (Indirectly)	Costs not attributable to contracts	Total
2,221,416	928,274	1,191,655	796,910	5,138,255	2,324,831	917,040	1,177,233	646,928	5,066,032
2,221,416	928,274	1,191,655	796,910	5,138,255	2,324,831	917,040	1,177,233	646,928	5,066,032

The company allocates administrative and general expenses, as well as direct employee expenses, to the insurance portfolios related to insurance contracts within groups of insurance contracts. These are included in the calculation of the contract's profitability by allocating the direct expenses to each individual portfolio. The unallocated expenses are added to the total portfolio production, which is then divided by the total production of the company. Meanwhile, indirect administrative and general expenses, as well as employee expenses not related to insurance contracts, are charged to the profit or loss statement. Both acquisition costs and claims management costs are classified as direct expenses based on their relationship with each insurance portfolio. The remaining expenses are classified as indirect.

53 - Subsequent Events

There are no subsequent events that have a significant impact on the company's financial results or its continuity.

54 - Contracts Expected to be Loss

The company underwrites loss-making contracts for several reasons, the most important of which are:

1. The existence of mandatory insurance contracts with prices set by government authorities, such as compulsory vehicle insurance.
2. The client account may be profitable for the company as a whole, even if it is not profitable on a portfolio level.