



القدس للتأمين  
JERUSALEM INSURANCE

الثلاثاء، 19 تشرين الثاني، 2024  
رقم الإشارة: م/704/2024

السادة / هيئة الأوراق المالية المحترمين ،  
السادة / بورصة عمان المحترمين ،

الموضوع: البيانات المالية المرحلية للفترة المنتهية في 2024/09/30

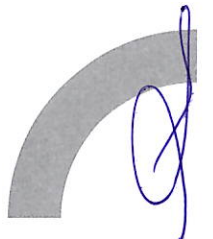
تحية طيبة وبعد،

مرفق طياً نسخة من البيانات المالية المرحلية كما بتاريخ 2024/09/30 والمعدة وفقاً لمعيار الإبلاغ المالي  
رقم (17) باللغة الإنجليزية .

وتفضلوا بقبول فائق الاحترام والتقدير،

الرئيس التنفيذي

عماد مرار



# **Jerusalem Insurance Company**

**Public Shareholding Company**

**Amman - The Hashemite Kingdom of Jordan**

**Condensed Interim Financial Statements (Unaudited)**

**And the independent auditor's report**

**For the Nine months ended 30 September 2024.**

Jerusalem Insurance Company  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan  
Condensed Interim Financial Statements (Unaudited)  
And the independent auditor's report  
For the Nine months ended 30 September 2024

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	<u>Pages</u>
- independent Auditor's Report	2
- Interim statement of financial position as of 30 September 2024 (Unaudited)	3
- Interim statement of profit or loss for the three months and the nine months period ended at 30 September 2024 (Unaudited)	4
- Interim statement of comprehensive income for the three months and the Nine months period ended at 30 September 2024 (Unaudited)	5
- Interim statement of changes in shareholders equity for the nine months ended at 30 September 2024 (Unaudited)	6
- Interim statement of cash flows for the Nine months ended at 30 September 2024 (Unaudited)	7
- Notes to the condensed interim financial statements for Nine months ended at 30 September 2024 (Unaudited)	8 – 50

## Independent Auditor's Report

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

### Introduction:

We have reviewed the accompanying interim condensed statement of financial position of **Jerusalem Insurance Company ("the Company")** as of 30 September 2024 and the interim condensed statements of profit or loss, other comprehensive income for the three months and the nine months period ended, changes in equity, and cash flows for the nine-months period then ended, as well as a summary of significant accounting policies and other explanatory notes.

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

### Scope of Review:

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

### Other Matter:

The financial statements for the year ended December 31,2023 the figures of which appear in the statement of (FP) for comparative purposes have been audited by one the auditor who issued an unqualified opinion on May 7,2024. And the condensed (FS) for the period ended Sep 30,2023. The statement of profit or loss, comprehensive income, changes in Shareholders' equity & cash flows for comparative purposes have been reviewed by another auditor who issued an unqualified opinion on October 30,2023.

### Conclusion:

Based on our review, nothing has come to our attention to believe that the accompanying interim condensed financial statements as of 30 September 2024 are not prepared in all material respects in accordance with the International Accounting Standard (34) "Interim Financial Report".

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

Date: 30 October 2024



Jerusalem Insurance Company  
Public Shareholding Company  
Interim statement of financial position as of 30 September 2024 (Unaudited)  
(In Jordanian Dinar)

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<b>Assets</b>			
Bank deposits	3	16,622,046	21,857,527
Financial assets measured at fair value through profit or loss	4	1,427,060	1,498,664
Financial assets measured at fair value through other comprehensive income	5	57,112	56,914
Financial assets measured at amortized cost	6	6,214,227	6,212,681
Investment properties	7	1,195,381	950,836
<b>Total Investments</b>		<b>25,515,826</b>	<b>30,576,622</b>
Cash on hand and at banks	8	1,052,385	398,375
Insurance contracts assets	9	114,013	2,718
Reinsurance contracts assets	10	2,525,959	1,338,308
Deferred tax assets	11	1,803,017	1,757,091
Property and equipment - net	12	7,558,470	419,409
Intangible assets - net	13	138,616	139,974
Other assets	14	1,415,900	6,585,793
<b>Total Assets</b>		<b>40,124,186</b>	<b>41,218,290</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Liabilities</b>			
Insurance contracts liabilities	9	21,394,897	20,818,479
Reinsurance contracts liabilities	10	887,087	3,548,375
Income tax provision	11	295,763	568,634
Other provisions	15	251,698	378,606
Other liabilities	16	1,409,369	1,189,851
<b>Total Liabilities</b>		<b>24,238,814</b>	<b>26,503,945</b>
<b>Shareholders' Equity</b>			
Paid - in capital	17	8,000,000	8,000,000
Statutory reserve	18	2,089,651	2,089,651
Voluntary reserve	18	1,668,538	1,668,538
Cumulative change in fair value	19	( 12,530 )	(12,728)
Retained earnings	20	4,139,713	2,968,884
<b>Total Shareholders' Equity</b>		<b>15,885,372</b>	<b>14,714,345</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>40,124,186</b>	<b>41,218,290</b>

"The attached notes from (1) to (37) are an integral part of these condensed interim financial statements"

**Jerusalem Insurance Company**  
**Public Shareholding Company**  
**Interim statement of profit or loss for the three months and the Nine months period ended at 30 September 2024**  
**(In Jordanian Dinar)**

	For the three months ended		For the Nine months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	Note	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenues</b>				
Insurance contracts revenues	22	8,135,144	9,421,420	24,114,159
Insurance contracts expenses	23	3,429,085	6,486,139	21,467,999
<b>Insurance contracts service results</b>		<b>4,706,059</b>	<b>2,935,281</b>	<b>2,646,160</b>
Reinsurance contracts expenses		1,763,778	3,206,698	5,349,659
Reinsurance contracts revenues		(2,620,854)	727,716	3,827,541
<b>Reinsurance contracts service results</b>		<b>(4,384,632)</b>	<b>(2,478,982)</b>	<b>(1,522,118)</b>
<b>Net insurance service results</b>		<b>321,427</b>	<b>456,299</b>	<b>1,124,042</b>
Finance income (expenses) from insurance contracts	24	(237,830)	(24,135)	(391,476)
Finance income (expenses) from reinsurance contracts	25	36,087	7,791	67,820
<b>Net insurance business financing results</b>		<b>(201,743)</b>	<b>(16,344)</b>	<b>(323,656)</b>
Interest income	26	364,460	336,956	1,174,832
Net gains from financing assets and investments	27	12,681	53,654	22,707
Other revenues	28	(3,438)	277,107	2,431
<b>Total Revenues</b>		<b>373,703</b>	<b>667,717</b>	<b>1,199,970</b>
Provision for expected credit losses – account receivables		(1,053)	28,404	(3,497)
Provision for expected credit losses – bank deposit	3	(6,371)	(93)	(11,348)
Provision for expected credit losses – financial assets through other comprehensive income	5	-	(2,676)	-
Provision for expected credit losses – financial assets measured at amortized cost	6	57	15	55
Other expenses	29	154,072	72,513	408,519
<b>Total expenses</b>		<b>146,705</b>	<b>98,163</b>	<b>393,729</b>
<b>Profit for the period before income tax</b>		<b>346,682</b>	<b>1,009,509</b>	<b>1,606,627</b>
Income tax for the period	11	(99,323)	(96,018)	(435,798)
<b>Net Profit for the period</b>		<b>247,359</b>	<b>913,491</b>	<b>1,170,829</b>
<b>Attributable to shareholders of the Company</b>				<b>1,486,385</b>
<b>Basic and diluted earnings per share for the period</b>	30	<b>0.031</b>	<b>0.114</b>	<b>0.146</b>
				<b>0.186</b>

“The attached notes from (1) to (37) are an integral part of these condensed interim financial statements”



**Jerusalem Insurance Company**  
**Public Shareholding Company**  
**Interim statement of comprehensive income for the three months and the Nine months period ended at 30 September 2024**  
**(In Jordanian Dinar)**

	For the three months ended		For the Nine months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	Note	(Unaudited)	(Unaudited)	(Unaudited)
Net Profit for the period		247,359	913,481	1,170,829
				1,486,385
Other comprehensive income:				
Changes in fair value reserve	19	1,717	(77,991)	198
				(139,838)
Total comprehensive income for the period		<b>249,076</b>	<b>835,500</b>	<b>1,171,027</b>
				<b>1,346,547</b>

“The attached notes from (1) to (37) are an integral part of these condensed interim financial statements”

**Jerusalem Insurance Company**  
**Public Shareholding Company**

**Interim statement of changes in equity for the Nine months ended at 30 September 2024 (Unaudited)**

(In Jordanian Dinar)

	Paid - In	Reserves		Cumulative Change in Fair Value	Retained Earnings	Total Equity
	Capital	Statutory	Voluntary			
<b>Balance at 1 January 2024 (audited)</b>	8,000,000	2,089,651	1,668,538	(12,728)	2,968,884	14,714,345
Comprehensive income for the period	-	-	-	-	1,170,829	1,170,829
Changes in fair value of financial assets in fair value through other comprehensive income	-	-	-	198	-	198
<b>Balance at 30 September 2024 (Unaudited)</b>	<u>8,000,000</u>	<u>2,089,651</u>	<u>1,668,538</u>	<u>(12,530)</u>	<u>4,139,713</u>	<u>15,885,372</u>
<b>Balance at 1 January 2023 (audited)</b>	8,000,000	2,089,651	1,668,538	(559,006)	3,109,376	14,308,559
Comprehensive income for the period	-	-	-	-	1,486,385	1,486,385
Changes in fair value of financial assets in fair value through other comprehensive income	-	-	-	(139,838)	-	(139,838)
Losses of the sale of financial assets in fair value through other comprehensive income transferred to retained earning	-	-	-	682,485	(682,485)	-
Paid dividends	-	-	-	-	(960,000)	(960,000)
<b>Balance at 30 September 2023 (Unaudited)</b>	<u>8,000,000</u>	<u>2,089,651</u>	<u>1,668,538</u>	<u>(16,359)</u>	<u>2,953,276</u>	<u>14,695,106</u>

“The attached notes from (1) to (37) are an integral part of these condensed interim financial statements”



**Jerusalem Insurance Company**  
**Public Shareholding Company**  
**Interim statement of cash flows for Nine months ended at 30 September 2024**  
**(In Jordanian Dinar)**

	Note	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
<b>Cash flows (used in) from operating activities</b>			
Profit for the period before income tax		1,606,627	1,928,799
<b>Adjustments:</b>			
Depreciation and amortization		130,961	98,060
Change in fair value of financial assets through profit or loss		71,604	126,159
Provision for expected credit losses -account receivables		(3,497)	41,410
Provision for expected credit losses - bank deposits		(11,348)	(4,190)
Provision for expected credit losses - financial assets through other comprehensive income		-	( 2,677 )
Provision for expected credit losses - financial assets measured at amortized cost		55	49
(Gains) from sale of financial assets measured at fair value through profit or loss		-	(27,048)
(Gains) from sale of property and equipment		(150)	(280,705)
Provision for end of service indemnity and employees' vacation		10,277	22,944
Provision for employees rewards		75,000	46,253
Provision for earning sharing - life		-	148,398
<b>Cash flows from operating activities before changes in working capital items</b>		<b>1,879,529</b>	<b>2,097,452</b>
Insurance contracts assets		(111,295)	230,104
Reinsurance contracts assets held		(1,187,651)	(329,874)
Other assets		5,169,893	(973,808)
Insurance contracts liabilities		576,418	(816,648)
Reinsurance contracts liabilities held		(2,661,288)	2,231,892
Other liabilities		223,015	515,338
Paid other provision		(212,185)	(198,508)
<b>Net cash flows provided from operating activities before income tax paid</b>		<b>3,676,436</b>	<b>2,755,948</b>
Income tax paid	11	(754,595)	(609,595)
<b>Net cash flows provided from operating activities</b>		<b>2,921,841</b>	<b>2,146,353</b>
<b>Cash flows from investing activities</b>			
Bank deposits		5,247,961	1,628,672
Sale of financial assets measured at fair value through profit or loss		-	260,470
Sale of financial assets measured at fair value through comprehensive income		-	666,515
(Purchase) of financial assets measured at amortized cost		(1,601)	(1,504)
(Purchase) of property and equipment and intangible assets		(7,513,208)	(117,814)
Proceeds from sale of property and equipment		150	594,520
<b>Net cash flows (used in)/ provided from investing activities</b>		<b>( 2,266,698 )</b>	<b>3,030,859</b>
<b>Cash flows from Financing activities</b>			
Paid dividends		-	(960,000)
<b>Net cash flows used in Financing activities</b>		<b>-</b>	<b>(960,000)</b>
<b>Net increase in cash and cash equivalents</b>		<b>655,143</b>	<b>4,217,212</b>
Cash and cash equivalents, beginning of period		7,591,256	4,168,561
Cash and cash equivalents, end of period	31	<b>8,246,399</b>	<b>8,385,773</b>

"The attached notes from (1) to (37) are an integral part of these condensed interim financial statements"

**Jerusalem Insurance Company**  
**Public Shareholding Company**  
**Notes to the condensed interim financial statements (Unaudited)**  
**30 September 2024**  
**(In Jordanian Dinar)**

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**1. General**

Jerusalem Insurance Company was established during 1975 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (93) with paid up capital of JOD (160,000)/share and increased multiple of times until reached JOD (8) million/share. The Company head office is in the Hashemite Kingdom of Jordan. The Company is engaged in insurance activity including accidents, fire, marine, transportation, motors, public liability and medical insurance.

The accompanying financial statements have been approved for issue by the Company's Board of Directors on it's meeting number 6/2024 held on 30 October 2024.

**2. Summary of Significant Accounting Policies**

**2/1 Basis of Preparation of Condensed Interim Financial Statements**

The condensed interim financial statements of the company have been prepared in accordance with IAS number (34) Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2023.

The condensed interim financial statements have been prepared on a historical cost basis except for the financial assets through profit of loss and other comprehensive income, which have been measured at fair value.

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the period.

The preparation of the financial statements in accordance with International Financial Reporting Standards 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 for which significant estimates were used are disclosed.

**2/2 Applying the New and Amended International Financial Reporting Standards**

The International Accounting Standards Board issued the International Financial Reporting Standard No. (17) "Insurance Contracts" in 2017 as an alternative to International Financial Reporting Standard No. (4) which carries the same name. This standard was applied retrospectively for financial periods beginning on or after 1 January 2023, with an early application permitted, provided that the facility has applied IFRS No. (9) and IFRS No. (15) before or with IFRS No (17).

The objective of the standard is to ensure that the entity provides appropriate information about these contracts, and this information provides users of the financial statements with the necessary basis for evaluating the impact of insurance contracts on the Company's financial position and cash flows.

## 2/3 Changes in Accounting Policies

### 2/3/1 New standards, Interpretations and Amendments

The Company had applied the International Financial Reporting Standard No. 17 "Insurance Contracts", as it assessed 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 various insurance contracts in addition to updating information technology systems to ensure the availability of needed database for applying actuarial models and preparing systems for estimating future cash flows for contracts, and determining the current value of money, in addition the Company had updated the accounting policies and procedures and updated the other operational policies and procedures, which had an impact on the financial statements. The Company also re-evaluated the templates used in recognizing insurance contract revenues according to the requirements of the standard as it appears in the applied policies.

The special transitional rules for applying the standard require a retrospective application by using the full retrospective model, with recognizing the cumulative effect of applying the standard as an adjustment to the opening balance of the retained earnings, when needed at the beginning of the year as at 1 January 2022.

The Company had applied the Financial Reporting Standard No. (17) and reflected the impact of the application in the financial statements and in the statement of changes shareholders' equity.

The Company disclosed the accounting policies in accordance with the requirements of the International Accounting Standards Board and its amendments regarding the presentation of the financial statements "Practice Statement 2" under the framework of the requirements of the Central Bank of Jordan.

### 2/3/2 New and amended IFRS Standards that are effective for the current period

- Amendments to IFRS 16 Leases – Lease Liability in as Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- IFRS S1 - General Requirements for Disclosure of Sustainability – related financial information\*
- IFRS S2 - Climate Related Disclosures\*

\* Provided that the regulatory authorities in the countries in which the company operates approve its application, noting that no instructions have been issued regarding it until the date of the condensed interim financial information.

### 2/3/3 IFRS Accounting Standards in issue but not yet effective

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 21 - Lack of Exchangeability	1 January 2025
Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors	Effective deferred indefinitely.

Management believes that these new standards, interpretations and amendments will be applied in the Company's financial statements when applicable, and these new standards, interpretations and amendments may not have any material impact on the Company's financial statements in the period of initial application.

## **2/4 Use of Estimates and assumptions**

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

Management believes that the estimates are reasonable and are as follows:

### **2/4/1 Expected credit losses**

The Company applies the simplified approach as required by International Financial Reporting Standard (9) for calculating the expected credit loss allowance. This method obliges recognition of an impairment loss allowance for expected credit losses over the lifetime of the receivables and contractual assets. This is in consideration of credit risks and business condition

The expected credit loss rates are based on historical credit losses the Company has experienced over the preceding three years until the end of the current period. These historical loss rates are then adjusted for current and future information regarding macroeconomic factors affecting the Company's customers.

The Company is required to establish a provision for amounts owed between it and local insurance companies and external reinsurance companies that remain unsettled and have a maturity exceeding one year.

### **2/4/2 Impairment in the value of financial assets**

The management reviews on the date of financial assets whether a financial asset or group of financial assets is impaired, if so the fair values are estimated to do terminally the impairment loss.

### **2/4/3 Income tax**

The financial year is charged with its related income tax in accordance with regulations, laws & international financial reporting standards.

The Income and National Contribution tax provision for the period ended at September 30, 2024 was calculated in accordance with the Income Tax Law.

#### **1. Accrued income tax**

Tax expenses are calculated based on taxable profits, which differ from reported profits in the statement of profit or loss because reported profits include non-taxable revenues or non-deductible expenses for tax purposes, either in the current financial year or subsequent years, accepted accumulated tax losses, or items that are not subject to taxation.

Taxes are calculated based on the tax rates prescribed by the laws, regulations, and instructions in the Hashemite Kingdom of Jordan.

#### **2. Deferred taxes**

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced in the event that it will not be possible to benefit from those deferred tax assets partially or in whole, or to pay the tax liability.

### **2/4/4 Property and equipment and intangible assets**

Management reviews periodically the tangible and intangible assets in order to assess the depreciation and the amortization for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of profit or loss.

## 2/4/5 The present value of future cash flows

The 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 managing a group of insurance contracts/ reinsurance contracts held.

Future cash flows are recognized at present value, taking into consideration when developing assumptions related to estimating cash flows for groups of insurance contracts, the following:

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

A combination of bottom-top and top-bottom approaches are applied in determining discount rates for different products. The bottom-top approach is used to derive the discount rate for cash flows that do not change based on the returns of the underlying items in participating contracts (except for investment contracts without a development policy loan which are not within the scope of IFRS 17). Under this approach, the discount rate is determined as the risk-free return adjusted for the 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 that are denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with AAA credit ratings are used. Management uses judgment to evaluate the liquidity characteristics of the liabilities cash flows. Direct participation contracts and investment contracts with a development policy loan are less liquid financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated on the basis of the market observable liquidity premium of the financial asset adjusted to reflect the illiquidity characteristics of the cash flows of the liability.

The top-bottom approach is used to derive discount rates for cash flows that do not change based on the returns of the underlying items 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 difference between the reference portfolio of assets and the cash flows of the relevant liabilities. The reference portfolio consists of a mix of sovereign and corporate bonds available in the markets. Assets are selected to match the cash flows of the liabilities. The return of the reference portfolio is adjusted to remove expected and unexpected credit risk. These adjustments are estimated using information from historical observed levels of credit default swaps and credit defaults related to the bonds included in the reference portfolio. For the unobservable period, the yield curve between the final rate and the last observable point is approximated using the Smith-Wilson method.

The Company will not calculate a present value of future cash flows on insurance and reinsurance premiums that have a duration of less than 12 months.

The Company calculates the 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:

### Risk free yield curve:

The risk-free yield curve will be derived based on the reference portfolio, for this purpose in the absence of any reference portfolio, the prices of highly rated bonds (above AA+) issued from the Hashemite Kingdom of Jordan will be used.



#### Market risk premium for credit risk:

The market risk premium for credit risk will be removed from yield curves to account for "non- payment", in insurance contracts.

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

#### Illiquidity premium:

The illiquidity premium is used to calculate the following:-

- Uncertainty in cash flows for subsequent periods.
- Uncertainty in the management of assets and liabilities in subsequent periods.

#### 2/4/6 Risk adjustments for non-financial

A sum of money allocated by the Company against the uncertainty of 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 contracts / 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 when fulfilling an insurance contract. It reflects the Company's degree of risk reduction.

The Company makes an adjustment estimate for non-financial risk 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 the cost rate to the present value of expected capital attributable to non-financial risks.

Motor – TPL	6.6%
Motor –Pool	6.6%
Motor - Comprehensive	11.1%
Marine	25%
Aviation	25%
Fire	25%
Engineering	25%
General Accidents	25%
Medical	10%
Travel	25%
Life	8.4%

Capital is set at a confidence rate of 75% and is expected to be in accordance with the business. A diversification feature is included to reflect the diversification of contracts sold across geographic regions as this reflects the compensation required by the entity. The adjustments for non-financial risks shall be re-evaluated annually by the actuary.

## 2/4/7 Non insurance components

**Definition of the 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.

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

Primary insurance type	Sub- insurance type	
Engineering	<ul style="list-style-type: none"> <li>- Boilers Explosions</li> <li>- Contractors Plant and Machinery</li> <li>- Electronic Equipment</li> <li>- Machinery Breakdown</li> </ul>	<ul style="list-style-type: none"> <li>- Contractor's All Risk</li> <li>- Deterioration Of Stock</li> <li>- Erection All Risk</li> <li>- Loss of Profit /Machinery Breakdown</li> </ul>
General Accident & Liability	<ul style="list-style-type: none"> <li>- Cash (In safe &amp;Transit)</li> <li>- Burglary</li> <li>- Workmen's Compensation</li> <li>- Public Liability</li> </ul>	<ul style="list-style-type: none"> <li>- Fidelity Guarantee</li> <li>- Personal Accident</li> <li>- Plate Glass</li> <li>- Personal Guard</li> </ul>
Motor	<ul style="list-style-type: none"> <li>- Borders</li> <li>- Comprehensive</li> <li>- TPL</li> <li>- Comprehensive Buses</li> </ul>	<ul style="list-style-type: none"> <li>- Orange Card</li> <li>- Comprehensive /Complementary</li> <li>- Buses Pool</li> <li>- New Special</li> </ul>
Life	<ul style="list-style-type: none"> <li>- Credit Life</li> <li>- Individual</li> <li>- Regular Premium101 % (Individual)</li> </ul>	<ul style="list-style-type: none"> <li>- Group</li> <li>- Regular Premium*5 (Individual)</li> </ul>
Fire	<ul style="list-style-type: none"> <li>- Darna</li> <li>- Fire &amp;Allied Perlis</li> </ul>	<ul style="list-style-type: none"> <li>- House Holder</li> <li>- Property All Risk</li> </ul>
Marine	<ul style="list-style-type: none"> <li>- Marine Open Cover</li> <li>- Yacht</li> </ul>	<ul style="list-style-type: none"> <li>- Marine Cargo</li> </ul>
Medical	<ul style="list-style-type: none"> <li>- Individual</li> </ul>	<ul style="list-style-type: none"> <li>- Group</li> </ul>
Travel	<ul style="list-style-type: none"> <li>- Travel</li> </ul>	

## Definition of insurance risk

It is represented in the possibility of the occurrence of the insured event (risk) and the uncertainty of the amount of the claim related to that event, due to the nature of the insurance contract, as the risks are volatile and unpredictable. For insurance contracts related to an insurance category, where probability theory can be applied in pricing and reserve, the main risk facing the Company is that the claims incurred and payments related to it may exceed the book value of the insurance liabilities. This may occur if the possibility and seriousness of the claims is greater than expected, because the insurance events are not fixed and vary from period to period, the estimates may differ from the related statistics. Studies have shown that the more similar the insurance contracts are, the closer the expectations are to the actual loss rate. The existence of a diversification in the insurance risks that are covered leads to a decrease in the probability of the total loss of the insurance.



### **Separation of non-insurance components:**

#### **1- Investment component**

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

- The investment component and the insurance component are not correlated to a large extent.
- The contract is sold on equivalent terms, or may be sold, separately in the same market or in the same legal jurisdiction, either by the entities issuing the insurance contracts or by other parties.

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

- The entity was unable to measure one component without looking at the other. Thus, if the value of one component differs from the value of the other component, the entity shall apply IFRS 17 to calculate the investment element and co-insurance component, or.
- The policyholder cannot benefit from one of the components unless the other is also present. Thus, if the expiry or maturity of one contract component causes the expiry or maturity of the other, the entity shall apply IFRS 17 to account for the investment component and the pooled insurance component.

The Company has products that contain an investment component (single installment \*5 and single installment 101%).

#### **2- Goods and services components**

The Company shall separate any commitments 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:

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

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

- 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 the entity provides an important service in linking the good or service with the components of the insurance.

#### **Materiality:**

The materiality in the Company is 2% of the total written premiums.

#### **2/4/8 Lawsuits against the Company**

A provision is recorded for lawsuits filed against the Company based on a legal study prepared by the Company's lawyer, according to which potential future risks are identified, and those studies are reviewed periodically.

## **2/4/9 Fair value levels**

The level of the fair value hierarchy that categorizes the fair value measures is fully disclosed, and the fair value measurements are separated according to the levels specified in the International Financial Reporting Standards. The difference between Level 2 and Level 3 of fair value measurements represents the assessment of whether the information or inputs are observable and the significance of the unobservable information, which requires judgment and careful analysis of the inputs used to measure fair value, including taking into account all factors relating to the asset or liability.

## **2/5 The most important accounting policies used**

### **2/5/1 Business Sector**

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

The geographical sector 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.

### **2/5/2 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocating is made to those cash-generating units or groups of cash - generating units that are expected to benefit from the business combination in which the goodwill arose.

### **2/5/3 Definition of an insurance contract**

A contract which the insurance Company accepts substantial insurance risks from the insured, by agreeing to compensate the contract holder in the event of the occurrence of a specific and uncertain future event (the insured event) that adversely affects the contract holder, and at the following deadlines, whichever is earlier:

- The beginning of the coverage period for the contracts.
- From the date of maturity of the first premium for the insured in the group of insurance contracts.
- From the date of the group becoming an expected loss group, with respect to any of the groups of contracts that are expected to be lost.

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

- 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 pool of insurance contracts.
- The Company expects that a significant proportion of any change in the amounts to be paid to a contract holder will vary with the change in the fair value of the pool of insurance contracts.

## **2/5/3 Definition of an insurance contract (Continued)**

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

- Investment contracts that have a legal form of an insurance contract, but do not transfer significant insurance risks to the insurance Company and carry financial risks, for example, implicit derivatives, changes in the fair value of a financial instrument, changes in interest rates, changes in currency exchange rates, or credit rating. They are classified as investment contracts in accordance with International Financial Reporting Standard No. (9).
- Investment contracts that contain the feature of voluntary participation, which are investment contracts that have a legal form of 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 (i.e. keeping the risks that could have been covered by the insurance contract within the Company, i.e. there is no other party to the contract), for example, the Company issuing an insurance contract in the name of the Company or a subsidiary or associate Company, which is classified according to the International Financial Reporting Standard No. (15).

## **2/5/4 Reinsurance contracts held**

It is an insurance contract issued by the reinsurer to compensate the insurance Company for claims arising from the insurance contracts issued by it.

Reinsurance contracts held are recognized:

- In the event that the held reinsurance contracts are proportional to the group of insurance contracts, then the held reinsurance contracts are recognized at the beginning of the coverage period 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 period of the group of held reinsurance contracts.

## **2/5/5 Liability for remaining coverage**

The liability that the Company must recognize upon initial recognition of insurance contracts, which pertains to subsequent financial periods as a result of existing insurance contracts.

## **2/5/6 Liability for incurred claims**

It is the total expected costs incurred by the Company due to events covered by the insurance contract that occurred before the end of the financial period. This includes reported and unreported claims, as well as related expenses.

## **2/5/7 Contractual service margin**

It is the unearned profit from in-force contracts that are expected to be profitable, and it is recognized simultaneously with providing services under insurance contracts.

## **2/5/8 Initial recognition of insurance contracts / General Measurement Model/ Variable Cost**

At initial recognition, the Company measures the group of insurance contracts according to the following:

\* Cash flows to fulfill contracts, which include:

- Estimates of future cash flows.
- Adjustments for the time value of money and the financial risks associated with future cash flows by not including these financial risks in the estimates of future cash flows.
- Risk adjustments for non-financial.

\* Contractual service margin

#### **2/5/9 Subsequent measurement of insurance contracts / General Measurement Model/ Variable Cost**

The Company records the book value of any group of insurance contracts at the end of each period, which is the sum of the following:

- The liability for remaining coverage, which includes the net value of cash inflows and outflows (after applying the discount rate) in addition to risk adjustments for non-financial and the contractual service margin.
- The liability for incurred claims, which is calculated according to the best estimate of future cash flows to settle claims plus risk adjustments for non-financial, taking into account the application of the discount rate to claims expected to be settled after more than one year.

#### **2/5/10 Initial recognition of insurance contracts / premium allocation approach**

On initial recognition, the Company records the book value of the liability, which includes the following:

- Insurance premiums received upon initial recognition.
- Deducting any costs paid to acquire the insurance contracts on that date.
- Added or deducted from it any amount arising from the cash flows of the costs of acquiring insurance contracts

#### **2/5/11 Subsequent measurement / premium allocation approach**

At the end of each subsequent period, the Company records the book amount of the obligation, taking into account the following adjustments to the balance of the obligation:

- Add insurance premiums received for the period.
- Deduct the cash flows for the acquisition of insurance contracts.
- Adding any amounts related to the depletion of cash flows for the acquisition of insurance contracts that are proven as an expense.
- Adding any emergency modification to the financing component.
- Deduct the amount recognized as insurance income for the coverage provided in that period.
- Deduct any paid or transferred investment component of the liability relating to claims incurred.

- Liabilities against incurred claims which are calculated according to the best estimate of future cash flows to settle claims plus risk adjustments for non-financial, taking into account the application of the discount rate to claims.

#### **2/5/12 Modification of insurance contracts**

The Company modify insurance contracts by addressing changes that have occurred in future cash flows due to the modification, treating them as changes in estimates of cash flows for fulfilling the contracts, unless the criteria for derecognizing insurance contracts are met.

#### **2/5/13 Derecognition of insurance contracts**

The Company derecognizes insurance contracts in the following cases:

- The contract extinguished (obligation specified in the insurance contract expires or is discharged or cancelled).
- If a modification to an insurance contract does not meet the criteria for modification as per the standard's requirements, the Company derecognizes the contract and recognizes a new contract.

#### **2/5/14 Onerous insurance contracts**

The Company recognizes insurance contracts as onerous contracts if, at the initial recognition date, the contract is expected to incur a loss. The loss component is measured if the expected cash flows to fulfill the contract's obligations or the group of contracts exceed the expected cash inflows from that contract or group of contracts. The Company is required to disclose the loss component unless the contractual service margin is zero.

## 2/5/15 Summary of measurement approaches

1) The Company classify insurance contracts according to the following:

The Portfolio (Level 1)	Contract Classification	Measurement Approach
Motor - Comprehensive	Insurance contracts	Premium Allocation Approach
Motor - TPL	Insurance contracts	Premium Allocation Approach
Motor -Pool	Insurance contracts	Premium Allocation Approach
Marine	Insurance contracts	Premium Allocation Approach
Aviation	Insurance contracts	Premium Allocation Approach
Fire and Property	Insurance contracts	Premium Allocation Approach
Engineering	Insurance contracts	Premium Allocation Approach
General Accidents	Insurance contracts	Premium Allocation Approach
Liability	Insurance contracts	Premium Allocation Approach
Group Medical	Insurance contracts	Premium Allocation Approach
Individual Medical	Insurance contracts	Premium Allocation Approach
Travel	Insurance contracts	Premium Allocation Approach
Group Life	Insurance contracts	Premium Allocation Approach
Life Credit	Insurance contracts	Premium Allocation Approach
Individual Life	Insurance contracts	Premium Allocation Approach
Life Saving	Insurance contracts	General Measurement Model

2) The Company classify reinsurance contracts held according to the following:

The Portfolio (Level 1)	Measurement Approach
Motor - Comprehensive	Premium Allocation Approach
Motor - TPL	Premium Allocation Approach
Motor -Pool	Premium Allocation Approach
Marine	Premium Allocation Approach
Aviation	Premium Allocation Approach
Fire and Property	Premium Allocation Approach
Engineering	Premium Allocation Approach
General Accidents	Premium Allocation Approach
Liability	Premium Allocation Approach
Medical	Premium Allocation Approach
Travel	Premium Allocation Approach
Life - Individual	Premium Allocation Approach
Life - Group	Premium Allocation Approach
Life - Saving	General Measurement Model



#### 2/5/16 Aggregation level

The portfolios of insurance contracts are divided into groups according to the year of underwriting and aggregate portfolios of insurance contracts with similar risks that are managed together.

#### 2/5/17 Profitability level

The previously mentioned groups of contracts are classified into the following categories, based on the expected net cash flows from the contract and the accounting approach adopted in dealing with contract groups:

- Contracts that have no likelihood of becoming onerous at initial recognition
- Contracts that are onerous.
- Other contacts (if found).

#### 2/5/18 Financial assets

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income

##### \* Financial assets at amortized cost

They are the financial assets which the Company's management intends according to its business model to hold for the purpose of collecting contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the outstanding principal.

Those financial assets are stated at cost upon purchase plus acquisition expenses. Moreover, the issue premium / discount are amortized using the effective interest rate method, and recorded to the interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or part therefore are deducted, and any impairment loss in its value is recorded in the statement of profit or loss.

The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

##### \* Financial assets at fair value through profit or loss

It is the financial assets held by the Company for the purpose of trading in the near future and achieving gains from the fluctuations in market prices in the short term or trading margins.

Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded at the statement of profit or loss upon acquisition) and subsequently measured at fair value. Moreover, changes in fair value are recorded in the statement of profit or loss including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the statement of profit or loss.

Dividends from these financial assets are recorded in the statement of profit or loss.

#### Reclassification

Financial assets may be reclassified from the amortized cost to financial assets at fair value through statement of profit or loss and vice versa only when the entity changes the business model on which it was classified as stated above, taking into account the following:

- Any previously recognized profits, losses or benefits may not be recovered.
- When financial assets are reclassified at fair value, their fair value is determined at the date of reclassification. Any gain or loss arising from differences between the previously recorded value and the fair value is recognized in the statement of profit or loss.

- When financial assets are reclassified to be measured at amortized cost, they are recorded at their fair value at the date of reclassification.

\* **Financial Assets at fair value through other comprehensive income**

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or Loss from the sale of these investments should be recognized in the statement of comprehensive income and within owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings and not to the statement of profit or loss. Dividends are recorded in the statement of profit or loss on a separate line item.

**2/5/19 Investment property**

Investment property is measured at cost less any accumulated depreciation (except for lands), these investments are depreciated over their useful life at a rate of 2%, and any decrease in their value is recorded in statement of profit or loss. Any revenue, operational expenses or impairment related to the investment properties is recorded in the statement of profit or loss.

Investment property is valued in accordance with Central Bank of Jordan regulations, and its fair value is disclosed in the investment property note.

**2/5/20 Investment in Associates**

Subsidiaries companies are those companies in which the company exercises effective influence on decisions related to financial and operational policies (and the company does not control them) and which have a percentage ranging between (20%-50%) of the voting rights. Investments in Subsidiary companies are shown according to the equity method .

Income and expenses resulting from transactions between the company and its subsidiaries companies are excluded according to the company's percentage of contribution in these companies.

**2/5/21 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation of property and equipment (except for lands) is computed on a straight-line basis at annual depreciation rates:

Buildings	2%
Furniture and equipment	10-30%
Vehicles	15%

Depreciation of property and equipment is calculated when these assets are available for use for the purposes intended for use. The depreciation expense for the period must be shown in the statement of profit or loss.

Property and equipment under construction for the Company's use are stated at cost after deducting any impairment losses.

When the expected recoverable amount of any property and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and the impairment loss is recorded in the statement of profit or loss.

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

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of profit or loss.



#### 2/5/22 Intangible assets

- Intangible assets acquired through business combinations are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.
- Intangible assets with finite lives are amortized over the useful economic lives, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired.
- Internally generated intangible assets are not capitalized and are expensed in the statement of profit or loss.
- Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.
- Intangible assets include computer software and software licenses. These intangible assets are amortized on a straight-line basis over their estimated economic useful with percentages of 24%.

#### 2/5/23 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, deposits with maturities less than three months, less credit bank and restricted funds.

#### 2/5/24 Offsetting

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

#### 2/5/25 Recognition of financial assets

Financial assets are recognized on the trading date which is the date that the entity commits itself to purchase or sell the financial assets.

#### 2/5/26 Fair value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date

In case market prices are not available, there is no active trading for certain financial instruments, or the market is inactive, their fair value is estimated using several methods, including:

- Comparing them to the current market value of a similar financial instrument to a large extent.
- Analyzing the future cash flows and discounting the expected cash flows using a rate employed in a similar financial instrument.
- Option pricing models.
- The valuation methods aim to obtain a fair value that reflects market expectations and takes into consideration market factors, as well as any anticipated risks or benefits when estimating the value of financial instruments. In cases where it is not feasible to measure their fair value using a reliable method, they are presented at cost, after any impairment in value has been recognized.

#### 2/5/27 Financial liabilities

The company classifies financial liabilities based on the purpose for which this liability arises. Whereas, the company recognizes the bank facilities item initially at fair value, net after deducting the costs associated with obtaining the facilities. Such interest-bearing liabilities are later included at amortized cost using the effective interest rate method. The financing cost includes the initial costs and the premium paid upon settlement, in addition to the interest that accrues during the life of the obligation.

#### **2/5/28 Insurance contracts liabilities**

Insurance contract liabilities are recognized when the company has obligations at the date of the financial statements arising from past events related to insurance contracts, and payment of the obligations is probable and their value can be measured reliably.

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

#### **2/5/29 Provision for end of service indemnity**

The provision for end of service indemnity is calculated in accordance with the Company's policy, which is in line with the Jordanian labor law.

The compensations incurred for employees who leave the service are recorded against the provision for end of service indemnity upon payment. A provision for the Company's liabilities related to employees' end-of-service compensation is included in the statement of profits or losses.

#### **2/5/30 Foreign currency**

- Foreign currency transactions during the period are recorded using exchange rates that were in effect at the dates of the transactions.
- The balances of financial assets and financial liabilities are converted at the average foreign currency rates prevailing on the date of the statement of financial position and announced by the Central Bank of Jordan.
- Non-financial assets and non-financial liabilities denominated in foreign currencies that are stated at fair value are translated on the date the fair value was determined.
- Foreign exchange gains or losses are reflected in the statement of profit or loss.
- Translation differences for non-monetary foreign currency assets and liabilities are recorded as part of the change in fair value.
- When consolidating the financial statements, the assets and liabilities of the branches and companies affiliated abroad are translated from the main (base) currency into a reporting currency according to the average currency rates on the date of the financial statements announced by the Central Bank of Jordan. As for the revenue and expense items, they are translated based on the average price during the year, and the resulting currency differences (if any) 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 profit and loss statement.

#### **2/5/31 Treasury stocks**

The treasury stocks are shown at cost, and these stocks do not have any right to the profits distributed to the shareholders, and do not have the right to participate or vote in the meetings of the Company's general assembly. The profit or loss resulting from the sale of treasury stocks is not recognized in the statement of profit or loss, but the profit is shown in equity within the item of share premium (discount), while the loss is recorded on the retained earnings after depleting balance of the treasury shares premium.

#### **2/5/32 Issuance or purchase insurance company shares**

Any costs arise from issuance or purchase the insurance Company share is recorded in the retained earnings account (Net of tax effect), if the purchase / issuance not completed and related expenses are charged to the statement of profit or loss.

#### **2/5/33 Revenue recognition**

##### **1. Dividend and interests revenue**

The dividends revenues are realized when the Company has the right to receive the payment once declared by the general assembly of the Company.

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

## 2/5/33 Revenue recognition (Continued)

### Rent revenues

Rental revenues from investment properties under operating lease agreements are recognized using the straight-line method over the duration of those contracts and on an accrual basis.

### 2/5/34 Acquisition cost

It represent the acquisition costs incurred by the Company in return for selling, underwriting or starting new insurance contracts, where the Company recognizes the full acquisition costs directly upon recognition of the insurance contract in the statement of profit or loss, while the Company recognizes the acquisition costs by amortizing the costs incurred over the period of coverage of the insurance contract in statement of financial position.

Acquisition costs are estimated when preparing budgets based on the Company's historical data, and these costs are recognized when realized with these costs amortized during the coverage period of the insurance contract.

### 2/5/35 Insurance contract expenses

The company distributes direct general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts across groups of insurance contracts and include them in calculating the contract profitability through an allocation mechanism that takes into account the principles of activity-based cost estimation, separating the expenses into acquisition expenses, compensation expenses, and other undistributed expenses. By distributing indirect general administrative expenses and indirect employee expenses not related to insurance contracts based on the cost center.

### 3 . Bank Deposits

This item consists of the following:

Bank	30 September 2024 (Unaudited)				31 December 2023 (Audited)	
	Deposits mature within (1) month	Deposits and certificates mature within (1) to (3) months	Deposits and certificates mature within (3) months to (1) year	Deposits and certificates mature after (1) year	Total	Total
Inside Jordan	2,200,000	3,382,800	8,322,084	-	13,904,884	19,201,010
Outside Jordan	710,113	901,101	1,114,393	-	2,725,607	2,676,310
Provision for expected credit losses *	( 270 )	(1,460)	(6,715)	-	(8,445)	(19,793)
<b>Total</b>	<b>2,909,843</b>	<b>4,282,441</b>	<b>9,429,762</b>	<b>-</b>	<b>16,622,046</b>	<b>21,857,527</b>

- The annual interest rates on the deposits in Jordanian Dinar ranged between (5.23%) to (6.85%) during the Nine months ended at 30 September 2024.
- Deposits pledged to the favor of the Central Bank of Jordan Governor in addition to his duty JOD (800,000) as at 30 September 2024 against JOD (800,000) as at 31 December 2023 pledged to the favor of the Central Bank of Jordan Governor in addition to his duty at the following bank:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Jordan Kuwait Bank	800,000	800,000
<b>Total</b>	<b>800,000</b>	<b>800,000</b>

- Restricted cash balances against bank guarantees amounted to JOD (14,000) as at 30 September 2024 against JOD (19,000) as at 31 December 2023.

\* The movement on the provision for expected credit losses- bank deposit is as follow:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the year	19,793	20,362
Additions	-	-
Disposals	(11,348)	(569)
<b>Balance at end of the period / year</b>	<b>8,445</b>	<b>19,793</b>

#### 4 . Financial Assets Measured at Fair Value Through Profit or Loss

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<u>Inside Jordan:</u>		
Investments in quoted shares	998,160	1,071,406
Investments in unquoted shares	80,573	94,753
<b>Total</b>	<b>1,078,733</b>	<b>1,166,159</b>
<u>Outside Jordan:</u>		
Investments in quoted shares	160,027	152,558
Investments in unquoted shares	188,300	179,947
<b>Total</b>	<b>348,327</b>	<b>332,505</b>
<b>Grand total</b>	<b>1,427,060</b>	<b>1,498,664</b>

\* The financial assets measured at fair value through statement of profit or loss include unquoted financial assets amounting to JOD (268,873) as at 30 September 2024 and are presented in fair value estimated by management.

The details of the financial assets at fair value through statement of profit or loss (unquoted) are as follow:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<u>Inside Jordan:</u>		
Saraya Aqaba for Real Estate Development Company*	80,570	94,750
Arab Engineering Industries Company	1	1
Modern Company for Food Industries and Vegetable Oil	1	1
United Integrated Company for Multiple Industries and Investment	1	1
<u>Outside Jordan:</u>		
Arab Reinsurance Company / Lebanon	188,300	179,947
<b>Total</b>	<b>268,873</b>	<b>274,700</b>

\* The last valuation of the stock is based on the financial statements for the year 2022, since the financial statements for the year 2023 was not issued until the date of these financial statements.

#### 5 . Financial Assets Measured at Fair value Through Other Comprehensive Income

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<u>Outside Jordan:</u>		
Investment in mutual funds units	57,248	57,050
<b>Total</b>	<b>57,248</b>	<b>57,050</b>
<b>Grand total</b>	<b>57,248</b>	<b>57,050</b>
<u>Less:</u>		
Provision for expected credit losses - financial assets at fair value through other comprehensive income*	(136)	(136)
<b>Net financial assets at fair value through other comprehensive income</b>	<b>57,112</b>	<b>56,914</b>

\* The movement on the provision for expected credit losses-financial assets at fair value through other comprehensive income is as follow:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the year	136	2,813
Additions	-	-
Desposals	-	(2,677)
<b>Balance at end of the period / year</b>	<b>136</b>	<b>136</b>



6 . **Financial Assets at Amortized Cost**

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<b><u>Inside Jordan:</u></b>		
Treasury Bonds – Government of Jordan – JOD (1)	200,000	200,000
Treasury Bonds – Government of Jordan – JOD (2)	300,000	300,000
Bonds – Jordan Ahli Bank – JOD	1,200,000	1,200,000
Bonds – Capital Bank - USD	355,000	355,000
Bonds –Al Etihad Bank - USD	340,800	340,800
<b>Total</b>	<b>2,395,800</b>	<b>2,395,800</b>
	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<b><u>Outside Jordan:</u></b>		
Treasury Bonds – Government of Jordan – USD (1)	355,000	355,000
Treasury Bonds – Government of Jordan – USD (2)	1,483,205	1,481,604
Bonds – Capital Bank - USD	923,000	923,000
Bonds – Arab Bank - USD	1,065,000	1,065,000
<b>Total</b>	<b>3,826,205</b>	<b>3,824,604</b>
<b>Grand total</b>	<b>6,222,005</b>	<b>6,220,404</b>
<b>Less:</b>		
Provision for expected credit losses -financial assets at amortized cost*	(7,778)	(7,723)
<b>Net financial assets measured at amortized cost</b>	<b>6,214,227</b>	<b>6,212,681</b>

\* The movement on the provision for expected credit losses - financial assets at amortized cost is as follow:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the year	7,723	4,884
Additions	55	2,839
Unneeded provision	-	-
<b>Balance at end of the period / year</b>	<b>7,778</b>	<b>7,723</b>

- The Jordanian government treasury bonds (1) are denominated in Jordanian Dinar and mature at 8/9/2026 and bear an interest rate of 6.099% per annum. The interest is paid in two equal installments per annum on 8 March and 8 September until the maturity date of the bonds.
- The Jordanian government treasury bonds (2) are denominated in Jordanian Dinar and mature at 26/9/2026 and bear an interest rate of 6.198% per annum. The Interest is paid in two equal installments per annum on 26 March and 26 September until the maturity date of the bonds.
- The Jordan Ahli Bank bonds are denominated in Jordanian Dinar and mature at 13/11/2029 and bear a variable interest rate (7.5% per annum on the issue date and is recalculated every 6 months). The interest is paid in two installments per annum on 13 May and 12 November until the maturity date of the bonds.
- The Capital Bank bonds are mature at 15/3/2026 and bear an interest rate of 7% per annum, the interest is paid in two equal installments per year on 15 March and 15 September until the maturity date of the bonds.
- The Jordanian government treasury bonds (1) are denominated in US Dollar and mature at 31/1/2027 and bear an interest rate of 5.75% per annum. The interest is paid in two equal installments per year on 31 January and 31 July until the maturity date of the bonds.
- The Jordanian government treasury bonds (2) are denominated in US Dollar and mature at 29/1/2026 and bear an interest rate of 6.125% per annum. The interest is paid in two equal installments per year on 29 January and 29 July until the maturity date of the bonds.
- The Capital Bank bonds are mature at 24/2/2027, and bear an interest rate of 7% per annum. The interest is paid in two equal installments per year on 24 August and 24 February until the maturity date of the bonds (Perpetual bonds).

#### 6. Financial Assets Measured at Amortized Cost (Continued)

- The Arab Bank bonds are mature at 10/4/2029, and bear an interest rate of 8% per annum. The interest is paid in two equal installments per year on 10 April and 10 October until the maturity date of the bonds.
- Al Etihad Bank bonds are mature at 3/10/2028, and bear an interest rate of 8.5% per annum. The interest is paid in four installments per year on 3 January, 3 April, 3 July and 3 October until the maturity date of the bonds.

#### 7. Investment Properties

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Lands	1,132,933	940,911
Buildings	700,291	26,572
Accumulated depreciation	(637,843)	(16,647)
Net	<u>1,195,381</u>	<u>950,836</u>

The Fair value of Investment properties was estimated by real estate experts according to the instructions and decisions of the Central Bank of Jordan with total amount JOD (4,792,638) as at 30 September 2024, against JOD (2,756,783) at 31 December 2023.

#### 8. Cash on Hand and at Banks

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Cash on hand	2,100	3,099
Current bank accounts	1,050,285	395,276
Total	<u>1,052,385</u>	<u>398,375</u>



## 9. Insurance Contract Assets / Liabilities

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

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component contracts	Including loss component contracts	Present value of future cash flows	Non-financial risk adjustments	
<b>30 September 2024 (Unaudited)</b>					
Insurance contracts liabilities at beginning of the period	(7,003,274)	(956,581)	(11,482,498)	(932,625)	(20,374,978)
Insurance contracts assets at beginning of the period	2,718	-	-	-	2,718
<b>Net (liabilities) assets of insurance contracts at the beginning of the period</b>	<b>(7,000,556)</b>	<b>(956,581)</b>	<b>(11,482,498)</b>	<b>(932,625)</b>	<b>(20,372,260)</b>
<b>Insurance contracts revenues</b>	<b>24,080,962</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,080,962</b>
<b>Insurance contracts expenses</b>					
Incurred claims during the period	-	-	(17,825,236)	(642,484)	(18,467,720)
Changes related to previous service -adjustments to LfIC	-	-	283,975	461,297	745,272
Employees expenses	(656,798)	-	(782,663)	-	(1,439,461)
Acquisition expenses	(691,566)	-	-	-	(691,566)
Administrative expenses	(435,576)	-	(594,899)	-	(1,030,475)
Other expenses	(52,648)	-	(422,136)	-	(474,784)
Losses on onerous contracts and reversal of those losses	-	(99,386)	-	-	(99,386)
Insurance business results	22,244,374	(99,386)	(19,340,959)	(181,187)	(2,622,842)
Finance expenses from insurance contracts	-	-	(393,231)	-	(393,231)
<b>Net change - comprehensive income</b>	<b>22,244,374</b>	<b>(99,386)</b>	<b>(19,734,190)</b>	<b>(181,187)</b>	<b>(2,229,611)</b>
Cash received from underwritten contracts	(23,270,330)	-	-	-	(23,270,330)
Paid from incurred claims	-	-	17,089,736	-	17,089,736
Paid from acquisition costs	612,080	-	-	-	612,080
Paid from expenses	1,145,021	-	1,799,698	-	2,944,719
<b>Total cash flows</b>	<b>(21,513,229)</b>	<b>-</b>	<b>18,889,434</b>	<b>-</b>	<b>(2,623,795)</b>

#### Details as follows:

Insurance contracts liabilities at the end of the period	(6,490,365)	(1,055,967)	(12,240,806)	(1,093,319)	(20,880,457)
Insurance contracts assets at the end of the period	220,954	-	(86,448)	(20,493)	114,013
<b>Net (liabilities) assets of insurance contracts at the end of the period</b>	<b>(6,269,411)</b>	<b>(1,055,967)</b>	<b>(12,327,254)</b>	<b>(1,113,812)</b>	<b>(20,766,444)</b>

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component contracts	Including loss component contracts	Present value of future cash flows	Non-financial risk adjustments	
<b>31 December 2023 (Audited)</b>					
Insurance contracts liabilities at beginning of the year	(6,904,163)	(675,635)	(9,864,053)	(775,151)	(18,219,002)
Insurance contracts assets at beginning of the year	1,243,585	-	(917,114)	(51,181)	275,290
<b>Net (liabilities) assets of insurance contracts at the beginning of the year</b>	<b>(5,660,578)</b>	<b>(675,635)</b>	<b>(10,781,167)</b>	<b>(826,332)</b>	<b>(17,943,712)</b>
<b>Insurance contracts revenues</b>	<b>35,208,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,208,741</b>
<b>Insurance contracts expenses</b>					
Incurred claims during the year	-	-	(22,744,158)	(457,663)	(23,201,821)
Changes related to previous service -adjustments to LfIC	-	-	9,346	351,370	360,716
Employees expenses	(862,988)	-	(1,013,229)	-	(1,876,217)
Acquisition expenses	(805,805)	-	-	-	(805,805)
Administrative expenses	(580,760)	-	(668,715)	-	(1,249,475)
Other Expenses	(195,575)	-	(509,370)	-	(704,945)
Losses on onerous contracts and reversal of those losses	-	(280,946)	-	-	(280,946)
Insurance business results	32,763,613	(280,946)	(24,926,126)	(106,293)	7,450,248
Finance expenses from insurance contracts	-	-	(538,754)	-	(538,754)
<b>Net change - comprehensive income</b>	<b>32,763,613</b>	<b>(280,946)</b>	<b>(25,464,880)</b>	<b>(106,293)</b>	<b>6,911,494</b>
Cash received from underwritten contracts	(36,728,350)	-	-	-	(36,728,350)
Paid from incurred claims	-	-	22,572,235	-	22,572,235
Paid from acquisition costs	985,436	-	-	-	985,436
Paid from expenses	1,639,323	-	2,191,314	-	3,830,637
<b>Total cash flows</b>	<b>(34,103,591)</b>	<b>-</b>	<b>24,763,549</b>	<b>-</b>	<b>(9,340,042)</b>

#### Details as follows:

Insurance contracts liabilities at the end of the year	(7,003,274)	(956,581)	(11,482,498)	(932,625)	(20,374,978)
Insurance contracts assets at the end of the year	2,718	-	-	-	2,718
<b>Net (liabilities) assets of insurance contracts at the end of the year</b>	<b>(7,000,556)</b>	<b>(956,581)</b>	<b>(11,482,498)</b>	<b>(932,625)</b>	<b>(20,372,260)</b>

**9 / A / 1 Accounts Receivable – Insurance Operations**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Gross accounts receivable related to insurance operations	8,848,742	7,241,672
Less: Provision for expected credit losses	(1,736,787)	(1,546,280)
<b>Net accounts receivable related to insurance operations</b>	<b>7,111,955</b>	<b>5,695,392</b>

Analysis of accounts receivables according to its time period:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Undue	3,022,174	1,876,632
Due within 0-30 days	1,620,803	1,984,310
Due within 31-90 days	1,235,997	841,920
Due within 91-180 days	1,004,270	641,906
Due within 181-365 days	547,330	658,600
Due for more than one year	1,418,168	1,238,304
<b>Total</b>	<b>8,848,742</b>	<b>7,241,672</b>

**9 / A / 2 Checks Under Collection**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Gross checks under collection related to insurance operations	907,563	738,839
Less: Provision for expected credit losses	-	-
<b>Net checks under collection related to insurance operations</b>	<b>907,563</b>	<b>738,839</b>

Analysis of checks under collection according to its time period:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Due within (6) months	860,243	651,899
Due within (6-12) months	47,320	53,615
Due within more than (12) months	-	33,325
<b>Total</b>	<b>907,563</b>	<b>738,839</b>

**9 / A / 3 Accounts Receivable - Insurance Operations by Type**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Insurance contracts holders' receivables	8,644,497	7,111,527
Employees receivables	9,905	9,152
Other Receivables	194,340	120,993
<b>Total accounts receivable</b>	<b>8,848,742</b>	<b>7,241,672</b>
Provision for expected credit losses	(1,736,787)	(1,546,280)
<b>Net accounts receivable</b>	<b>7,111,955</b>	<b>5,695,392</b>

**9 / A / 4 Accounts Payable**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Accounts payable related to insurance operations	1,018,225	1,352,576
<b>Gross accounts payable related to insurance operations</b>	<b>1,018,225</b>	<b>1,352,576</b>

**9 / B Insurance Contract Assets / Liabilities – General Measurement Model**

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component contracts	Including loss component contracts	Present value of future cash flows	Non-financial risk adjustments	
<b>30 September 2024 (Unaudited)</b>					
Insurance contracts liabilities at beginning of the period	(443,501)	-	-	-	(443,501)
Insurance contracts assets at beginning of the period	-	-	-	-	-
<b>Net (liabilities) assets of insurance contracts at the beginning of the period</b>	<b>(443,501)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(443,501)</b>
Insurance contracts revenues	33,197	-	-	-	33,197
<b>Insurance contracts expenses</b>					
Incurred claims during the period	-	-	13,720	-	13,720
Changes related to previous service - adjustments to LfIC	-	-	(16,762)	-	(16,762)
Employees expenses	-	-	-	-	-
Acquisition expenses	(6,837)	-	-	-	(6,837)
Administrative expenses	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
<b>Insurance business results</b>	<b>26,360</b>	<b>-</b>	<b>(3,042)</b>	<b>-</b>	<b>23,318</b>
Finance expenses from insurance contracts	1,755	-	-	-	1,755
Investment component	16,762	-	(16,762)	-	-
<b>Net change - comprehensive income</b>	<b>44,877</b>	<b>-</b>	<b>(19,804)</b>	<b>-</b>	<b>25,073</b>
Cash received from underwritten contracts	(121,228)	-	-	-	(121,228)
Incurred claims	-	-	16,762	-	16,762
Paid from acquisition costs	5,412	-	-	-	5,412
Other expenses	-	-	3,042	-	3,042
<b>Total cash flows</b>	<b>(115,816)</b>	<b>-</b>	<b>19,804</b>	<b>-</b>	<b>(96,012)</b>
<b>Details as follows:</b>					
Insurance contracts liabilities at the end of the period	(514,440)	-	-	-	(514,440)
Insurance contracts assets at the end of the period	-	-	-	-	-
<b>Net (liabilities) assets of insurance contracts at the end of the period</b>	<b>(514,440)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(514,440)</b>

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component contracts	Including loss component contracts	Present value of future cash flows	Non-financial risk adjustments	
<b>31 December 2023 (Audited)</b>					
Insurance contracts liabilities at beginning of the year	(341,229)	-	-	-	(341,229)
Insurance contracts assets at beginning of the year	-	-	-	-	-
<b>Net (liabilities) assets of insurance contracts at the beginning of the year</b>	<b>(341,229)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(341,229)</b>
Insurance contracts revenues	83,255	-	-	-	83,255
<b>Insurance contracts expenses</b>					
Incurred claims during the year	-	-	-	-	-
Changes related to previous service - adjustments to LfIC	-	-	-	-	-
Employees expenses	-	-	-	-	-
Acquisition expenses	(19,306)	-	-	-	(19,306)
Administrative expenses	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
<b>Insurance business results</b>	<b>63,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,949</b>
Finance expenses from insurance contracts	(18,486)	-	-	-	(18,486)
Investment component	3,527	-	(3,527)	-	-
<b>Net change - comprehensive income</b>	<b>48,990</b>	<b>-</b>	<b>(3,527)</b>	<b>-</b>	<b>45,463</b>
Cash received from underwritten contracts	(159,245)	-	-	-	(159,245)
Incurred claims	-	-	3,527	-	3,527
Paid from acquisition costs	7,983	-	-	-	7,983
Other expenses	-	-	-	-	-
<b>Total cash flows</b>	<b>(151,262)</b>	<b>-</b>	<b>3,527</b>	<b>-</b>	<b>(147,735)</b>
<b>Details as follows:</b>					
Insurance contracts liabilities at the end of the year	(443,501)	-	-	-	(443,501)
Insurance contracts assets at the end of the year	-	-	-	-	-
<b>Net (liabilities) assets of insurance contracts at the end of the year</b>	<b>(443,501)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(443,501)</b>

**9/ B/ 1 Accounts Receivable – Insurance Operation**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Gross accounts receivable related to insurance operations	20,262	13,870
Less: Provision for expected credit losses	(1,655)	(1,229)
<b>Net accounts receivable related to insurance operations</b>	<b>18,607</b>	<b>12,641</b>

Analysis of accounts receivable according to its time period:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Due within 0-30 days	15,000	4,535
Due within 31-90 days	2,461	3,010
Due within 91-180 days	450	5,000
Due within 181-365 days	1,200	566
Due for more than one year	1,151	759
<b>Total</b>	<b>20,262</b>	<b>13,870</b>

**9/ B/ 2 Checks Under Collection**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Gross checks under collection related to insurance operations	-	450
Less: Provision for expected credit losses	-	-
<b>Net checks under collection related to insurance operations</b>	<b>-</b>	<b>450</b>

Analysis of checks under collection according to its time period:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Due within (6) months	-	450
Due within (6-12) months	-	-
Due within more than (12) months	-	-
<b>Total</b>	<b>-</b>	<b>450</b>

**9/ B/ 3 Accounts Receivable - Insurance Operations by Type**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Insurance contracts holders' receivables	20,262	13,870
<b>Gross accounts receivable</b>	<b>20,262</b>	<b>13,870</b>
Less: Provision for expected credit losses	(1,655)	(1,229)
<b>Net accounts receivables</b>	<b>18,607</b>	<b>12,641</b>

**9/ B/ 4 Accounts Payable**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Accounts payable related to insurance operations	1,552	1,546
<b>Gross accounts payable related to insurance operations</b>	<b>1,552</b>	<b>1,546</b>

**9 / B / 5 Insurance Contract Assets / Liabilities – General Measurement Model**

<b>30 September 2024 (Unaudited)</b>	<b>Best estimate for liabilities</b>	<b>Non- financial risk adjustments</b>	<b>Contractual service margin</b>	<b>Total</b>
Insurance contracts liabilities at beginning of the period	(201,895)	(11,626)	(229,980)	(443,501)
Insurance contracts assets at beginning of the period	-	-	-	-
<b>Net (liabilities) assets of insurance contracts at the beginning of the period</b>	<b>(201,895)</b>	<b>(11,626)</b>	<b>(229,980)</b>	<b>(443,501)</b>
Changes that relate to current services	-	-	-	-
Contractual service margin recognized for services provided	-	-	19,280	19,280
Experience adjustments	20,704	-	-	20,704
Change in non-financial risk adjustment	-	96	-	96
Changes related to future services	-	-	-	-
Impact of contracts initially recognized in the period	-	-	-	-
Impact of changes in estimates that adjust the contractual service margin	2,868	350	( 3,218 )	-
Impact of changes in estimates that result in losses and reversals of losses on onerous contracts	-	-	-	-
<b>Changes related to previous services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Changes in liabilities for incurred claims	(16,762)	-	-	(16,762)
<b>Insurance business results</b>	<b>6,810</b>	<b>446</b>	<b>16,062</b>	<b>23,318</b>
Finance expenses from insurance contracts	9,720	-	( 7,965 )	1,755
<b>Net change - comprehensive income</b>	<b>16,530</b>	<b>446</b>	<b>8,097</b>	<b>25,073</b>
Cash received from underwritten contracts	( 121,228 )	-	-	(121,228)
Paid from incurred claims	16,762	-	-	16,762
Paid from acquisition costs	5,412	-	-	5,412
Other expenses	3,042	-	-	3,042
<b>Total cash flows</b>	<b>( 96,012 )</b>	<b>-</b>	<b>-</b>	<b>(96,012)</b>
<b>Details as follows:</b>				
Insurance contracts liabilities at the end of the period	(281,377)	(11,180)	(221,883)	(514,440)
Insurance contracts assets at the end of the period	-	-	-	-
<b>Net (liabilities) assets of insurance contracts at the end of the period</b>	<b>(281,377)</b>	<b>(11,180)</b>	<b>(221,883)</b>	<b>(514,440)</b>

<b>31 December 2023 (Audited)</b>	<b>Best estimate for liabilities</b>	<b>Non- financial risk adjustments</b>	<b>Contractual service margin</b>	<b>Total</b>
Insurance contracts liabilities at beginning of the year	(83,743)	(11,247)	(246,239)	(341,229)
Insurance contracts assets at beginning of the year	-	-	-	-
<b>Net (liabilities) assets of insurance contracts at the beginning of the year</b>	<b>(83,743)</b>	<b>(11,247)</b>	<b>(246,239)</b>	<b>(341,229)</b>
Changes that relate to current services	-	-	-	-
Contractual service margin recognized for services provided	-	-	62,341	62,341
Experience adjustments	1,220	-	-	1,220
Change in non-financial risk adjustment	-	489	-	489
Changes related to future services	-	-	-	-
Impact of contracts initially recognized in the year	15,010	(571)	(14,439)	-
Impact of changes in estimates that adjust the contractual service margin	20,180	(268)	(19,912)	-
Impact of changes in estimates that result in losses and reversals of losses on onerous contracts	(72)	(29)	-	(101)
<b>Changes related to previous services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Changes in liabilities for incurred claims	-	-	-	-
<b>Insurance business results</b>	<b>36,338</b>	<b>(379)</b>	<b>27,990</b>	<b>63,949</b>
Finance expenses from insurance contracts	(6,755)	-	(11,731)	(18,486)
<b>Net change - comprehensive income</b>	<b>29,583</b>	<b>(379)</b>	<b>16,259</b>	<b>45,463</b>
Cash received from underwritten contracts	(159,245)	-	-	(159,245)
Paid from incurred claims	3,527	-	-	3,527
Paid from acquisition costs	7,983	-	-	7,983
Other expenses	-	-	-	-
<b>Total cash flows</b>	<b>(147,735)</b>	<b>-</b>	<b>-</b>	<b>(147,735)</b>
<b>Details as follows:</b>				
Insurance contracts liabilities at the end of the year	(201,895)	(11,626)	(229,980)	(443,501)
Insurance contracts assets at the end of the year	-	-	-	-
<b>Net (liabilities) assets of insurance contracts at the end of the year</b>	<b>(201,895)</b>	<b>(11,626)</b>	<b>(229,980)</b>	<b>(443,501)</b>

## 10 . Reinsurance Contract Assets / Liabilities

### 10 /A Reinsurance Contract Assets / Liabilities – Premium Allocation Approach

	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Including loss component	Present value of future cash flows	Non-financial risk adjustments	
<b>30 September 2024 (Unaudited)</b>					
Reinsurance contracts liabilities at beginning of the period	(4,619,190)	-	1,020,959	101,534	(3,496,697)
Reinsurance contracts assets at beginning of the period	26,858	-	1,203,379	108,071	1,338,308
<b>Net (liabilities) assets of reinsurance contracts at the beginning of the period</b>	<b>(4,592,332)</b>	<b>-</b>	<b>2,224,338</b>	<b>209,605</b>	<b>(2,158,389)</b>
Reinsurance contracts expenses	(5,331,678)	-	-	-	(5,331,678)
Reinsurance contracts revenues	-	-	3,658,080	169,461	3,827,541
Variances resulted from differences in accounting methods	-	-	-	-	-
Investment components	-	-	-	-	-
<b>Reinsurance business results</b>	<b>(5,331,678)</b>	<b>-</b>	<b>3,658,080</b>	<b>169,461</b>	<b>1,504,137</b>
Finance expenses from insurance contracts	-	-	67,320	-	67,320
<b>Net change - comprehensive income</b>	<b>(5,331,678)</b>	<b>-</b>	<b>3,725,400</b>	<b>169,461</b>	<b>1,436,817</b>
Cash received from underwritten contracts and paid to the reinsurer	7,749,135	-	-	-	7,749,135
Recovered incurred claims from the reinsurer	-	-	(2,445,899)	-	(2,445,899)
Profit commission recovered from the reinsurer	-	-	-	-	-
Other recovered amounts	-	-	-	-	-
<b>Total cash flows</b>	<b>7,749,135</b>	<b>-</b>	<b>(2,445,899)</b>	<b>-</b>	<b>5,303,236</b>
<b>Details as follows:</b>					
Reinsurance contracts liabilities at the end of the period	(1,646,867)	-	740,035	88,903	(817,929)
Reinsurance contracts assets at the end of the period	(528,008)	-	2,763,804	290,163	2,525,959
<b>Net (liabilities) assets of reinsurance contracts at the end of the period</b>	<b>(2,174,875)</b>	<b>-</b>	<b>3,503,839</b>	<b>379,066</b>	<b>1,708,030</b>

	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Including loss component	Present value of future cash flows	Non-financial risk adjustments	
<b>31 December 2023 (Audited)</b>					
Reinsurance contracts liabilities at beginning of the year	(1,877,850)	-	1,189,064	67,980	(620,806)
Reinsurance contracts assets at beginning of the year	173,326	-	1,087,170	142,522	1,403,018
<b>Net (liabilities) assets of reinsurance contracts at the beginning of the year</b>	<b>(1,704,524)</b>	<b>-</b>	<b>2,276,234</b>	<b>210,502</b>	<b>782,212</b>
Reinsurance contracts expenses	(11,191,166)	-	-	-	(11,191,166)
Reinsurance contracts revenues	-	-	4,905,252	(897)	4,904,355
Variances resulted from differences in accounting methods	-	-	-	-	-
Investment components	-	-	-	-	-
<b>Reinsurance business results</b>	<b>(11,191,166)</b>	<b>-</b>	<b>4,905,252</b>	<b>(897)</b>	<b>(6,286,811)</b>
Finance expenses from insurance contracts	-	-	110,777	-	110,777
<b>Net change - comprehensive income</b>	<b>(11,191,166)</b>	<b>-</b>	<b>5,016,029</b>	<b>(897)</b>	<b>(6,176,034)</b>
Cash received from underwritten contracts and paid to the reinsurer	8,303,358	-	-	-	8,303,358
Recovered incurred claims from the reinsurer	-	-	(5,067,925)	-	(5,067,925)
Profit commission recovered from the reinsurer	-	-	-	-	-
Other recovered amounts	-	-	-	-	-
<b>Total cash flows</b>	<b>8,303,358</b>	<b>-</b>	<b>(5,067,925)</b>	<b>-</b>	<b>3,235,433</b>
<b>Details as follows:</b>					
Reinsurance contracts liabilities at the end of the year	(4,619,190)	-	1,020,959	101,534	(3,496,697)
Reinsurance contracts assets at the end of the year	26,858	-	1,203,379	108,071	1,338,308
<b>Net (liabilities) assets of reinsurance contracts at the end of the year</b>	<b>(4,592,332)</b>	<b>-</b>	<b>2,224,338</b>	<b>209,605</b>	<b>(2,158,389)</b>

**10 / A / 1 Accounts Receivables -Reinsurance Contracts Held**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Reinsurance contracts assets held (Local)	32,071	6,001
Reinsurance contracts assets held (Foreign)	1,177,000	893,780
<b>Total accounts receivables (reinsurance contracts held)</b>	<b>1,209,071</b>	<b>899,781</b>
Less: Provision for expected credit losses	(16,897)	(6,889)
<b>Net accounts receivables (reinsurance contracts held)</b>	<b>1,192,174</b>	<b>892,892</b>

Analysis of accounts receivable (reinsurance contracts held) according to its time period:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Due within 0-30 days	313,982	366,403
Due within 31-90 days	91,208	80,186
Due within 91-180 days	147,288	129,487
Due within 181-365 days	261,294	243,982
Due for more than one year	395,299	79,723
<b>Total</b>	<b>1,209,071</b>	<b>899,781</b>

**10 / A / 2 Accounts Payable -Reinsurance Contracts Held**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Reinsurance contracts assets held (Local)	104,604	45,879
Reinsurance contracts assets held (Foreign)	4,547,268	6,768,280
<b>Total accounts payable (reinsurance contracts held)</b>	<b>4,561,872</b>	<b>6,814,159</b>



10 / B Reinsurance Contract Assets / Liabilities Held - General Measurement Model

	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Including loss component	Present value of future cash flows	Non-financial risk adjustments	
<b>30 September 2024 (Unaudited)</b>					
Reinsurance contracts liabilities at beginning of the period	(51,678)	-	-	-	(51,678)
Reinsurance contracts assets at beginning of the period	-	-	-	-	-
Net (liabilities) assets of reinsurance contracts at the beginning of the period	(51,678)	-	-	-	(51,678)
Reinsurance contracts expenses	(17,980)	-	-	-	(17,980)
<b>Reinsurance contracts revenues</b>					
Incurred claims recoveries	-	-	-	-	-
Changes related to previous service -adjustments to LfC	-	-	-	-	-
Reinsurance business results	(17,980)	-	-	-	(17,980)
Finance expenses from reinsurance contracts	500	-	-	-	500
Net change - comprehensive income	(17,480)	-	-	-	(17,480)
Cash received from underwritten contracts paid to the reinsurer	-	-	-	-	-
Recovered incurred claims from the reinsurer	-	-	-	-	-
Profit commission recovered from the reinsurer	-	-	-	-	-
Other recovered amounts	-	-	-	-	-
Net cash flows	-	-	-	-	-

Details as follows:

Reinsurance contracts liabilities at the ending of the period	(69,158)	-	-	-	(69,158)
Reinsurance contracts assets at the ending of the period	-	-	-	-	-
Net (liabilities) assets of reinsurance contracts at the end of the period	(69,158)	-	-	-	(69,158)

	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Including loss component	Present value of future cash flows	Non-financial risk adjustments	
<b>31 December 2023 (Audited)</b>					
Reinsurance contracts liabilities at beginning of the year	(39,267)	-	-	-	(39,267)
Reinsurance contracts assets at beginning of the year	-	-	-	-	-
Net (liabilities) assets of reinsurance contracts at the beginning of the year	(39,267)	-	-	-	(39,267)
Reinsurance contracts expenses	(12,620)	-	-	-	(12,620)
<b>Reinsurance contracts revenues</b>					
Incurred claims recoveries	-	-	-	-	-
Changes related to previous service -adjustments to LfC	-	-	-	-	-
Reinsurance business results	(12,620)	-	-	-	(12,620)
Finance expenses from reinsurance contracts	209	-	-	-	209
Net change - comprehensive income	(12,411)	-	-	-	(12,411)
Cash received from underwritten contracts paid to the reinsurer	-	-	-	-	-
Recovered incurred claims from the reinsurer	-	-	-	-	-
Profit commission recovered from the reinsurer	-	-	-	-	-
Other recovered amounts	-	-	-	-	-
Net cash flows	-	-	-	-	-

Details as follows:

Reinsurance contracts liabilities at the end of the year	(51,678)	-	-	-	(51,678)
Reinsurance contracts assets at the end of the year	-	-	-	-	-
Net (liabilities) assets of reinsurance contracts at the end of the year	(51,678)	-	-	-	(51,678)

**10/ B / 1 Accounts Receivables – Reinsurance Contracts Held**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Reinsurance contracts assets held (Local)	-	-
Reinsurance contracts assets held (Foreign)	-	-
<b>Total accounts receivables (reinsurance contracts held)</b>	<b>-</b>	<b>-</b>
Less: Provision for expected credit losses	-	-
<b>Net accounts receivables (reinsurance contracts held)</b>	<b>-</b>	<b>-</b>

Analysis of accounts receivables (reinsurance contracts held) according to its time period:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Due within 0-30 days	-	-
Due within 31-90 days	-	-
Due within 91-180 days	-	-
Due within 181-365 days	-	-
Due for more than one year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**10/ B / 2 Accounts Payable – Reinsurance Contracts Held**

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Reinsurance contracts assets held – (Local)	-	-
Reinsurance contracts assets held – (Foreign)	75,010	55,925
<b>Total accounts payable – (reinsurance contracts held)</b>	<b>75,010</b>	<b>55,925</b>

**10 / B / 3 Reinsurance Contracts Held - General Measurement Model**

**30 September 2024 (Unaudited)**

	Best estimate for liabilities	Non- financial risk adjustments	Contractual service margin	Total
Reinsurance contracts liabilities at beginning of the period	(62,527)	911	9,938	(51,678)
Reinsurance contracts assets at beginning of the period	-	-	-	-
<b>Net (liabilities) assets of reinsurance contracts at the beginning of the period</b>	<b>(62,527)</b>	<b>911</b>	<b>9,938</b>	<b>(51,678)</b>
Contractual service margin recognized for services provided	-	-	(1,126)	(1,126)
Experience adjustments	(16,738)	-	-	(16,738)
Change in non-financial risk adjustment	-	(116)	-	(116)
<b>Total Changes that relate to current services</b>	<b>(16,738)</b>	<b>(116)</b>	<b>(1,126)</b>	<b>(17,980)</b>
Impact of contracts initially recognized in the period	-	-	-	-
Impact of changes in estimates that adjust the contractual service margin	(26,125)	3,344	22,781	-
Impact of recognizing the loss recovery component of contracts that are expected to be loss	-	-	-	-
Impact of recognition reversal of loss recovery component of contracts that are expected to be loss	-	-	-	-
Impact of changes in estimates that do not adjust the contractual service margin	-	-	-	-
<b>Total Changes related to future services</b>	<b>(26,125)</b>	<b>3,344</b>	<b>22,781</b>	<b>-</b>
Changes in recoverable amounts resulting from changes in liabilities for claims incurred	-	-	-	-
Impact of changes in non-performance risk (default risk) for reinsurers	-	-	-	-
<b>Total Changes related to previous services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Finance expenses from reinsurance contracts	109	-	391	500
<b>Net change - comprehensive income</b>	<b>(42,754)</b>	<b>3,228</b>	<b>22,046</b>	<b>(17,480)</b>
Cash received from underwritten contracts paid for reinsurers	-	-	-	-
Recovered incurred claims from the reinsurer	-	-	-	-
Profit commission recovered from the reinsurer	-	-	-	-
Other recovered amounts	-	-	-	-
<b>Net cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Details as follows:

Reinsurance contracts liabilities at the end of the period	(105,281)	4,139	31,984	(69,158)
Reinsurance contracts assets at the end of the period	-	-	-	-
<b>Net (liabilities) assets of reinsurance contracts at the end of the period</b>	<b>(105,281)</b>	<b>4,139</b>	<b>31,984</b>	<b>(69,158)</b>

**31 December 2023 (Audited)**

	Best estimate for liabilities	Non- financial risk adjustments	Contractual service margin	Total
Reinsurance contracts liabilities at beginning of the year	(52,208)	932	12,009	(39,267)
Reinsurance contracts assets at beginning of the year	-	-	-	-
<b>Net (liabilities) assets of reinsurance contracts at the beginning of the year</b>	<b>(52,208)</b>	<b>932</b>	<b>12,009</b>	<b>(39,267)</b>
Contractual service margin recognized for services provided	-	-	(1,918)	(1,918)
Experience adjustments	(10,626)	-	-	(10,626)
Change in non-financial risk adjustment	-	(76)	-	(76)
<b>Total Changes that relate to current services</b>	<b>(10,626)</b>	<b>(76)</b>	<b>(1,918)</b>	<b>(12,620)</b>
Impact of contracts initially recognized in the year	(150)	8	142	-
Impact of changes in estimates that adjust the contractual service margin	795	47	(842)	-
Impact of recognizing the loss recovery component of contracts that are expected to be loss	-	-	-	-
Impact of recognition reversal of loss recovery component of contracts that are expected to be loss	-	-	-	-
Impact of changes in estimates that do not adjust the contractual service margin	-	-	-	-
<b>Total Changes related to future services</b>	<b>645</b>	<b>55</b>	<b>(700)</b>	<b>-</b>
Changes in recoverable amounts resulting from changes in liabilities for claims incurred	-	-	-	-
Impact of changes in non-performance risk (default risk) for reinsurers	-	-	-	-
<b>Total Changes related to previous services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Finance expenses from reinsurance contracts	(338)	-	547	209
<b>Net change - comprehensive income</b>	<b>(10,319)</b>	<b>(21)</b>	<b>(2,071)</b>	<b>(12,411)</b>
Cash received from underwritten contracts paid for reinsurers	-	-	-	-
Recovered incurred claims from the reinsurer	-	-	-	-
Profit commission recovered from the reinsurer	-	-	-	-
Other recovered amounts	-	-	-	-
<b>Net cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Details as follows:

Reinsurance contracts liabilities at the end of the year	(62,527)	911	9,938	(51,678)
Reinsurance contracts assets at the end of the year	-	-	-	-
<b>Net (liabilities) assets of reinsurance contracts at the end of the year</b>	<b>(62,527)</b>	<b>911</b>	<b>9,938</b>	<b>(51,678)</b>

# 11 . Income Tax

## A- Income Tax Provision

The movement on Income tax provision is as follow:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the period/ year	568,634	423,126
Income tax paid	(754,595)	(630,862)
Income tax of the period / year *	481,724	765,717
Prior years income tax provision	-	10,653
<b>Balance at end of the period / year</b>	<b>295,763</b>	<b>568,634</b>

\* This item includes a decrease of the deferred taxes amounting to JOD (24,289) as at 30 September 2024.

## Income Tax in the Statement of Profit or Loss Represents:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Accrued income tax of the period	481,724	556,977
Deferred tax assets	(1,162,564)	(999,507)
Prior years accrued income tax	-	10,654
Amortization of deferred tax assets	1,116,638	874,290
<b>Total</b>	<b>435,798</b>	<b>442,414</b>

The following is the reconciliation between declared profit and taxable profit:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Declared profit	1,606,627	1,928,799
Nontaxable income	(305,084)	(352,737)
Nondeductible expenses	551,242	566,157
<b>Taxable profit</b>	<b>1,852,785</b>	<b>2,142,219</b>
Income tax of the period	<b>481,724</b>	<b>556,977</b>
Effective income tax rate	<b>30.0%</b>	<b>28.9%</b>
Income tax rate according to Law	<b>26%</b>	<b>26%</b>

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2020.
- The income tax returns for the years 2021, 2022 and 2023 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- The Income and National Contribution tax provision for the Nine months ended at 30 September 2024 was calculated in accordance with the Income Tax Law.
- According to the management and tax advisor of the Company the provision of Income and National Contribution tax is sufficient and there is no need for additional provisions.

## 11 . Income Tax (Continued)

### B - Deferred Tax Assets / Liabilities

This item consists of the following:

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
<u>Accounts included</u>	Beginning Balance of the year	Exclusions	Additions	Ending Balance of the period	Deferred Tax	Deferred Tax
<b>Deferred tax assets</b>						
Provision for incurred but not reported claims	2,699,136	(2,699,136)	2,610,118	2,610,118	678,631	701,775
Premiums deficiency reserve	490,000	-	-	490,000	127,400	127,400
Provision for impairment in receivables	1,622,882	-	196,810	1,819,692	473,120	421,949
Provision for expected credit losses	32,237	(11,348)	668	21,577	5,610	8,382
Provision for employees rewards	100,000	(119,190)	75,000	55,810	14,511	26,000
Provision for employees' vacations	119,764	(15,346)	10,276	114,694	29,820	31,139
Provision for earning sharing – life	158,842	(77,649)	-	81,193	21,110	41,299
Changes in insurance contracts liabilities	1,308,451	(1,308,451)	1,578,509	1,578,509	410,412	340,197
Realized loss – foreign investment (12%)	491,247	(137,890)	-	353,357	42,403	58,950
<b>Total</b>	<b>7,022,559</b>	<b>(4,369,010)</b>	<b>4,471,401</b>	<b>7,124,950</b>	<b>1,803,017</b>	<b>1,757,091</b>

- Movements on deferred tax assets / liabilities are as follows:

	30 September 2024 (Unaudited)		31 December 2023 (Audited)	
	Assets	Liabilities	Assets	Liabilities
Beginning balance of the year	1,757,091	-	1,402,598	-
Additions	1,162,564	-	1,031,426	-
Released	(1,116,638)	-	(676,933)	-
<b>Ending balance of the period / year</b>	<b>1,803,017</b>	<b>-</b>	<b>1,757,091</b>	<b>-</b>

- The Deferred tax assets is calculated using 26% (24% Income Tax and 2% National Contribution Tax) starting from the year 2019, and according to the Company's management and it's tax advisor these deferred tax assets will be collectable in the future.

## 12 . Property and Equipment – Net

This item consist of the following:

	Lands	Buildings	Furniture & Equipment	Vehicles	Other	Total
<b>Cost</b>						
Balance as at 1/1/2024 (unaudited)	192,022	684,856	483,726	132,781	8,582	1,501,967
Additions	1,964,819	4,561,994	927,364	8,000	-	7,462,177
Disposal	(192,022)	(673,720)	-	(1)	-	(865,743)
<b>Balance as at 30/9/2024 (unaudited)</b>	<b>1,964,819</b>	<b>4,573,130</b>	<b>1,411,090</b>	<b>140,780</b>	<b>8,582</b>	<b>8,098,401</b>
<b>Accumulated depreciation</b>						
Balance as at 1/1/2024(unaudited)	-	614,366	408,224	59,968	-	1,082,558
Depreciation	-	23,234	37,824	14,868	-	75,926
Disposal	-	(618,552)	-	(1)	-	(618,553)
<b>Balance as at 30/9/2024 (unaudited)</b>	<b>-</b>	<b>19,048</b>	<b>446,048</b>	<b>74,835</b>	<b>-</b>	<b>539,931</b>
<b>Net book value as at 30/9/2024 (unaudited)</b>	<b>1,964,819</b>	<b>4,554,082</b>	<b>965,042</b>	<b>65,945</b>	<b>8,582</b>	<b>7,558,470</b>

	Lands	Buildings	Furniture & Equipment	Vehicles	Other	Total
<b>Cost</b>						
Balance as at 1/1/2023 (audited)	505,836	684,856	446,031	106,562	8,582	1,751,867
Additions	-	-	37,695	34,220	-	71,915
Disposal	(313,814)	-	-	(8,001)	-	(321,815)
<b>Balance as at 31/12/2023 (audited)</b>	<b>192,022</b>	<b>684,856</b>	<b>483,726</b>	<b>132,781</b>	<b>8,582</b>	<b>1,501,967</b>
<b>Accumulated depreciation</b>						
Balance as at 1/1/2023 (audited)	-	600,669	374,533	49,298	-	1,024,500
Depreciation	-	13,697	33,691	18,670	-	66,058
Disposal	-	-	-	(8,000)	-	(8,000)
<b>Balance as at 31/12/2023 (audited)</b>	<b>-</b>	<b>614,366</b>	<b>408,224</b>	<b>59,968</b>	<b>-</b>	<b>1,082,558</b>
<b>Net book value as at 31/12/2023 (audited)</b>	<b>192,022</b>	<b>70,490</b>	<b>75,502</b>	<b>72,813</b>	<b>8,582</b>	<b>419,409</b>

Property & Equipment fully depreciated amounted JOD (396,363) as of 30 September 2024 JOD (334,497) as of 31 December 2023.

**13 . Intangible Assets – Net**

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	Computer software and programs	Computer software and programs
Balance at beginning of the period/year	139,974	147,710
Additions	51,031	56,765
Amortization	(52,389)	(64,501)
<b>Balance at end of the period / year</b>	<b>138,616</b>	<b>139,974</b>

**14 . Other Assets**

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Accrued revenues	628,067	560,886
Prepaid expenses	82,633	59,813
Refundable deposits	21,427	26,427
Advance payments against building purchase	-	5,369,470
Stationery and advertising materials	5,095	37,890
Fees, Taxes and other receivables (other than insurance operations) *	661,095	521,690
Others	17,619	9,617
<b>Total</b>	<b>1,415,900</b>	<b>6,585,793</b>

\* Analysis of debts according to its time period:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Due more than 0-30 days	383,384	317,099
Due more than 31-60 days	76,545	51,860
Due more than 61-90 days	25,515	17,287
Due more than 90 days	245,222	208,512
<b>Total</b>	<b>730,666</b>	<b>594,758</b>
Provision for expected credit losses	(69,571)	(73,068)
<b>Net</b>	<b>661,095</b>	<b>521,690</b>

**15 . Other Provisions**

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Provision for employees vacations	114,695	119,764
Provision for employee bonus	55,810	100,000
Provision of earning share -life	81,193	158,842
<b>Total</b>	<b>251,698</b>	<b>378,606</b>



**15 . Other Provisions (Continued)**

The movements on the other provision are as follow:

	Balance at beginning of the period	Addition during the period	Paid during the period	Balance at end of the period
Provision for employees vacations	119,764	10,277	(15,346)	114,695
Provision for employees rewards	100,000	75,000	(119,190)	55,810
Provision of earning share -life	158,842	-	(77,649)	81,193
<b>Total</b>	<b>378,606</b>	<b>85,277</b>	<b>(212,185)</b>	<b>251,698</b>

**16 . Other Liabilities**

This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Shareholders' withholdings	54,421	46,484
Board of directors remuneration	45,000	45,000
Social security withholdings	29,667	30,380
Ministry of Finance withholdings	24,743	16,618
Income and sales tax withholdings	66,289	158,716
Central Bank of Jordan withholdings	78,483	47,139
Unearned revenues	2,083	2,083
Agents' withholdings	1,000	1,000
Unpaid accrued expenses	165,865	123,453
Other payables*	882,351	700,378
Employees payables	40,362	3,590
Others	19,105	15,010
<b>Total</b>	<b>1,409,369</b>	<b>1,189,851</b>

\* This item consists of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Issued and uncashed cheques	707,834	687,274
Other suppliers payables	174,517	13,104
<b>Total</b>	<b>882,351</b>	<b>700,378</b>

**17 . Paid-in Capital**

The Company's authorized, and paid-in capital is JOD (8,000,000) divided equally into (8,000,000) shares with a par value of JOD (1) each as at 30 September 2024 and 31 December 2023

**18 . Reserves**

**A- Statutory Reserve**

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

**B- Voluntary Reserve**

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of net income. This reserve is available for distribution to shareholders.

**19. Cumulative Change in Fair Value**

This item represents the change in fair value of financial assets measured at fair value through other comprehensive income, as follow:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the period/ year	(12,728)	(559,006)
Realized losses transferred to retained earnings	-	682,485
Change during the period/ year	198	(136,207)
Net change during the period/ year	198	546,278
Balance at end of the period/ year	<u>(12,530)</u>	<u>(12,728)</u>

**20. Retained Earnings**

This item consist of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of the period/ year	2,968,884	3,109,376
Profit for the period/ year	1,170,829	1,501,993
Paid dividends	-	(960,000)
Losses of the sale of financial assets in fair value through other comprehensive income transferred to retained earning	-	(682,485)
Balance at end of the period/ year	<u>4,139,713</u>	<u>2,968,884</u>

**21. Proposed Dividends to Shareholders**

The percentage of profits proposed to be distributed to shareholders for the current year was (10%) from the company's capital of (8) million dinars, while the percentage of profits distributed to shareholders in the previous year was (12%) from the capital of (8) million dinars.

Jerusalem Insurance Company PLC  
Notes to the condensed interim financial statements (Unaudited)  
30 September 2024  
(In Jordan Dinar)

22 . Insurance Contracts Revenues

30 September 2024 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	Liability	Medical Insurance	Life	Total
Insurance contracts revenues	11,659,757	1,429,398	51,459	1,835,584	231,423	90,126	365,293	4,292,246	3,020,919	22,976,205
Expected incurred claims	-	-	-	-	-	-	-	-	1,078	1,078
Expected incurred expenses	-	-	-	-	-	-	-	-	2,758	2,758
Change in non-financial risk adjustments	-	-	-	-	-	-	-	-	96	96
Accrued contractual service margin	-	-	-	-	-	-	-	-	19,280	19,280
Recovery of insurance acquisition cash flows	-	-	-	-	-	-	-	-	6,837	6,837
Insurance contracts issuance fees	400,525	44,074	523	40,718	5,996	3,905	10,189	260,203	61,893	828,026
Experience adjustments	-	-	-	-	-	-	-	-	3,148	3,148
Allocating a portion of the premiums related to recovering cash flows to the acquisition of insurance	-	-	-	-	-	-	-	-	-	-
Other revenues	255,819	-	-	11,645	-	-	-	875	8,392	276,731
<b>Total insurance contracts revenues</b>	<b>12,316,101</b>	<b>1,473,472</b>	<b>51,982</b>	<b>1,887,947</b>	<b>237,419</b>	<b>94,031</b>	<b>375,482</b>	<b>4,553,324</b>	<b>3,124,401</b>	<b>24,114,159</b>

30 September 2023 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	Liability	Medical Insurance	Life	Total
Insurance contracts revenues	10,994,670	873,525	62,893	1,979,471	242,232	82,793	414,006	3,991,290	6,671,004	25,311,884
Expected incurred claims	-	-	-	-	-	-	-	-	1,526	1,526
Expected incurred expenses	-	-	-	-	-	-	-	-	6,056	6,056
Change in non-financial risk adjustments	-	-	-	-	-	-	-	-	(231)	(231)
Accrued contractual service margin	-	-	-	-	-	-	-	-	7,521	7,521
Recovery of insurance acquisition cash flows	-	-	-	-	-	-	-	-	3,303	3,303
Insurance contracts issuance fees	411,920	25,656	677	45,838	6,804	3,666	10,321	252,512	110,294	867,688
Experience adjustments	-	-	-	-	-	-	-	-	(4,115)	(4,115)
Allocating a portion of the premiums related to recovering cash flows to the acquisition of insurance	-	-	-	-	-	-	-	-	-	-
Other revenues	314,188	23,355	-	-	-	-	-	1,075	-	338,618
<b>Total insurance contracts revenues</b>	<b>11,720,778</b>	<b>922,536</b>	<b>63,570</b>	<b>2,025,309</b>	<b>249,036</b>	<b>86,459</b>	<b>424,327</b>	<b>4,244,877</b>	<b>6,795,358</b>	<b>26,532,250</b>

**23 . Insurance Contracts Expenses**

30 September 2024 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	Liability	Medical Insurance	Life	Total
Incurring insurance claims	10,113,902	(60,755)	-	1,708,151	9,128	11,500	1,851	3,400,558	2,356,925	17,541,260
Amortization of acquisition costs	482,681	47,457	-	41,268	7,968	9,220	13,491	70,274	26,045	698,404
Allocated employees' expenses and other expenses	1,421,822	139,779	3,534	201,857	27,097	8,425	45,206	732,427	367,614	2,947,761
Losses of onerous contracts	99,386	-	-	-	-	-	-	-	-	99,386
Recovered from loss from onerous contracts	-	-	-	-	-	-	-	-	-	-
Non-financial risk adjustments	309,475	15,495	-	262,583	1,455	2,623	1,429	19,400	30,025	642,485
Reversal of non-financial risk adjustments	(321,829)	(9,390)	-	(51,193)	(3,466)	175	(4,599)	(14,466)	(56,529)	(461,297)
Transferred from acquisition costs/ acquisition costs	-	-	-	-	-	-	-	-	-	-
<b>Total insurance contracts expenses</b>	<b>12,105,437</b>	<b>132,586</b>	<b>3,534</b>	<b>2,162,666</b>	<b>42,182</b>	<b>31,943</b>	<b>57,378</b>	<b>4,208,193</b>	<b>2,724,080</b>	<b>21,467,999</b>

30 September 2023 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	Liability	Medical Insurance	Life	Total
Incurring insurance claims	9,328,916	25,629	-	71,928	14,031	(2,087)	1,467	3,304,487	3,995,411	16,739,782
Amortization of acquisition costs	427,200	27,574	-	46,424	8,344	6,976	16,723	44,024	35,906	613,171
Allocated employees' expenses and other expenses	1,287,891	119,783	4,783	166,205	25,633	7,597	45,704	702,684	516,580	2,876,860
Losses of onerous contracts	-	-	-	-	-	-	-	-	-	-
Recovered from loss from onerous contracts	-	-	-	-	-	-	-	-	-	-
Non-financial risk adjustments	260,715	3,967	-	8,380	3,108	49	265	12,301	66,359	355,144
Reversal of non-financial risk adjustments	(237,464)	(49,748)	-	(14,442)	(417)	(270)	(4,351)	(9,698)	(29,967)	(346,357)
Transferred from acquisition costs / acquisition costs	-	-	-	-	-	-	-	-	-	-
<b>Total insurance contracts expenses</b>	<b>11,067,258</b>	<b>127,205</b>	<b>4,783</b>	<b>278,495</b>	<b>50,699</b>	<b>12,265</b>	<b>59,808</b>	<b>4,053,798</b>	<b>4,584,289</b>	<b>20,238,600</b>

**24 . Finance Income (Expenses) from Insurance Contracts**

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Finance income (expenses)	(391,476)	(293,782)
<b>Total</b>	<b>(391,476)</b>	<b>(293,782)</b>

- The Company used discount rates ranging between 4.08% and 5.25% as at 30 September 2024, compared to 4.37% and 6.97% as at 30 September 2023.
- The discount rate is determined at the level of the Company and not at the level of portfolios. The risk-free discount rate in US dollars issued by the European Insurance and Occupational Pensions Authority (EIOPA) was used, since the exchange rate of the Jordanian dinar is linked to the current exchange rate of the US dollar, and an additional margin was increased on discount rates of (1%) as the yield on Jordanian government bonds is higher than the yield on US government bonds.

**25 . Finance Income (Expenses) from Reinsurance Contracts**

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Finance income (expenses)	67,820	49,450
<b>Total</b>	<b>67,820</b>	<b>49,450</b>

- The Company used discount rates ranging between 4.08% and 5.25% as at 30 September 2024, compared to 2.83% and 6.59% as at 30 September 2023.
- The discount rate is determined at the level of the Company and not at the level of portfolios. The risk-free discount rate in US dollars issued by the European Insurance and Occupational Pensions Authority (EIOPA) was used, since the exchange rate of the Jordanian dinar is linked to the current exchange rate of the US dollar, and an additional margin was increased on discount rates of (1%), as that the yield on Jordanian government bonds is higher than the yield on US government bonds.

**26. Interest Income**

This item consists of the following:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Earned interest on time deposits	821,675	690,581
Interest from financial assets measured at amortized cost	353,157	253,978
<b>Total</b>	<b>1,174,832</b>	<b>944,559</b>

**27 . Net Gains from Financial Assets and Investments**

This item consists of the following:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Net change in fair value of financial assets through statement of profit or loss	(71,604)	(126,159)
Cash dividends (financial assets through statement of profit or loss)	79,927	78,863
Cash dividends (financial assets through statement of other comprehensive income)	2,306	114,081
Net gains from sale of financial assets through statement of profit or loss	-	27,048
Foreign portfolio management fees – Julius Bar	(3,951)	(12,881)
Foreign portfolio management fees – Capital Investments	(77)	-
Net rent revenues	16,106	18,351
<b>Total</b>	<b>22,707</b>	<b>99,303</b>

**28 . Other Revenues**

This item consists of the following:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Gains on sale of property and equipment	150	280,705
Other revenues	2,281	1,807
<b>Transferred amount to statement of profit or loss</b>	<b>2,431</b>	<b>282,512</b>



## 29. Other Expenses

30 September 2024 (Unaudited)	Acquisition expenses	Expenses attributed to contracts (Direct)	Expenses attributed to contracts (Indirect)	Expenses not attributed to contracts	Total
Salaries and rewards	534,872	228,660	400,659	192,625	1,356,816
End of service indemnity and vacations	3,946	-	4,275	2,055	10,276
Company's share in social security	66,800	32,327	46,365	22,291	167,783
Employees insurance expenses - Medical	40,743	19,954	32,494	15,622	108,813
Training and development of employees	-	-	-	2,773	2,773
Travel and transportation	4,229	4,224	4,582	2,203	15,238
Employees insurance - Life	8,318	1,105	8,097	3,892	21,412
Rents	48,197	3,375	-	-	51,572
Stationery and printings	21,440	7,441	20,412	9,814	59,107
Advertisements	44,343	-	-	44,247	88,590
Bank charges	7,506	5,957	4,292	2,063	19,818
Water, electricity and heating	17,589	3,498	17,987	8,647	47,721
Maintenance	31,604	466	34,072	16,381	82,523
Postage and telecommunications	13,626	1,322	12,532	6,025	33,505
Professional fees - external audit	-	-	18,000	-	18,000
Professional fees - internal audit	-	-	15,750	-	15,750
Hospitality	-	-	-	13,639	13,639
Subscriptions	-	10,665	87,401	-	98,066
Board of Directors transportation allowance	-	-	40,500	-	40,500
Board of Directors committees rewards	-	-	40,500	-	40,500
Tenders expenses	575	-	-	-	575
Governmental and other fees	-	33,327	47,680	-	81,007
Donations	-	-	-	3,950	3,950
Insurance of company's assets	-	283	3,613	-	3,896
Medical tests	6,244	-	-	-	6,244
Professional fees - consultancy and development	-	2,000	72,106	-	74,106
Board of Directors secretary fees	-	-	2,992	-	2,992
Cleaning	10,007	10	10,838	5,210	26,065
Vehicles expenses	3,846	2,387	3,329	1,600	11,162
Scholarships	-	-	-	4,602	4,602
Security and protection agreement	-	-	20,239	-	20,239
Security and protection agreement - Public security	-	-	39,131	-	39,131
Production expenses and inspections	2,486	-	-	-	2,486
Un-refundable sales tax expense	30,272	3,752	29,042	-	63,066
Central Bank fees	198,127	-	-	-	198,127
Orange cards fees	550	-	-	-	550
Other expenses	-	-	-	25,217	25,217
Agreements expenses	3,392	30,660	17,195	-	51,247
Medical expenses management fees	-	320,903	-	-	320,903
Depreciation and amortization	49,273	-	53,379	25,663	128,315
<b>Total</b>	<b>1,147,985</b>	<b>712,316</b>	<b>1,087,462</b>	<b>408,519</b>	<b>3,356,282</b>

## 29. Other Expenses (Continued)

30 September 2023 (Unaudited)	Acquisition expenses	Expenses attributed to contracts (Direct)	Expenses attributed to contracts (Indirect)	Expenses not attributed to contracts	Total
Salaries and rewards	514,351	226,292	373,974	179,795	1,294,412
End of service indemnity and vacations	2,569	-	2,784	1,338	6,691
Company's share in social security	66,225	32,097	44,644	21,464	164,430
Employees insurance expenses - Medical	29,269	(736)	33,208	15,965	77,706
Training and development of employees	-	-	-	6,728	6,728
Travel and transportation	7,194	7,379	7,794	3,747	26,114
Employees insurance - Life	11,725	(288)	13,195	6,344	30,976
Rents	42,612	1,687	-	-	44,299
Stationery and printings	18,254	3,793	17,663	8,492	48,202
Advertisements	33,595	5	-	33,520	67,120
Bank charges	6,551	5,944	3,583	1,723	17,801
Water, electricity and heating	10,391	10,081	8,762	4,212	33,986
Maintenance	28,160	241	30,124	14,483	73,008
Postage and telecommunications	12,421	1,550	11,614	5,584	31,169
Professional fees - external audit	-	-	14,250	-	14,250
Professional fees - internal audit	-	-	15,750	-	15,750
Hospitality	-	-	-	16,151	16,151
Subscriptions	-	627	66,692	-	67,319
Board of Directors transportation allowance	-	-	40,500	-	40,500
Board of Directors committees rewards	-	-	41,000	-	41,000
Tenders expenses	4,989	-	-	-	4,989
Governmental and other fees	-	29,412	42,877	-	72,289
Donations	-	-	-	10,144	10,144
Insurance of company's assets	-	134	3,719	-	3,853
Medical tests	12,743	-	-	-	12,743
Professional fees - consultancy and development	-	(6,070)	77,243	-	71,173
Board of Directors secretary fees	-	-	3,150	-	3,150
Cleaning	6,473	222	6,944	3,339	16,978
Vehicles expenses	4,385	367	4,638	2,230	11,620
Scholarships	-	-	-	2,800	2,800
Security and protection agreement	-	-	17,760	-	17,760
Security and protection agreement - Public security	-	-	39,131	-	39,131
Production expenses and inspections	15,593	-	-	-	15,593
Unrefundable sales tax expense	18,607	3,542	16,616	-	38,765
Central Bank fees	197,236	-	-	-	197,236
Orange cards fees	500	-	-	-	500
Other expenses	-	-	-	22,948	22,948
Agreements expenses	148,398	33,376	10,597	-	192,371
Medical expenses management fees	-	308,084	-	-	308,084
Depreciation and amortization	37,502	-	40,627	19,532	97,661
<b>Total</b>	<b>1,230,283</b>	<b>657,739</b>	<b>988,839</b>	<b>380,539</b>	<b>3,257,400</b>

The direct expenses attributed to the contracts, including employees expenses, administrative expenses, and other expenses, including depreciation and amortization, are distributed based on the cost center of the insurance contract groups, while the indirect expenses attributed to the insurance contract groups are distributed based on loading rates calculated based on the company's historical experience.

### 30 . Basic and Diluted Earnings Per Share

Earnings per share were calculated by dividing the profit for the period by weighted average number of shares during the period as follows:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Profit for the period after tax	1,170,829	1,486,385
Weighted average number of shares *	8,000,000	8,000,000
Net profit per share for the period	0.146	0.186
Basic	0.146	0.186
Diluted	0.146	0.186

\* The diluted earnings per share is equal to the basic earnings per share.

### 31 . Cash and Cash Equivalents

The cash and cash equivalents that appear in the statement of cash flows represent the following:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Cash on hand and at banks	1,052,385	759,834
Add: Deposits at banks (Note 3)	16,630,491	20,115,868
Less: Deposits at banks maturing from 3 months to one year	(8,636,477)	(11,689,929)
Less: Deposits pledged to the favor of the Central Bank of Jordan Governor in addition to his duty maturing 3 months	(800,000)	(800,000)
Net cash and cash equivalents	8,246,399	8,385,773

### 32 . Loss Component Contracts

Loss component contracts are limited to contracts classified within the (motor portfolio - third party) and the Company is committed to issuing these contracts as part of the motor insurance license, and the production is distributed equally on the companies that obtain this license, and the company doesn't have the option of pricing.

### 33 . Risk Management

#### First: Descriptive Disclosures

The risk management policy considers one of the most important policies in which the Company had set for mitigating risk surrounded around it's activities in order to safeguard the Company's assets, shareholders equity and it's financial position.

#### Risk Management Process

The risk management process and its policy are mainly concerned with risk control by reducing the frequency of occurrence and reducing the expected losses on the other hand at the lowest possible cost. Therefore, the risk management responsibility is to discover the potential risks first and then analyze and classify these risks for the purpose of calculating the probability the risk and magnitude of the expected losses in the event of danger are examined in order to quantify the risk. Based on the above, the best and most effective means of coping with these risks were selected and their effects were reduced with a focus on the concept of reducing the costs associated with the risk.

**33. Risk Management (Continued)**

**Second: Quantitative Disclosures**

**A. Insurance Risk**

**Insurance Risk:**

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

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

The Company has developed its insurance placement plan to ensure that insurance risks are diversified and distributed to different types of insurance, thus reducing the losses that may result from insurance claims if a particular insurance category is focused.

The Company manages risk through an insurance subscription plan, adequate reinsurance coverage and efficient handling of claims. The IPO plan aims to diversify in terms of the quality of the insurance coverage, the expected loss, the type of activity, and the geographical location. The IPO plan also depends on the existence of certain limits when accepting the insurance in accordance with the appropriate choices of the Company.

**34. Lawsuits Against the Company**

There are lawsuits filed against the Company amounting to JOD (2,238,119) pertaining motors accidents for which a full reserve has been taken against in the outstanding claims reserve.

In the opinion of the Company's management and its lawyer, no obligations shall arise that exceeds the allocated amounts within the net claims reserve.

**35. Contingent Liabilities**

The Company has bank guarantees of JOD (71,709) as at 30 September 2024

**36. Subsequent Events**

No subsequent events have a material impact on the financial statement as at 30 September 2024.

**37. Comparative Figures**

Some comparative figures for the period 2023 have been reclassified to match the classification figures for the Nine months ended at 30 September 2024