

إشارة رقم :- أت / 484 / 02 / 2025

التاريخ :- 2025/02/26

السادة هيئة الأوراق المالية المحترمين

تحية طيبة ،،،

الموضوع :- البيانات المالية للسنة المنتهية في 31 كانون الأول لعام 2024

بالإشارة الى الموضوع اعلاه ، نرفق لكم البيانات المالية المدققة باللغة الانجليزية للسنة

المنتهية في 31 كانون الأول لعام 2024.

علماً انها خاضعة لموافقة البنك المركزي الاردني .

و تفضلوا بقبول فائق الاحترام...



أحمد عادي

المدير التنفيذي للمالية

Confidential

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
TOGETHER WITH THE INDEPENDENT
AUDITORS' REPORT**

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2024**

<u>Contents</u>	<u>Page</u>
Independent Auditors' Report	1-4
Consolidated Statement of Financial Position	5
Supplementary Consolidated Statement of Financial Position – Policyholders	6
Supplementary Consolidated Statement of Financial Position – Shareholders	7
Consolidated Statement of Profit or Loss	8
Supplementary Consolidated Statement of Profit or Loss – Policyholders	9
Supplementary Consolidated Statement of Profit or Loss – Shareholders	10
Consolidated Statement of Other Comprehensive Income	11
Consolidated Statement of Changes in Shareholders' Equity	12
Consolidated Statement of Changes in Policyholders' Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15-93



Independent Auditors' Report

To the Shareholders of
First Insurance Company
Public Shareholding Limited Company
Amman – Jordan
For The Year Ended 31 December 2024

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of First Insurance Company – Public Shareholding Company - and its subsidiary (the "Group") which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss, other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter:



Independent Auditors' Report

To the Shareholders of
First Insurance Company
Public Shareholding Limited Company
Amman – Jordan
For The Year Ended 31 December 2024

Measurement of Insurance Contract Liabilities

Key audit matters description	Audit approach to address risks
<p>As of 31 December 2024, insurance contract liabilities for incurred claims amounted to JOD 28,313,834 which represents 90% of total liabilities.</p> <p>The estimation of the liability for incurred claims involves a significant degree of judgement. This entails estimating the present value of future cash flows and the risk adjustment for non-financial risk. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.</p> <p>The present value of future cash flows are based on the best estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the related claims handling costs.</p> <p>Due to the inherent estimation uncertainty, subjectivity and complexity involved in the assessment of valuation of the liability for incurred claims arising from insurance contracts, we have considered this as a key audit matter.</p> <p>Refer to notes 3 and 4 for the accounting policy and significant accounting judgements, estimates and assumptions adopted by the Group. Also, refer to note 10 for the movement in insurance contract liabilities.</p>	<p>We have performed the following procedures</p> <ul style="list-style-type: none">- We assessed the appropriateness of the Group's accounting policy for determining insurance contract liabilities in accordance with the applicable financial reporting framework. Further, understood, evaluated and tested key controls around the claims handling and provisioning process;- Understood, evaluated and tested key controls around the claims handling and provisioning process;- Test on a sample basis the amounts recorded for claims reported and paid; including comparing the gross outstanding claims amount to appropriate source documentation to evaluate the valuation of gross outstanding claim reserves;- Evaluated the competence, capabilities and objectivity of the management's actuarial expert based on their professional qualifications and experience and assessed their independence- Checked the completeness and accuracy of the underlying data used by the management in estimating the insurance contract liabilities;- Engaged our actuarial specialists to assess the methodology and reasonableness of the key assumptions and judgments used by the management in determining the insurance contract liabilities for incurred claims; and- Assessed the adequacy and appropriateness of the related disclosures in the financial statements

Independent Auditors' Report

To the Shareholders of
First Insurance Company
Public Shareholding Limited Company
Amman – Jordan
For The Year Ended 31 December 2024

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report excluding the consolidated financial statements and the independent auditors' report thereon, the annual report is expected to be made available to us after the dated of this auditors' report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance opinion thereon.

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

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, represented by the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Independent Auditors' Report

To the Shareholders of
First Insurance Company
Public Shareholding Limited Company
Amman – Jordan
For The Year Ended 31 December 2024

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend that the General assembly of shareholders approve these consolidated financial statements.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License No. (656)



Amman – Jordan
26 February 2025

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Jordanian Dinar</i>	Note	31 December 2024	31 December 2023
Assets			
Investments			
Bank deposits	5	10,681,095	14,585,531
Financial assets at fair value through other comprehensive income	6	7,047,482	5,702,203
Financial assets at amortized cost – net	7	13,500,843	8,804,598
Investment properties	8	5,238,577	5,291,858
Total Investments		36,467,997	34,384,190
Cash on hand and at banks	9	4,061,624	3,286,427
Reinsurance contract assets	10.2	12,834,877	12,134,797
Property and equipment	12	9,399,653	9,598,295
Intangible assets	13	656,232	719,070
Right of use assets	14	465,237	490,161
Deferred tax assets	11.5	2,150,124	2,120,156
Other assets	15	2,430,489	724,116
Total Assets		68,466,233	63,457,212
Liabilities, Policyholders and Shareholders Equities			
Liabilities			
Insurance contract liabilities	10.1	28,313,834	26,933,481
Total Contract Liabilities		28,313,834	26,933,481
Account payables	16	121,469	107,143
Accrued expenses		139,243	178,798
Other reserves		220,921	220,000
Income tax provision	11.1	581,242	601,335
Liabilities against lease contracts	14	494,725	497,576
Deferred tax liabilities	11.5	12,434	15,547
Other liabilities	17	1,611,214	1,333,614
Total Liabilities		31,495,082	29,887,494
Policyholders Equity			
Deficit reserve (convincingness provision)	18	44,537	33,309
Total Policyholders Equity		44,537	33,309
Shareholder Equity			
Paid-up capital	19	28,000,000	28,000,000
Statutory reserve	20	4,528,992	4,151,837
Fair value reserve	21	49,596	(551,268)
Retained earnings	22	4,348,026	1,935,840
Total Shareholder Equity		36,926,614	33,536,409
Total Policyholders and Shareholders Equities		36,971,151	33,569,718
Total Liabilities, Policyholders and Shareholders Equities		68,466,233	63,457,212

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

SUPPLEMENTARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION – POLICYHOLDERS

<i>Jordanian Dinar</i>	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Assets			
Investments			
Bank deposits	5	512,974	3,682,264
Financial assets at amortized cost – net	7	3,979,398	993,987
Investment properties	8	714,183	732,866
Total Investments		5,206,555	5,409,117
Cash on hand and at banks	9	3,857,609	3,125,622
Reinsurance contract assets	10.2	12,834,877	12,134,797
Property and equipment	12	1,218,978	1,244,062
Deferred tax assets	11.5	1,857,202	1,787,875
Other assets	15	82,280	46,524
Due from shareholder		4,352,376	4,170,701
Total Assets		29,409,877	27,918,698
Liabilities and Policyholder Equity			
Liabilities			
Insurance contract liabilities	10.1	28,313,834	26,933,481
Total Contract Liabilities		28,313,834	26,933,481
Income tax provision	11.1	54,728	228,900
Other liabilities	17	996,778	723,008
Total Liabilities		29,365,340	27,885,389
Policyholder Equity			
Deficit reserve (convincingness provision)	18	44,537	33,309
Total Policyholder Equity		44,537	33,309
Total Liabilities and Policyholder Equity		29,409,877	27,918,698

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

SUPPLEMENTARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SHAREHOLDERS

<i>Jordanian Dinar</i>	Note	31 December 2024	31 December 2023
Assets			
Investments			
Bank deposits	5	10,168,121	10,903,267
Financial assets at fair value through other comprehensive income	6	7,047,482	5,702,203
Financial assets at amortized cost – net	7	9,521,445	7,810,611
Investment properties	8	4,524,394	4,558,992
Total Investments		31,261,442	28,975,073
Cash on hand and at banks	9	204,015	160,805
Deferred tax assets	11.5	292,922	332,281
Property and equipment	12	8,180,675	8,354,233
Intangible assets	13	656,232	719,070
Right of use assets	14	465,237	490,161
Other assets	15	2,348,209	677,592
Total Assets		43,408,732	39,709,215
Liabilities and Shareholder Equity			
Liabilities			
Account payables	16	121,469	107,143
Accrued expenses		139,243	178,798
Other reserves		220,921	220,000
Income tax provision	11.1	526,514	372,436
Deferred tax liabilities	11.5	12,434	15,547
Liabilities against lease contracts	14	494,725	497,576
Other liabilities	17	614,436	610,606
Due to policyholder		4,352,376	4,170,700
Total Liabilities		6,482,118	6,172,806
Shareholder Equity			
Paid-up capital	19	28,000,000	28,000,000
Statutory reserve	20	4,528,992	4,151,837
Fair value reserve	21	49,596	(551,268)
Retained earnings	22	4,348,026	1,935,840
Total Shareholder Equity		36,926,614	33,536,409
Total Liabilities and Shareholder Equity		43,408,732	39,709,215

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>Jordanian Dinar</i>	Note	For the Year Ended 31 December	
		2024	2023
Insurance revenue	23	69,143,459	59,716,668
Insurance service expenses	23	(44,580,995)	(38,738,271)
Results of insurance contracts		24,562,464	20,978,397
Reinsurance contracts held	23	(33,348,507)	(25,456,555)
Recoveries from reinsurance contracts held	23	18,659,615	13,364,683
Net expense from reinsurance contracts held		(14,688,892)	(12,091,872)
Insurance Service Result		9,873,572	8,886,525
Net finance expense from insurance contract	24	(905,899)	(700,119)
Net finance income from reinsurance contract held	24	85,440	91,168
Net Insurance Finance Expense		(820,459)	(608,951)
Murabaha income	5	823,065	695,159
Investment income	6,7	748,617	449,176
Other income		254,309	874,003
Policyholders share of results		(11,228)	(10,158)
General and administrative expenses	27	(1,971,811)	(2,047,491)
Depreciation and amortization	8,12,13,14	(528,407)	(506,849)
Salaries and benefits	31	(4,500,243)	(4,214,707)
Profit before tax		3,867,415	3,516,707
Income tax for the year	11.2	(764,605)	(610,515)
Profit for the Year attributable to the shareholders		3,102,810	2,906,192
Basic and Diluted Earnings per Share (JOD/ share)	32	0.111	0.104

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

SUPPLEMENTARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS –
POLICYHOLDERS

<i>Jordanian Dinar</i>	Note	For the Year Ended 31 December	
		2024	2023
Insurance revenue	23	69,143,459	59,716,668
Insurance service expenses	23	(44,580,995)	(38,738,271)
Results of insurance contracts		24,562,464	20,978,397
Reinsurance contracts held	23	(33,348,507)	(25,456,555)
Recoveries from reinsurance contracts held	23	18,659,615	13,364,683
Net expense from reinsurance contracts held		(14,688,892)	(12,091,872)
Insurance Service Result		9,873,572	8,886,525
Net finance expense from insurance contract	24	(905,899)	(700,119)
Net finance income from reinsurance contract held	24	85,440	91,168
Net Insurance Finance Expense		(820,459)	(608,951)
Policyholders share of investments income	25	151,668	153,157
Shareholders' equity shares for managing takaful insurance operations	26.1	(9,064,707)	(8,308,627)
Depreciation	12	(49,766)	(53,442)
General and administrative expenses	27.1	(147,530)	(134,232)
Policyholders' (deficit) before tax		(57,222)	(65,570)
Income tax surplus for the year	11.2	68,450	75,728
Policyholders' surplus from Takaful Insurance Operations		11,228	10,158

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

SUPPLEMENTARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS- SHAREHOLDERS

<i>Jordanian Dinar</i>	Note	For the Year Ended 31 December	
		2024	2023
Shareholders' equity shares for managing takaful insurance operations	26.2	9,064,707	8,308,627
Shareholders' equity shares of murabaha income	28	683,452	526,624
Shareholders' equity shares of investments income	29	674,061	393,112
Shareholders' equity shares from managing the investments portfolio	30	81,667	82,469
Other income		235,143	862,979
Total shareholders' equity revenue from Takaful Insurance Operations		10,739,030	10,173,811
General and administrative expenses	27.2	(1,824,281)	(1,913,260)
Salaries and benefits	31	(4,500,243)	(4,214,707)
Depreciation and amortization	8,12,13,14	(478,641)	(453,409)
Profit for the year before income tax		3,935,865	3,592,435
Income tax expense for the period	11.2	(833,055)	(686,243)
Profit for the Year attributable to the shareholders		3,102,810	2,906,192

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>Jordanian Dinar</i>	For The Year Ended 31 December	
	2024	2023
Profit for the Year	3,102,810	2,906,192
Items that will not be reclassified subsequently to profit or loss:		
Shareholders' equity shares from the change in fair value of financial assets at fair value through other comprehensive income	287,395	(342,687)
Total comprehensive income (loss) items	287,395	(342,687)
Total Other Comprehensive Income for the Year	3,390,205	2,563,505

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>Jordanian Dinar</i>	Paid-up Capital	Statutory Reserve	Fair Value Reserve	Retained Earnings	Total
For the Year Ended 31 December 2024					
Balance as of 1 January 2024	28,000,000	4,151,837	(551,268)	1,935,840	33,536,409
Profit for the year	-	-	-	3,102,810	3,102,810
Other comprehensive income items for the year	-	-	287,395	-	287,395
Total comprehensive income for the year	-	-	287,395	3,102,810	3,390,205
Gain from sale of financial assets at fair value through other comprehensive income	-	-	313,469	(313,469)	-
Transferred to statutory reserve	-	377,155	-	(377,155)	-
Balance as of 31 December 2024	28,000,000	4,528,992	49,596	4,348,026	36,926,614
For the Year Ended December 31, 2023					
Balance as of 1 January 2023	28,000,000	3,810,741	(146,307)	428,470	32,092,904
Profit for the year	-	-	-	2,906,192	2,906,192
Other comprehensive (loss) items for the year	-	-	(342,687)	-	(342,687)
Total comprehensive income for the year	-	-	(342,687)	2,906,192	2,563,505
Gain from sale of financial assets at fair value through other comprehensive income	-	-	(62,274)	62,274	-
Transferred to statutory reserve	-	341,096	-	(341,096)	-
Distributed dividends	-	-	-	(1,120,000)	(1,120,000)
Balance as of 31 December 2023	28,000,000	4,151,837	(551,268)	1,935,840	33,536,409

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN POLICYHOLDERS' EQUITY

<i>Jordanian Dinar</i>	Reserve to cover deficit (Contingency provision)	Accumulated Surplus Realized	Accumulated Surplus Unrealized	Net Policyholders' Equity
<u>For the Year Ended 31 December 2024</u>				
Balance as of 1 January 2024	33,309	-	-	33,309
Policyholders' surplus for the year	-	11,228	-	11,228
Transferred from policyholders' surplus	11,228	(11,228)	-	-
Balance as of 31 December 2024	44,537	-	-	44,537
<u>For the Year Ended 31 December 2023</u>				
Balance as of 1 January 2023	23,151	-	-	23,151
Policyholders' surplus for the year	-	10,158	-	10,158
Transferred from policyholders' surplus	10,158	(10,158)	-	-
Balance as of 31 December 2023	33,309	-	-	33,309

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Jordanian Dinar</i>	For the year ended 31 December	
	2024	2023
Cash Flow from Operating Activities		
Profit for the year	3,102,810	2,906,192
Adjustments:		
Depreciation and amortization	528,407	506,849
Murabaha income on deposits	(823,065)	(695,159)
Investment income on OCI and at amortized cost	(748,617)	(449,176)
Expected credit loss	200,000	200,000
Net insurance finance expense	820,459	608,951
Gain on sale of investment property	-	(654,175)
Gain on sale of property and equipment	(23,250)	-
Interest on lease liability	47,149	15,774
Other reserves	220,921	220,000
Income tax for the year	764,605	610,515
	4,089,419	3,269,771
<u>Change in working capital items:</u>		
Other assets	(1,706,373)	1,335,195
Other liabilities	277,600	239,235
Accrued expenses	(39,555)	65,482
Payables	14,326	22,685
Insurance contracts assets	-	85,173
Reinsurance contracts assets	(614,640)	(1,232,317)
Insurance contract liabilities	274,454	557,105
Cash flows generated from operating activities before other reserves and income tax paid	2,295,231	4,342,330
Other reserves paid	(45,921)	(45,000)
Income tax paid	(854,024)	(831,386)
Net cash flow generated from operating activities	1,395,286	3,465,944
Cash Flow from Investing Activities		
Bank deposits held (original maturity more than 3 month)	(5,378,682)	(2,943,624)
Bank deposits matured (original maturity more than 3 month)	11,963,822	4,425,000
Cash received from Murabaha income	823,065	695,159
Investment income on OCI and at amortized cost	748,617	449,176
Purchases of financial assets at fair value through other comprehensive income	(1,271,786)	(1,475,727)
Sale of financial assets at fair value through other comprehensive income	(521,117)	(62,782)
Purchases of financial assets at amortized cost	(5,844,858)	(5,537,077)
Issuance Premium	(20,131)	(12,095)
Proceed from sale property and equipment	(23,250)	4,150
Proceed from sale investment property	-	1,983,800
Purchases of intangible assets	(74,918)	(74,000)
Purchases of property and equipment	(159,940)	(66,008)
Net cash flow from (used in) investing activities	240,822	(2,614,029)
Cash Flow from Financing Activities		
Payment of Lease Liability	(50,000)	(16,667)
Dividends	-	(1,120,000)
Net cash flow (used in) financing activities	(50,000)	(1,136,667)
Net change in cash and cash equivalents	1,586,108	(284,752)
Cash and cash equivalents at the beginning of the period	4,166,503	4,451,255
Cash and cash equivalents at the end of the period	5,752,611	4,166,503
<u>Non-cash transactions</u>		
Undistributed dividends	-	58,551
Right of used assets	-	490,161
Lease Liability	-	(490,161)

Chief Executive Officer

Chairman of Board of Director

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements and shall be read in conjunction therewith and with the auditors' report.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) GENERAL

First Insurance Company (the Company) was established under Companies Law No, (13) for the year 1964 as a Jordanian Public Shareholding Company under No. (424) established on 28 December 2006. The issued, authorized, and paid-up capital of the Group is JOD 28M / share; JOD 1 per share. The Group's Head office located in Amman -The Hashemite Kingdom of Jordan and its address is in Dabouq.

The objectives of the Company are to engage in providing insurance on fire, natural hazards, accidents, medical and marine vehicles, cargo during transportation, and other damage of properties, liability of land-based vehicles, general liability, assistance insurance, ships insurance, ships liability, aircraft insurance, aircraft liability and life insurance in accordance with Islamic Sharia.

The Company's parent is Solidarity Group Holding- Bahrain and the ultimate parent is Al Salam Bank B.S.C – Bahrain.

The Company's shares are listed in Amman Stock Exchange.

The accompanying consolidated financial statements were approved by the Board of Directors on 17 February 2025 and it is subject to the General Assembly approval.

The company's financial statements as at 31 December 2024, were reviewed and approved by the company's Sharia Supervisory Board on 12 February 2025 and it issued its Sharia report on them.

2) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of accounting

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), In accordance with the applicable local laws and the forms set by the Central Bank of Jordan. As in our opinion, the accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

B. The functional and presentation currency

The consolidated financial statements are shown in Jordanian dinar, which represents the functional currency for each entity in the Group.

C. Seasonality of operations

There are no seasonal changes that may affect the insurance operations of the Group.

D. Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses, and the associated disclosures and disclosure of contingent liabilities. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In preparing these consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty including risk management policies are the same as those applied to the annual consolidated financial statements as at and for the year ended 31 December 2024, the significant accounting judgments and estimates in preparing these consolidated financial statements are set out below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

• **Judgments**

The following are the most significant judgments that have a material effect on the amounts of assets and liabilities in the consolidated financial statements:

- Classification of financial assets: Valuation of the business model under which the asset is to be held and determining whether the contractual terms of the SPPI are on the outstanding balance.
- The development of new criteria to determine whether financial assets have declined significantly since initial recognition and determine the methodology of future expectations and methods of measuring expected credit loss.
- Extension and termination options are included in several leases. These terms are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the Company and the lessor.

- **Estimates of future cash flows to fulfill insurance contracts**

When estimating future cash flows, the Group incorporates, in an unbiased manner, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, which is updated to reflect current expectations of future events. Estimates of future cash flows reflect the Group's view of conditions current at the reporting date, as long as estimates of any relevant market variables are consistent with observable market prices.

Estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates the expected cash flows and the possibility of their occurrence as at the measurement date. In making these forecasts, the Group uses information about past events, current conditions, and projections of future conditions. The Group's estimate of future cash flows is an average of a set of expected events that reflects the full range of possible outcomes.

Each expected event determines the amount, timing, and probability of cash flows. The weighted average of future cash flows is calculated using a specific expected event that represents the weighted average probability of a set of expected events.

When estimating future cash flows, the Group considers current expectations of future events that may affect those cash flows. However, expectations of future changes in legislation that would alter or fulfill an existing obligation or create new obligations under existing contracts are not considered until a substantial change in legislation has occurred.

When projections of cash flows related to expenditures are determined at the portfolio level or above, they are allocated to groups of contracts on a regular basis. The Group determined that this method leads to an orderly and logical distribution. Similar methods are continually applied for allocating expenditures of similar nature. Expenses of the nature of maintenance of the administrative policy are allocated to groups of contracts based on the number of contracts in force within the groups. The Group performs regular expense studies to determine the extent to which fixed and variable overheads can be directly attributable to the fulfillment of insurance contracts.

The cash flows for the acquisition of insurance arise from the activities of selling, underwriting, and commencing a portfolio of contracts that are directly attributable to the portfolio of contracts to which the Group belongs. Other costs incurred to fulfill contracts include claims handling, maintenance and administration costs and recurring commissions payable in installments receivable within contract limits. The cash flows for acquiring insurance and other costs incurred in executing contracts include both direct costs and an allocation of fixed and variable overheads. Attribute cash flows to acquisition activities, other implementation activities, and other activities at the local entity level using activity-based costing techniques. The cash flows attributable to acquisition and other implementation activities are allocated to groups of contracts using systematic and logical methods and are applied consistently to all costs that have similar characteristics. Other costs are recognized in profit or loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- **Discounting Methodology**

Discount rates are used primarily to adjust estimates of future cash flows to reflect the time value of money and other financial risks of accruing interest on the liability for claims incurred.

The bottom-up approach was used to derive the discount rate. Under this approach, risk-free discount rates based on US dollars were used by the European Insurance and Occupational Pensions Authority (EIOPA) as a starting point for preparing the yield curve. An adjustment percentage is added to the base risk-free rate, and it calls "country risk premium". This rate is provided by country from New York University Website. An illiquidity rate is estimated to be equal to 5% and for all countries. This is applied multiplicatively.

- **Risk Adjustment for Non-Financial Risks**

The Group shall adjust the estimate of the present value of future cash flows to reflect the compensation required by the entity for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risks. Therefore, the purpose of risk adjustment for non-financial risks is to measure the impact of uncertainty in cash flows that arise from insurance contracts, other than the uncertainty arising from financial risks. The risks covered by the risk adjustment for non-financial risks are insurance risks and other non-financial risks such as outage risk and expense risk.

The Group does not consider the effect of reinsurance in the risk adjustment for non-financial risks of the underlying insurance contracts. The Group has adopted the PAA simplification to calculate liability for remaining coverage. Therefore, the liability risk adjustment for residual coverage will only be estimated if a group of contracts is recognized as risky.

Applying the confidence level method, the Group estimates the probability distribution of the expected present value of future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as an increase in the value at risk on the 75th percentile. The percentage (target confidence level) on the expected present value of future cash flows.

- **Onerosity Determination**

Under the premium allocation approach (PAA), the Group does not assume any contracts in the portfolio that carry a loss on initial recognition unless "the facts and circumstances" indicate otherwise. The Group evaluates loss-bearing contracts on a quarterly and underwriting quarter basis, in conjunction with updated information on product profitability. Furthermore, the evaluation should be repeated if the "facts and circumstances" indicate that there are significant changes in product pricing, product design, plans, and forecasts. This level of detail defines groups of contracts. The Group uses significant judgment to determine the level of detail to which the Group has sufficient reasonable and supportable information to conclude that all contracts within a group are sufficiently homogeneous and will be allocated to the same group without an individual contract evaluation.

The Group has established a process for the underwriting team to obtain loss-laden contracts that may be loss-laden and profitable by evaluating the profitability of different portfolios at the beginning of the subscription year, and the profitability of each portfolio must be evaluated separately.

- **Estimates for expected premium receipts**

The Company has developed a methodology for expected premium receipts based on provision matrix approach. Such balances have been reclassified to insurance contract liabilities in line with the requirements of IFRS 17. To measure the estimates, such balances have been grouped based on shared credit risk characteristics for respective policyholder base portfolio and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors, affecting the ability of the customers to settle the receivables.

- **Sensitivities on major assumptions considered while applying IFRS 17**

The sensitivity analysis is done to evaluate the impact on gross and net liabilities, profit / loss before tax and equity for reasonably possible movements in key assumptions with all other assumptions in notes 3 held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are nonlinear.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- **Impairment of financial assets**

The implementation of business model approach under IFRS 9 requires judgement to ensure that financial assets of the Group are classified into the appropriate category. Deciding whether the classified categories will require assessment of contractual provisions that do or may change the timing or amount of the contractual cash flows. Objective evidence may exist in circumstances in which a counterparty has been placed in bankruptcy or has failed on the repayments of principal and interest. In other circumstances, the Group uses judgment in order to determine whether a financial asset may be impaired using ECL model. The Group uses judgement in order to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. In addition, Group also make judgments in deciding whether the measurement of expected credit loss reflect reasonable and supportable information that is available without undue cost or effort that include historical, current, and forecast information.

- **Fair Value measurements**

A number of the Group's accounting policies and disclosures require measurement of fair values of financial and non-financial assets and liabilities.

The Group has a consistent control framework regarding the measurement of fair values.

Significant valuation problems are reported to the Group's board of directors.

When measuring the fair value of assets and liabilities, the Group uses observable market data as far as possible.

The Group determines fair value using valuation techniques. The Group also uses the following levels, which reflect the significance of the inputs used in determining the fair value:

- Level 1: Quoted (unadjusted) prices in an active market for identical assets or liabilities.
- Level 2: valuation techniques based on inputs other than quoted prices included in Level 1, which are determined directly or indirectly for assets and liabilities.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability are fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1- In the principal market for the asset or liability, or

2- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Company.

The asset or liability measured at fair value might be either of the following:

1- A stand-alone asset or liability; or

2- A group of assets, a group of liabilities or a group of assets and liabilities.

3- A number of a group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group should establish control framework with respect to the measurement of fair values and a valuation team should oversee all significant fair value measurements, including Level 3 fair values.

We believe that our estimates made in preparing the consolidated financial statements are reasonable and in line with the estimates approved in preparing the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

• **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties on 31 December 2024 that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Management reviews the expected credit loss allowance for trade receivable and contract asset: Key assumptions in determining the weighted – average loss rate.
- Management recognizes income tax expense for the year in accordance with the prevailing laws and regulations.
- Management periodically reassesses the economic useful life of property and equipment based on the general condition of these assets and the expectation of their useful economic lives in the future.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Management estimates the provision to decrease inventory to net realizable value if the cost of inventory may not be recoverable, damaged, wholly, or partially obsolete, and its selling price to fall below cost or any other factors that causes the recoverable amount to be lower than it is carrying amount.
- Management estimates the recoverable amount of the other financial assets to determine whether there was any impairment in its value.
- Management frequently reviews the lawsuits raised against the Company based on a legal study prepared by the Company's legal advisors. This study highlights potential risks that the Company may incur in the future.
- Impairment test of intangible assets: the basic assumptions on which the recoverable amounts are based, including the recoverability of development costs and by re-estimating the useful lives of intangible assets periodically depending on the general condition of these assets and management's expectations of their future useful lives.
- Lease payments are discounted using the discount rate and yield curve. Management has applied judgments and estimates to determine the additional borrowing rate at the inception of the lease.

3) MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of material rather than significant, accounting policies.

The accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended 31 December 2023, except for the new and amended standards or Standards amendments that become effective after 1 January 2024, and are as follows:

The following are new currently effective standards:

- Non-current Liabilities with Covenants - Amendments to IAS 1 and Classification of Liabilities as Current or Non-current - Amendments to IAS 1 Presentation of Financial Statements. (Effective starting from 1 January 2024).
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16. (Effective starting from 1 January 2024).
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7. (Effective starting from 1 January 2024).

(a) Basis of Consolidation of Financial Statements

The consolidated financial statements comprise the Company and its subsidiary, which is wholly owned and subject to its control, and control is achieved when the Company has:

- Power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use power over the investee to affect the amount of the investor's returns.

The Company reassess whether it controls the investee if facts and circumstances indicate that there are changes to one or more of the above-mentioned control points.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In the voting rights decrease below the majority of the voting rights in any of the subsidiaries, it will have the control when its voting rights are sufficient to give the Company the ability to direct the activities of the subsidiary facilities from one side only. The Company considers all the facts and circumstances when assessing whether the Company has sufficient voting rights that enables the Company's control. Among those facts and circumstances:

- The size of voting rights that the Group possesses in relation to the size and distribution of other voting rights.
- Possible voting rights that the Group possesses and any other parties that process voting rights as such.
- Emerging rights from other contractual arrangements; and,
- Any other facts and circumstances that indicates that the Group may or may not become liable when it's required to make decisions, including voting mechanism in previous general assembly meetings.

The subsidiary is consolidated when the Group has control of the subsidiary and stops when the Group loses control over the subsidiary. Specifically, the results of the operations of the subsidiary enterprises acquired or excluded during the year are included in the consolidated statement of profit or loss from the date control was achieved until the date of loss of control over the subsidiary.

Adjustments are made to the financial statements of subsidiaries, when necessary, to bring their accounting policies in line with the accounting policies used in the Group.

All assets, liabilities, equity, income, and expenses relating to transactions and balances between the Group and its subsidiaries are eliminated upon consolidation.

When the Group loses control over a subsidiary, the gain or loss resulting from disposal is computed in the statement of profit or loss as the difference between (1) the total fair value of the consideration received and the fair value of any remaining interests and (2) the previous present value of the assets (including goodwill), less the liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the assets or liabilities related to the subsidiary. The fair value of the investment that is retained in the previous subsidiary at the date of loss of control is considered a fair value upon initial recognition of subsequent accounting under IFRS 9 Financial Instruments when the provisions of the standard apply, or the cost of initial recognition of the investment in an affiliate company or Joint venture.

- The Company has the following subsidiary as of 31 December 2024:

Company's Name	Authorised capital	Company's ownership %	Company's activity nature	Registration centre	Date of acquisition
	JOD	%			
Mulkyat Investment and Trade Company	50,000	100	Investment	Amman	2010

The most important financial information for the subsidiaries for the years 2024, 2023 are as follows:

Company's Name	31 December 2024		31 December 2024	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JOD	JOD	JOD	JOD
Mulkyat Investment and Trade Company	3,695,566	5,474	262,279	(97,954)

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company's Name	31 December 2023		31 December 2023	
	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JOD	JOD	JOD	JOD
Mulkyat Investment and Trade Company	3,450,103	10,022	292,959	(111,483)

- The financial statements of the subsidiary Company are prepared for the same fiscal year of the Group, using the same accounting policies used by the Group. If the accounting policies used by the subsidiary are different, the necessary adjustments are made to the financial statements of the subsidiary to comply with the accounting policies used by the Group.
- The financial statements of the subsidiary are consolidated in the consolidated statement of profit or loss and comprehensive income from the date of its acquisition, which is the date on which the actual transfer of control of the Company over the subsidiary takes place, and its consolidation is stopped when the Company loses this control.
- In the event that separate financial statements are prepared for the company as an independent entity, the investment in the subsidiary company is shown at cost.

(b) Segment Information

A business segment refers to a group of assets and operations that collectively offer specific products or services. The risks and returns associated with these segments differ from those of other sectors and are measured according to the reports used by the company.

A segment is a distinct component of the company that is involved in providing products or services (a business segment) and is subject to risks and rewards that are different from other segments. Segment performance is evaluated based on profit or loss, which is measured differently from profit or loss in the financial statements in certain aspects.

The geographical sector is related to providing products or services in a specific economic environment, which is subject to different risks and returns compared to sectors operating in other economic environments.

The Board of Directors of the company monitors the results of the company's operations and has been identified as the Chief Operating Decision Maker (CODM). The net results of the company are reported to the Board of Directors for the entire company.

(c) IFRS 17 Insurance Contracts

i. Classification and summary of measurement models

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts whereby the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if there is a specific uncertain future event (the present death of the insured) adversely affects the policyholder.

The Group issues non-life and group life insurance to individuals and businesses. Non-life insurance products offered include medical, energy, property, motor, engineering, and others. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's actions. The Group does not issue any contracts with direct participating features. There is a non-material term life portfolio, for which the insurance liabilities were considered insignificant in a way that does not justify the deployment of related complex measurements models. Such contracts will continue to be reported on the basis of their net mathematical reserves. This perspective would change if the portfolio started growing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

None of the insurance contracts issued by the Group contain embedded derivatives, investment components or any other goods and services.

ii. Level of aggregation

The Group identifies portfolios of insurance contracts. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:

- Any contracts that are onerous on initial recognition.
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the portfolio.

The portfolios are further divided by year of issue.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (Quarterly cohorts) into groups of: (a) contracts for which there is a net gain at initial recognition, if any; (b) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (c) remaining contracts in the portfolio, if any.

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

The Group assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a policyholder-pricing-groups level.

iii. Recognition

The Group's recognises a group of insurance contracts issued from the earliest of the following:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder.
- For a group of onerous contracts, the date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

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

- For reinsurance contracts that provide proportionate coverage, at the later of:
 - (a) the beginning of the coverage period of the group of reinsurance contracts and
 - (b) the initial recognition of any underlying contract.
- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

However, if the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held, in this case, is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the quarter cohort's restriction. Composition of the groups is not reassessed in subsequent periods.

iv. Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group.

Insurance Contract

Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services.

A substantive obligation to provide services ends when:

- a. The Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- b. Both of the following criteria are satisfied:
 - The Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and
 - the pricing of the premiums for coverage up to the reassessment date does not consider risks that relate to periods after the reassessment date.
- The company classifies insurance contracts based on the following:

Portfolios	Contracts Classifications
	Comprehensive contracts
	Pools contracts
	Border contracts
	Buses contracts
Motor	Third parties' contracts
	Group contracts
Medical	Indivial contracts
	Marine contracts
Marine	Open cover contracts
	Bodies of ships contracts
	Contractors' Notice contracts
	Equipment and Machinery contracts
Engineering	Engineering contracts
	Fire contracts
Fire	All risks contracts
	G&A contracts
	Aviation contracts
	Professional Responsibility contracts
	Personal Incidents contracts
General and accident (G&A)	Travels contracts
	Group contracts
Life	Indivial contracts

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reinsurance contracts:

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date and, therefore, may change over time.

v. **Measurement**

The general measurement model (GMM), also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin. This is the default model under IFRS 17 to measure insurance contracts. However, the Premium Allocation Approach (PAA), which is a simplified measurement model, is permitted if, and only if, at the inception of the group:

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements; or
- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

The company classifies reinsurance contracts based on the following:

Portfolios	Contracts Classifications
	Comprehensive contracts
	Pools contracts
	Border contracts
	Buses contracts
Motor	Third parties' contracts
	Group contracts
Medical	Indivial contracts
	Marine contracts
	Open cover contracts
Marine	Bodies of ships contracts
	Contractors' Notice contracts
	Equipment and Machinery contracts
Engineering	Engineering contracts
	Fire contracts
Fire	All risks contracts
	G&A contracts
	Aviation contracts
	Professional Responsibility contracts
	Personal Incidents contracts
General and accident (G&A)	Travels contracts
	Group contracts
Life	Indivial contracts

The Group uses the PAA to simplify the measurement of groups of contracts on the following bases:

• **Insurance Contracts:**

The coverage period of Marine, Fire, Motor Third Party Liability (TPL), Motor Comprehensive, Medical, General accident, Motor Pools – Borders and Buses, and group life contracts in the group of contracts is one year or less and are therefore eligible to be measured under the PAA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PAA eligibility testing has been performed for the Engineering group of contracts since the coverage period is more than one year. The Group reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA would not differ materially from the measurement that would be produced applying the general measurement model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

- **Reinsurance contracts:**

The Group reasonably expects that the resulting measurement under the PAA measurement model would not differ materially from the result of applying the general measurement model.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

Measurement on initial recognition under PAA:

On initial recognition of each group of insurance contracts that are not onerous, the carrying amount of the liability for remaining coverage (“LRC”) is measured at the premiums received on initial recognition less any insurance acquisition cash flows at that date, including any amount arising from the derecognition at that date of any asset recognised for insurance acquisition cash flows paid before that date, plus or minus any other assets or liabilities previously recognised for cash flows related to that group.

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

On initial recognition of each group of insurance contracts except for engineering, the Group expects that the time between providing each part of the coverage and the related premium due date is no more than a year.

The Group tested the differences between the general measurement model and the premium allocation approach and considered the relevance of reflecting the time value of money for these portfolios. The Group determined that measuring the liability for remaining coverage using the premium allocation approach in line with the expected risk profile, and without factoring-in the time value of money would not have a material impact on the fairness of the reporting.

Subsequent measurement under PAA:

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

- a. the LRC; and
- b. the Liability Incurred Claims (“LIC”), comprising the fulfilment cash flows (“FCF”) related to past service allocated to the group at the reporting date.

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

- a. the remaining coverage; and
 - b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.
- For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:
- a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC.
 - b. decreased for insurance acquisition cash flows paid in the period.
 - c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period.
 - d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses; and
 - e. increased for any adjustment to the financing component, where applicable.

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

- a. increased for ceding premiums paid in the period; and
- b. decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. Fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows, and a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the liability for incurred claims is also adjusted for the time value of money and the effect of financial risk.

Some insurance contracts permit the Group to sell (usually damaged) assets acquired in settling a claim (for example, salvage). Group may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the estimates of claims liability. The allowance is the amount that can reasonably be recovered from the disposal of the asset.

Onerous contract assessment:

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in insurance service expense and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows, determined under the general measurement model (GMM), that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the estimates of the fulfilment cash flows of future revenues. A loss component will be established for the amount of the loss recognised. Subsequently, the loss component will be remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the GMM relating to the future service and those relating to the future revenue. The onerous contract assessment is carried out on quarterly basis at cohort level.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

vi. De-recognition and contract modification

The Group derecognises a contract when it is extinguished i.e., when the specified obligations in the contract expire or are discharged or cancelled. The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in the estimates of fulfilment cash flows. There were no instances of modification or derecognition identified during the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

vii. Acquisition & Attributable Cost

Insurance acquisition cash flows are the costs that directly associated with selling and handling acquired businesses. The Group considers underwriting, sales, and regulatory levies as acquisition costs. Acquisition costs are expensed when incurred and. While attributable costs are the costs that can fully or partially attributed to the insurance operations. The Group has in place allocation technique to allocate the costs based on direct to indirect costs ratio. Both acquisition and attributable costs fall under the insurance service expense while the non-attributable costs are reported under other operating expenses and are not allocated to the portfolios or groups of contracts.

viii. Presentation

Groups of insurance contracts that are assets and those that are liabilities, and groups of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. The Group recognised in the statement of profit or loss (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between insurance service results and insurance finance income and expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue:

Insurance revenue for the specified period represents the amount of expected insurance premium revenue distributed over the period. The expected premium revenue for each period of insurance contract services is based on the time period.

Insurance service expenses:

Insurance service expenses include the following:

- a. Incurred claims for the period.
- b. other incurred directly attributable expenses.
- c. insurance acquisition cash flows.
- d. changes that relate to past service – changes in the FCF relating to the LIC.
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

Net expenses from reinsurance contracts:

Net expenses from reinsurance contracts comprise reinsurance expenses less amounts recovered from reinsurers. The Group recognises reinsurance expenses as it receives coverage or other services under groups of reinsurance contracts. For contracts measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

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

Insurance finance income and expenses:

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk, and changes therein. The Group includes all insurance finance income or expenses for the period in profit or loss.

(d) Financial assets and liabilities:

- Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

- Classification

Financial Assets:

Initial recognition, financial assets are classified as: at amortized cost, at fair value through profit or loss and other comprehensive income, or at fair value through profit or loss and other comprehensive income.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss and other comprehensive income:

It's held within a business model whose objective is to hold assets to collect contractual cash flows.

Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss and other comprehensive income:

It's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Be on specific dates and these flows are only payments out of the amount and interest on the original amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are measured at fair value through statement of profit or loss and other comprehensive income.

Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realising cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Company's management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL and FVTOCI.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial Assets - Evaluate whether contractual cash flows are payments of principal and interest only:

For the purposes of this evaluation, “principal amount” is defined as the fair value of the financial asset at the date of initial recognition. “Interest” is defined as the consideration of the time value of money and the credit risk associated with the principal amount outstanding during a given period of time and other basic lending costs (such as liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are only payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial assets have a contractual term that could change the timing or amount of contractual cash flows and accordingly do not meet the requirement for payments of principal and interest only. When making this assessment, the Company considers:

- Contingency events that would change the amount or timing of cash flows.
- Prepaid features and the possibility of extension.
- The conditions that determine the Company’s claim to cash flows from the specified assets.

Financial assets - the subsequent measurement of profits and losses

Financial assets at fair value through profit or loss	Subsequent measurement of these assets is done at fair value. Net gains and losses, including any interest or dividends, are recognized in the consolidated statement of profit or loss.
Financial assets at amortized cost	Subsequent measurement of these assets is carried out at amortized cost using the effective interest method. The amortized cost is reduced by the value of the impairment loss. Interest income, foreign exchange gains and losses, and impairment are recognized in the consolidated statement of profit or loss. Any gain or loss on disposal of assets is recognized in the consolidated statement of profit or loss.
Debt investments at fair value through other comprehensive income	Subsequent measurement of these assets is done at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses are recognized in the consolidated statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On disposal, the gains and losses are reclassified from other comprehensive income to the consolidated statement of profit or loss.
Equity investments at fair value through other comprehensive income	Subsequent measurement of these assets is done at fair value. Dividends are recognized as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in the consolidated statement of comprehensive income and are not reclassified to the consolidated statement of profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

- Financial liabilities are classified as either at amortized cost or at fair value through the consolidated statement of profit or loss. Financial liabilities are classified as fair value through consolidated statement of profit or loss if they are classified as held for trading and are derivatives or are designated as such upon initial recognition. Financial liabilities are measured at fair value through profit or loss, and profits and losses are recognized net, including any interest expense, in the consolidated statement of profit or loss and other comprehensive income.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated profit or loss. Any gain or loss on sale is also recognized in consolidated profit or loss and other comprehensive income.

- **Derecognition**

Financial assets

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or it substantially transfers the rights to receive contractual cash flows and all the risks and benefits of ownership of the financial assets in a transaction to another party. Or in which the Company has not substantially transferred or retained all the risks and benefits of ownership and does not maintain control over the financial assets.

Recognition is made in the consolidated statement of profit or loss and other comprehensive income with the difference between the carrying value of the assets that have been derecognized and the value acquired by the Company, and the part accumulated in the comprehensive income of profit or loss related to those assets is reversed.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

- **Modifications to financial assets and liabilities**

Adjusted financial assets

If the terms of the financial assets are modified, the Company evaluates whether the cash flows of the modified assets are significantly different. If the cash flows differ significantly, then the contractual rights to the cash flows are derecognised from the original financial assets, and new financial assets are recognized at fair value and any related costs are added to them. Any commissions received as part of the adjustment are calculated as follows:

- Fees for determining the fair value of new assets and fees that represent compensation for costs related to the new assets are included in the initial measurement of the new financial assets.
- Other fees are included in profit or loss as part of the profit or loss upon derecognition.

If the cash flows are modified if the borrower encounters financial difficulties, the goal of the adjustment is generally to maximize the recoverable value of the original contractual terms instead of creating a new asset on different terms. Whether an impairment will be calculated on a portion of the financial assets before making the adjustment to the financial assets. This approach affects the outcome of the quantitative evaluation and means that criteria for derecognition are not met in such cases.

Adjusted financial liabilities

The Company derecognizes financial liabilities when their terms are modified, and the cash flows of the modified financial liabilities differ materially. In this case, new financial liabilities are recognized at fair value. The difference between the carrying amount of the financial liabilities for which the recognitions are cancelled, and the amounts disbursed is recognized in the consolidated statement of profit or loss and other comprehensive income.

Impairment of financial assets

Financial instruments:

The Company recognizes expected credit losses on:

- Financial assets at amortized cost.
- Finance lease receivables.
- Contractual guarantees.

Impairment losses are not recognized on equity investments.

The Company measures loss allowances at an amount equal to the expected credit loss over the life of financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expected Credit Losses (ECL) is the portion of the expected credit loss that results from possible default on financial instruments over the life of the financial instrument.

Expected credit loss are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the date of the consolidated financial statements.
- Financial assets that are credit-impaired at the date of the consolidated financial statements.
- Financial guarantee contracts.

The Company recognizes provisions for expected credit losses on the following financial instruments that have not been measured at fair value through the consolidated statement of profit or loss:

- Balances and deposits with Banks and financial institutions.
- Financial assets at amortized cost.

Impairment loss is not recognised on equity instruments.

Except for purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECL are required to be measured through a loss allowance at an amount equal to:

- The first stage (Stage 1): ECL weighted by the probability of default for the credit exposure / debt instrument during the next (12) months. Credit exposures / debt instruments that did not have a significant increase in their credit risk since recognition were included in this Group category. Initial exposure / instrument or it has low credit risk.
- The second stage (Stage 2): This stage includes credit exposures / debt instruments that have had a significant increase in their credit risks since their initial recognition, but they have not yet reached the stage of default due to the lack of objective evidence confirming the occurrence of default. The expected credit loss is calculated for the entire life of the credit exposure / debt instrument, and it represents the expected credit loss resulting from all default possibilities during the remaining period of the life of the credit exposure / debt instrument.

ECL are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive, which arise from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

The Company measures expected credit losses on an individual. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the original effective interest rate.

Definition of Default

Critical to the determination of expected credit loss is the definition of default. The definition of default is used in measuring the amount of expected credit loss and in the determination of whether the loss allowance is based on 12-month or lifetime expected credit loss, as default is a component of the probability of default (PD) which affects both the measurement of expected credit losses and the identification of a significant increase in credit risk below.

The Company considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Company: or
- The borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. When assessing whether the borrower is unlikely to pay its credit obligation, the company considers both qualitative and quantitative indicators. The information evaluated depends on the type of asset, for example in lending to companies, the qualitative indicator used is breach of covenants, which is not suitable for retail lending. Quantitative indicators, such as late payment and non-payment of another obligation to the counterparty, are key inputs to this analysis. The company also uses a variety of information sources to assess default which are either developed internally or obtained from external sources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant Increase in Credit Risk

The Company monitors all financial assets, issued commitments, and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company measures the loss allowance based on lifetime rather than 12-month expected credit loss. The company recognized any change in a credit rating of financial assets (other than receivables) by two rating grades as significant increase in credit risk.

The Company does not consider financial assets with "low" credit risk at the date of the financial report that no significant increase in credit risk has occurred. As a result, the Company monitors all financial assets, issued commitments and financial guarantee contracts that are subject to impairment due to significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date, based on the remaining maturity of the instrument, with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and future information that is available without undue cost or effort based on the Company's historical experience and expert credit assessment including future information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios (Best, Base and Worse) that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

The probability of default used is forward looking, and the Company uses the same methodologies and data used to measure the loss allowance for expected credit loss. The qualitative factors that indicate significant increase in credit risk are reflected in probability of default models on a timely basis. However, the Company still considers separately some qualitative factors to assess if credit risk has increased significantly.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default will be more significant for a financial instrument with a lower initial probability of default than for a financial instrument with a higher probability of default.

As a backstop when an asset becomes more than 30 days past due, the Company considers that a significant increase in credit risk has occurred, and the asset is in stage 2 of the impairment model, i.e., the loss allowance is measured as the lifetime expected credit loss.

Modification and Derecognition of Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms.

- Qualitative factors, such as the non-existence of contractual cash flows after modification as SPPI, change in currency or change in the counterparty, or extent of change in interest rates, maturity, or covenants. If this does not clearly indicate a fundamental modification.
- Conducting a quantitative evaluation to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows in accordance with the revised terms and deduct both amounts based on the original effective interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of de-recognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on de-recognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new receivable is considered to be originated as credit-impaired. This applies only in the case where the fair value of the new asset is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified, and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The probability of non-payment for the remaining period, estimated on the basis of data upon initial recognition and original contractual terms; With The remaining PD at the reporting date based on the revised terms.

For financial assets modified as part of the Company's forbearance policy, where modification did not result in de-recognition, the estimate of PD reflects the Company's ability to collect the modified cash flows considering the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to de-recognition, the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then, the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortage from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire, or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/ loss that had been recognised in OCI and accumulated in equity is recognised in the consolidated statement of income, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/ loss previously recognised in OCI is not subsequently reclassified to the consolidated statement of profit or loss.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as the customer not participating in a payment plan with the Company. The Company classifies the funds or amounts due for write-off after exhausting all possible payment methods and taking the necessary approvals. However, if the financing or receivable is written off, the Company continues the enforcement activity to try to recover the outstanding receivables, which are recognised in the consolidated statement of income upon recovery.

ECL provision is presented in the consolidated statement of financial position:

ECL provision is presented in the consolidated statement of financial position as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- For debt instruments measured at FVTOCI: no provision is recognised in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investment's revaluation reserve.
- For commitments and financial guarantee contracts: as a provision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Foreign currencies transactions

Transactions in foreign currencies in the equivalent of Jordanian dinars are recorded at exchange rates on the date of the transaction's execution. The financial assets and liabilities recognized in foreign currencies are converted into dinars at the end of the period using the exchange rates prevailing on 31 December 2024, and profits or losses from exchange appear in the consolidated statement of profit or loss and other comprehensive income.

(f) Offsetting

Financial assets and liabilities are offset and net amounts are reported in the consolidated statement of financial position, only when legally enforceable rights are established and when such amounts are settled on a net basis, and when assets and liabilities are settled simultaneously.

(g) Provisions

A provision is recognized if, as a result of a past event, the Company has a present (legal or contractual) obligation that can be estimated reliably.

(h) Property and equipment

Recognition and measurement

- Property and equipment are stated at cost, less the accumulated depreciation and any impairment. Property and equipment are depreciated (excluding lands).
- Cost includes expenditures directly related to the acquisition of property and equipment.
- When the useful life of items of property and equipment varies, they are accounted for as separate items.
- The gains and losses resulting from the exclusion of items of property and equipment are determined by comparing the receipts from disposal with the reported value of those items, and those gains and losses are recorded net under the item "other income or expenses" in the consolidated statement of profit or loss and other comprehensives income.

Subsequent costs

- The cost of the replaced part of an item of property and equipment is recorded within the listed value of that item if it is possible to flow future economic benefits to the Company that lie in that part, in addition to the ability to reliably measure the cost of that part, and the listed value of the old, replaced part is written off.
- The daily costs and expenses incurred by the Company in maintaining and operating property and equipment are recorded in the consolidated statement of profit or loss and other comprehensive income when incurred.

Depreciation

- Depreciation expense is recognized in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of each item of property and equipment.

The main useful lives used for this purpose are as follows:

	Useful life
	%
Land	%2
Building	%2
Office	%2
Equipment, devices, and furniture	%10
Vehicles	%15
Decorations	%11

(i) Intangible Assets

Intangible assets acquired through business combination are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets are classified based on the assessment of their useful life to definite and indefinite. Intangible assets with definite lives are amortized over their useful economic life, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date, and impairment loss is charged to the consolidated statement of profit or loss.

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of profit or loss and other comprehensive income.

Any indications of impairment in the value of intangible assets are reviewed at the date of the consolidated financial statements. The estimate of the life span of those assets is also reviewed, and any adjustments are made for subsequent periods.

Computer systems and programs: They are amortized using the straight-line method within a period not exceeding four years from the date of purchase.

(j) Contract leases

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company determines the borrowing rate by analyzing its from various external sources and making some adjustments to reflect the lease terms and the type of leased assets.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

When lease liabilities are measured using this method, the adjustments are made to related right of use asset or in the consolidated statement of profit or loss and other comprehensive income if the net book value for the related right of use asset was fully depreciated.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, the Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As lessor

When the Company acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

(k) Cash on hand and at banks

It is cash and cash balances that mature within a period of three months, and include: cash on hand and at banks, and the deposits of banks and financial institutions.

(l) Income tax and national contribution

- Income tax expense includes current taxes and deferred taxes. Income tax expense is recognized in the consolidated statement of profit or loss, unless it relates to business combinations, and the tax related to items that have been recognized directly in property rights or in the consolidated statement of profit or loss and other comprehensive income.
- The current tax represents the expected tax payable on the tax profit for the year using the tax rate prevailing at the date of the consolidated financial statements, in addition to any adjustments in the tax payable related to previous years.
- Deferred taxes are recognized in accordance with the consolidated statement of financial position method, as a result of temporary differences between the amounts listed for assets and liabilities in the consolidated financial statements and the amounts specified for tax calculation purposes.
- Deferred tax is calculated on the basis of the tax rates expected to be applied to the temporary differences when they are reversed, based on the laws prevailing at the date of the consolidated financial statements.
- The set-off between the deferred tax assets and liabilities is done if there is a legal right that requires the set-off between the current tax assets and liabilities and is related to the income tax, which is collected by the same tax authorities on the same taxable Company or different taxable companies that have the right to settle the current tax liabilities and assets with net or that the tax assets and liabilities will be realized at the same time.
- Deferred tax assets are recognized when it is probable that future tax profits will be realized through which the temporary differences can be taken advantage of.
- Deferred tax assets are reviewed at the end of each financial year and are reduced when it is unlikely that the associated tax benefits will be realized.
- The current due taxes are calculated at an income tax rate of 24% in addition to 2% of the national contribution in accordance with the income tax law prevailing in the Hashemite Kingdom of Jordan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(m) Investments property

Investment property is a real estate that is acquired either to gain rental income or to increase its value, or both, but not for the purpose of selling it through the Company's normal activities, and it is not used in production or the supply of goods or services or for administrative purposes.

Investments Property are initially shown at cost, and their fair value is disclosed in the notes to the consolidated financial statements, which are reassessed every one or two years individually by an independent real estate expert based on the market prices of those properties within an active real estate market.

(n) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(o) Earnings per Share

Earnings per share is calculated for basic and diluted shares related to ordinary shares. Basic earnings per share is calculated by dividing the amount profit or loss for the year attributable to the shareholders of the company by the weighted average number of ordinary shares during the year. The profit per diluted share is calculated by adjusting the profit or loss for the year attributable to the shareholders of the company and the weighted average number of ordinary shares so that the effect on the share of the earnings for all ordinary shares traded during the year that their return is likely to decline.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(p) Revenue and Expense Recognition

Dividends Income and Returns

Dividends income from investments are recorded when the right of the shareholder to receive dividends arises upon the related decision of the General Assembly of Shareholders.

Returns income are calculated on the accrual basis according to the maturity periods, original principals, and average earned return rate.

Rent Revenue

Revenue from real estate investments with operating lease contracts are recognized based on the straight-line method while the other expenses are recognized based on the accrual basis.

Expense Recognition

All commissions and other costs relating to the acquisition of new or renewed insurance policies are amortized in the consolidated statement of upon their occurrence. Other expenses are recognized on the accrual basis.

(q) Deficit Coverage Reserve (Contingencies Provision)

This item represents the amount deducted at 20% of policyholders from the sale of financial assets at fair value through comprehensive income for the purposes of covering the deficit in future financial periods, only if no accumulated deficit is present at the date of the transfer, and it, provided that the deficit coverage reserve does not exceed the total technical provisions.

In case of liquidation, the deficit coverage reserve (contingencies provision) is distributed over welfare activities after the settlement of Al-Qard Al-Hasan, if any.

(r) Basis for determining the insurance surplus

Insurance surplus is the balance of the total contributions collected, returns on their investment, and any other revenues after deducting paid claims, technical reserves, shareholders share for managing Takaful operations and investments, and all policyholder fund expenses.

The Group calculates the insurance surplus while considering all types of Takaful insurance as one unit.

(s) Allocating the insurance surplus

The insurance surplus is limited to policyholders, and is owned jointly by them, while shareholders do not have the right to share this surplus.

The insurance surplus was distributed to all policyholders according to the percentage of their contribution without distinguishing between those who received compensation and those who did not during the financial period.

The Group retains the amounts to be distributed and not claimed by the policyholders in a separate account, and presents them within the rights of the policyholders, provided that they are transferred to the deficit coverage reserve (contingencies provision) after obtaining the approval of the Sharia Supervisory Committee.

(t) Methods of covering policyholders' fund deficit

In case of a deficit or an accumulated covered by the contingencies provision. In case of shortage in the contingencies provision, the shareholders shall grant Al-Qard Al-Hassan to the policyholders to cover the whole deficit. The Group maintains this provision versus these loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4) NEW STANDARDS, AMMENDMENTS AND INTERPRETATIONS NOT YET APPLIED BY THE GROUP

A number of new standards, amendments to standards and interpretations that were issued but not yet effective, and have not been applied when preparing these consolidated financial statements:

The following are the amended standards and interpretations with their related effective date:

- Lack of Exchangeability - Amendments to IAS 21. (Effective starting from 1 January 2025).
- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (Effective starting from 1 January 2026).
- Annual Improvements to IFRS Accounting Standards – Volume 11 (Effective starting from 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements. (Effective starting from 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability. (Effective starting from 1 January 2027).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. (To be determined - Early adoption is permitted).

The management does not expect that there will be a material impact from the above standards upon implementation.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5) BANK DEPOSITS

Jordanian Dinar

	As of 31 December 2024			As of 31 December 2023		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Inside Jordan	516,621	7,580,555	8,097,176	3,685,911	10,299,050	13,984,961
Outside Jordan	-	2,622,412	2,622,412	-	639,063	639,063
(Less): ECL	(3,647)	(34,846)	(38,493)	(3,647)	(34,846)	(38,493)
	512,974	10,168,121	10,681,095	3,682,264	10,903,267	14,585,531

Jordanian Dinar

Inside Jordan

Islamic International Arab Bank

Jordan Islamic Bank

Safwa Bank

Al Rajhi Bank

Outside Jordan

Al-Salam Bank

Total

(Less): ECL

As of 31 December 2024		
Policyholder	Shareholder	Total
500,000	18,370	518,370
16,621	1,183,594	1,200,215
-	3,368,591	3,368,591
-	3,010,000	3,010,000
-	2,622,412	2,622,412
516,621	10,202,967	10,719,588
(3,647)	(34,846)	(38,493)
512,974	10,168,121	10,681,095

Jordanian Dinar

Inside Jordan

Islamic International Arab Bank

Jordan Islamic Bank

Safwa Bank

Al Rajhi Bank

Outside Jordan

Al-Salam Bank

Total

(Less): ECL

As of 31 December 2023		
Policyholder	Shareholder	Total
1,100,000	13,601	1,113,601
2,494,423	725,634	3,220,057
91,488	4,559,815	4,651,303
-	5,000,000	5,000,000
-	639,063	639,063
3,685,911	10,938,113	14,624,024
(3,647)	(34,846)	(38,493)
3,682,264	10,903,267	14,585,531

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The maturity of bank deposits are as follows:

Jordanian Dinar

		As of 31 December 2024							
		Deposits maturing within one month		Deposits maturing within one month to three months		Deposits maturing more than three months		Total	
		Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder
Inside Jordan									
Islamic International Arab									
Bank		500,000	18,370	-	-	-	-	500,000	18,370
Jordan Islamic Bank		16,621	42,344	-	-	-	1,141,250	16,621	1,183,594
Safwa Bank		-	-	-	-	-	3,368,591	-	3,368,591
Al Rajhi Bank		-	-	-	-	-	3,010,000	-	3,010,000
Outside Jordan									
Al-Salam Bank		-	-	-	1,913,652	-	708,760	-	2,622,412
(Less): ECL		(3,647)	(207)	-	(6,535)	-	(28,104)	(3,647)	(34,846)
		512,974	60,507	-	1,907,117	-	8,200,497	512,974	10,168,121

Jordanian Dinar

		As of 31 December 2023							
		Deposits maturing within one month		Deposits maturing within one month to three months		Deposits maturing more than three months		Total	
		Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder
Inside Jordan									
		1,191,488	54,530	-	-	2,494,423	10,244,520	3,685,911	10,299,050
Outside Jordan									
		-	-	-	434,058	-	205,005	-	639,063
(Less): ECL		(1,179)	(174)	-	(1,383)	(2,468)	(33,289)	(3,647)	(34,846)
		1,190,309	54,356	-	432,675	2,491,955	10,416,236	3,682,264	10,903,267

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Deposits subject to the order of the Central Bank amounted to JOD 800,000 as of 31 December 2024 (31 December 2023: JOD 800,000).
- The rates of return on deposits with banks in Jordanian dinars range from 3.3 % to 5.3 % as on 31 December 2024 (2023: 2.9% to 4.5 %), and the return on deposit balances outside Jordan in US dollars ranges from 5.65 % to 6.1 % as on 31 December 2024 (2023: from 6.25 % to 6.39 %). Deposits mature in period ranged from 31 January 2025 to 31 December 2025
- The bank deposits inside Jordan are denominated in JOD.
- The Company has deposit outside Jordan from Al Salam Bank as of 31 December 2024 amounted to JOD 1,417,520, JOD 708,760, and JOD 496,132 with maturity date of from 1 February 2025 to 2 February 2027 (2023: JOD 639,063).
- The Group deals with banks rated (A1 - Ba3) with no significant change in the credit rating during the year. Bank deposits classified as level one.
- Balances with banks are evaluated as having a low credit risk of default because these banks are subject to high supervision by the Central Bank of Jordan and the central banks of each country that has accounts with the Group.
- The company is return on bank deposits (the Murabaha income) as of 31 December 2024, amounted to JOD 683,452 (2023: JOD 526,624)

The movement on the expected credit loss provision was as follow:

<i>Jordanian Dinar</i>	As of 31 December	
	2024	2023
Beginning balance	38,493	38,493
Additions	-	-
Ending balance	38,493	38,493

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Jordanian Dinar

	As of 31 December 2024			As of 31 December 2023		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Inside Jordan						
Quoted shares	-	2,667,996	2,667,996	-	2,427,279	2,427,279
Unquoted Shares *	-	29,400	29,400	-	26,600	26,600
Outside Jordan:						
Quoted shares	-	218,350	218,350	-	265,650	265,650
Unquoted shares *	-	-	-	-	1	1
Sukuk**	-	4,131,736	4,131,736	-	2,982,673	2,982,673
	-	7,047,482	7,047,482	-	5,702,203	5,702,203

Jordanian Dinar

	As of 31 December 2024		
	Policyholder	Shareholder	Total
Inside Jordan			
Quoted shares			
Jordan National Shipping Lines	-	192,980	192,980
Petra Education Company	-	488,929	488,929
Jordan Petroleum Refinery	-	348,725	348,725
Jordan Islamic Bank	-	300,612	300,612
Jordan Phosphate Mines	-	1,074,285	1,074,285
Jordan Telecom	-	210,753	210,753
Jordan Electric Power	-	51,712	51,712
Unquoted Shares *			
Credit information company	-	29,400	29,400
Outside Jordan:			
Quoted shares			
Palestine Telecommunications	-	218,350	218,350
Unquoted shares *			
Sukuk**	-	-	-
	-	4,131,736	4,131,736
	-	7,047,482	7,047,482

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Jordanian Dinar

	As of 31 December 2023		
	<u>Policyholder</u>	<u>Shareholder</u>	<u>Total</u>
Inside Jordan			
Quoted shares	-	2,427,279	2,427,279
Unquoted Shares *	-	26,600	26,600
Outside Jordan:			
Quoted shares	-	265,650	265,650
Unquoted shares *	-	1	1
Sukuk**	-	2,982,673	2,982,673
	-	5,702,203	5,702,203

* This item represents financial assets for which market prices are not available. The fair value was estimated by the Group's management.

** This represents the Group investment outside Jordan in perpetual (Islamic) Sukuks at a face value of JOD 4,161,883 as of 31 December 2024 (2023: JOD 3,102,796) with coupon rate ranged as of 31 December 2024 from 3.88% to 6.52% (2023: from 3.88 % to 6.52 %) per annum with no specific maturity date, the repayment of principle and commission under the discretion of the issuer.

- The company returns on financial assets at fair value through other comprehensive income the Investment income as of 31 December 2024, amounted to JOD 188,914, (2023: JOD 136,161).

7) FINANCIAL ASSETS AT AMORTIZED COST - NET

***Jordanian
Dinar***

	As of 31 December 2024			As of 31 December 2023		
	<u>Policyholder</u>	<u>Shareholder</u>	<u>Total</u>	<u>Policyholder</u>	<u>Shareholder</u>	<u>Total</u>
Sukuk	3,980,188	9,557,009	13,537,197	994,777	7,846,175	8,840,952
(Less): ECL	(790)	(35,564)	(36,354)	(790)	(35,564)	(36,354)
	3,979,398	9,521,445	13,500,843	993,987	7,810,611	8,804,598

- This represents the Group investment in outside Jordan (Islamic) Sukuks with coupon rate as of 31 December 2024 ranged from 4.48% to 6.58% (2023: 4.48% to 6.58%) per annum.
- The Group deals with financial institutions rated (A1 - Baa3) with no significant change in the credit rating during the year. All sukuk are classified as level one.
- The company returns on financial assets at fair value at amortized cost the Investment income as of 31 December 2024 amounted to JOD 485,147 (2023: JOD 256,953)
- The Company has sukuk outside Jordan with maturity date from 19 January 2025 to 11 April 2053.

Jordanian Dinar

	As of 31 December 2024		
	<u>Policyholder</u>	<u>Shareholder</u>	<u>Total</u>
Bahrin Sukuk*	996,007	6,037,398	7,033,405
KSA Sukuk**	2,984,181	2,039,350	5,023,531
UAE Sukuk***	-	1,480,261	1,480,261
(Less): ECL	(790)	(35,564)	(36,354)
	3,979,398	9,521,445	13,500,843

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Jordanian Dinar

	As of 31 December 2023		
	Policyholder	Shareholder	Total
Bahrin Sukuk	994,777	3,956,148	4,950,925
KSA Sukuk	-	1,894,104	1,894,104
UAE Sukuk	-	1,642,575	1,642,575
Oman Sukuk	-	353,348	353,348
(Less): ECL	(790)	(35,564)	(36,354)
	993,987	7,810,611	8,804,598

*The maturity dates of the Sukuk in Bahrin range from 19 January 2025 to 05 May 2033, and with coupon rates ranged from 4.5% to 6.58% and are paid in two equal installments per year.

**The maturity dates of the Sukuk in KSA range from 07 October 2026 to 11 April 2053, and with coupon rates ranged from 5.04% to 6.03% and are paid in two equal installments per year.

***The maturity dates of the Sukuk in UAE range from 15 February 2026 to 04 April 2030, and with coupon rates ranged from 5.24% to 5.99% and are paid in two equal installments per year.

The movement on the expected credit loss provision was as follow:

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Beginning balance	36,354	36,354
Additions	-	-
Ending balance	36,354	36,354

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8) INVESTMENT PROPERTIES

Jordanian Dinar

As of 31 December 2024

Cost

	Land		Building		Offices		Total
	Policyholder	Shareholder	Policyholder	Shareholder	Policyholder	Shareholder	
Balance as of 1 January 2024	-	3,674,900	-	1,563,425	931,599	-	6,169,924
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as of 31 December 2024	-	3,674,900	-	1,563,425	931,599	-	6,169,924

Accumulated depreciation

Balance as of 1 January 2024	-	-	-	679,333	198,733	-	878,066
Depreciation expense	-	-	-	34,598	18,683	-	53,281
Balance as of 31 December 2024	-	-	-	713,931	217,416	-	931,347

Net book value as of 31 December 2024

-	3,674,900	-	849,494	714,183	-	5,238,577
---	------------------	---	----------------	----------------	---	------------------

Jordanian Dinar

As of 31 December 2023

Cost

Balance as of 1 January 2023	-	5,004,525	-	1,563,425	931,599	-	7,499,549
Additions	-	-	-	-	-	-	-
Disposals	-	(1,329,625)	-	-	-	-	(1,329,625)
Balance as of 31 December 2023	-	3,674,900	-	1,563,425	931,599	-	6,169,924

Accumulated depreciation

Balance as of 1 January 2023	-	-	-	644,735	179,623	-	824,358
Depreciation expense	-	-	-	34,598	19,110	-	53,708
Balance as of 31 December 2023	-	-	-	679,333	198,733	-	878,066

Net book value as of 31 December 2023

-	3,674,900	-	884,092	732,866	-	5,291,858
---	------------------	---	----------------	----------------	---	------------------

* Depreciation expense for the year ended 31 December 2024 distributed as JOD 34,598 related to policyholders and JOD 18,683 related to Group's shareholders (2023: JOD 19,110 related to policyholders and JOD 34,598 related to Group's shareholders).

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- The fair value of the investment properties was estimated by three real estate independent valuers with an average amount of JOD 5,628,535 as of 31 December 2024 (2023: JOD 5,649,231).
- The valuations of the investment properties as of 31 December 2024 were carried out by multiple valuers. The valuers are independent and not related to the Group. All valuers are accredited valuers and hold appropriate qualifications and relevant experience in assessing the valuation for the relevant land and properties. The fair value has been determined primarily on the basis of market practice, which reflects recent transaction prices for similar properties.
- The Group uses the following hierarchy for determining and disclosing the fair values of its investment properties by valuation techniques:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2024	-	5,628,535	-	5,628,535
31 December 2023	-	5,649,231	-	5,649,231

- Buildings include an amount as of 31 December 2024 JOD 714,183 (2023: JOD 732,866) owned by policyholders and intended for investment in rental activities.
- Depreciation on investments properties amounted to JOD 53,281 for the year ended 31 December 2024 (JOD 53,708 for the year ended 31 December 2023).

9) CASH ON HAND AND AT BANKS

<i>Jordanian Dinar</i>	As of 31 December 2024			As of 31 December 2023		
	<u>Policyholder</u>	<u>Shareholder</u>	<u>Total</u>	<u>Policyholder</u>	<u>Shareholder</u>	<u>Total</u>
Cash on hand	144,759	1,836	146,595	45,563	1,949	47,512
Cash at banks	3,712,850	202,179	3,915,029	3,080,059	158,856	3,238,915
	<u>3,857,609</u>	<u>204,015</u>	<u>4,061,624</u>	<u>3,125,622</u>	<u>160,805</u>	<u>3,286,427</u>

- The Group deals with banks rated (A1 - Ba3) with no significant change in the credit rating during the year. Cash at banks are classified as level one.

The cash and cash equivalent for cash flow purposes consist of the following:

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Cash on hand and at bank	4,061,624	3,286,427
Bank deposits mature within three months	2,490,987	1,680,076
Less: Deposits to the order of Central Bank of Jordan	(800,000)	(800,000)
	<u>5,752,611</u>	<u>4,166,503</u>

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10) INSURANCE CONTRACT ASSETS AND LIABILITIES

An analysis of the amounts presented on the consolidated statement of financial position for insurance contracts and reinsurance contracts has been included in the table below:

<i>In Jordanian Dinar</i>	Motor	Motor Pools-	Motor	Medical	Medical -						
As of 31 December 2024	Comprehensive	Borders	Third	- Group	Individual	Marine	Engineering	Fire	G & A	Life	Total
Insurance contracts											
Insurance contract liabilities	2,610,148	218,005	10,698,344	4,932,397	565,861	79,196	175,458	3,639,532	1,447,152	3,947,741	28,313,834
Net insurance contract	2,610,148	218,005	10,698,344	4,932,397	565,861	79,196	175,458	3,639,532	1,447,152	3,947,741	28,313,834
Reinsurance contracts											
Reinsurance contract assets	1,542,072	722,883	377,702	2,654,054	387,359	847,116	255,908	1,615,116	2,544,239	1,888,428	12,834,877
Net reinsurance contract	1,542,072	722,883	377,702	2,654,054	387,359	847,116	255,908	1,615,116	2,544,239	1,888,428	12,834,877
As of 31 December 2023											
Insurance contracts											
Insurance contract liabilities	3,482,576	243,496	9,396,844	3,948,411	459,404	20,138	486,499	3,527,755	2,362,637	3,005,721	26,933,481
Net insurance contract	3,482,576	243,496	9,396,844	3,948,411	459,404	20,138	486,499	3,527,755	2,362,637	3,005,721	26,933,481
Reinsurance contracts											
Reinsurance contract assets	1,555,932	578,940	262,896	2,244,479	302,404	364,928	407,099	2,168,465	2,524,709	1,724,945	12,134,797
Net reinsurance contract	1,555,932	578,940	262,896	2,244,479	302,404	364,928	407,099	2,168,465	2,524,709	1,724,945	12,134,797

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10.1 Analysis by remaining coverage and incurred claims Insurance contracts:

Insurance contracts:

	As of 31 December 2024				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding Loss Component	Loss Component	Estimates of present value of FCF	Risk adjustment for non- financial risk	
<i>In Jordanian Dinar</i>					
Insurance contracts					
Insurance contract liabilities – opening	9,602,031	304,239	16,069,679	957,532	26,933,481
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	9,602,031	304,239	16,069,679	957,532	26,933,481
Insurance revenue	(69,143,459)	-	-	-	(69,143,459)
Insurance service expenses					
Incurred claims and other directly attributable expenses	1,696,687	-	41,938,266	-	43,634,953
Onerous contracts recognized	-	246,580	-	-	246,580
Changes that relate to past service - adjustments to the LIC	-	-	639,340	-	639,340
Reversal of losses on onerous contracts	-	-	-	60,122	60,122
Total Insurance service expenses	1,696,687	246,580	42,577,606	60,122	44,580,995
Finance expense from insurance contracts					
Finance expense from insurance contracts	-	-	872,959	32,940	905,899
Total changes in the statement of profit and loss	(67,446,772)	246,580	43,450,565	93,062	(23,656,565)
Cashflows					
Premiums received	68,865,000	-	-	-	68,865,000
Claims and other directly attributable expenses paid	(1,696,687)	-	(42,131,495)	-	(43,828,182)
Total cash inflows / (outflows)	67,168,313	-	(42,131,495)	-	25,036,818
Insurance contracts					
Insurance contract liabilities – closing	9,323,572	550,919	17,388,749	1,050,594	28,313,834
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	9,323,572	550,919	17,388,749	1,050,594	28,313,834

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As of 31 December 2023				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding Loss Component	Loss Component	Estimates of present value of FCF	Risk adjustment for non- financial risk	Total
<i>In Jordanian Dinar</i>					
Insurance contracts					
Insurance contract liabilities – opening	9,105,149	278,017	15,192,684	900,408	25,476,258
Insurance contract assets – opening	(85,173)	-	-	-	(85,173)
Opening balance – net	9,019,976	278,017	15,192,684	900,408	25,391,085
Insurance revenue	(59,716,668)	-	-	-	(59,716,668)
Insurance service expenses					
Incurred claims and other directly attributable expenses	1,508,534	-	37,018,668	-	38,527,202
Onerous contracts recognized	-	26,222	-	-	26,222
Changes that relate to past service - adjustments to the LIC	-	-	146,325	-	146,325
Reversal of losses on onerous contracts	-	-	-	38,622	38,622
Total Insurance service expenses	1,508,534	26,222	37,164,993	38,622	38,738,371
Finance expense from insurance contracts					
Finance expense from insurance contracts	-	-	681,617	18,502	700,119
Total changes in the statement of profit and loss	(58,208,134)	26,222	37,846,610	57,124	(20,278,278)
Cashflows					
Premiums received	60,298,723	-	-	-	60,298,723
Claims and other directly attributable expenses paid	(1,508,534)	-	(36,969,615)	-	(38,478,149)
Total cash inflows / (outflows)	58,790,189	-	(36,969,615)	-	21,820,574
Insurance contracts					
Insurance contract liabilities – closing	9,602,031	304,239	16,069,679	957,532	26,933,481
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	9,602,031	304,239	16,069,679	957,532	26,933,481

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10.1.1 Receivables related to insurance operations presented as part of insurance contract liability:

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Policyholders' receivable	18,340,663	15,128,365
Brokers' receivable	18,007	15,912
Employees' receivable	86,719	99,284
Others	-	129,086
Total	18,445,389	15,372,647
(Less): Expected credit losses provision	(2,818,001)	(2,618,001)
	15,627,388	12,754,646

Analysis of receivables according to their time period:

As of 31 December 2024	Not due	1-90 Days	91-180 Days	181-360 Days	361 Days and more	Total
Policyholders' receivable	8,025,062	5,390,719	1,655,148	994,919	2,274,815	18,340,663
Brokers' receivable	-	-	-	4,516	13,491	18,007
Employees' receivable	85,587	932	-	200	-	86,719
Others	-	-	-	-	-	-
Total	8,110,649	5,391,651	1,655,148	999,635	2,288,306	18,445,389

As of 31 December 2023	Not due	1-90 Days	91-180 Days	181-360 Days	361 Days and more	Total
Policyholders' receivable	6,315,596	4,424,971	1,444,871	738,259	2,204,668	15,128,365
Brokers' receivable	-	-	346	85	15,481	15,912
Employees' receivable	95,994	3,290	-	-	-	99,284
Others	50,000	53,928	2,846	15,082	7,230	129,086
Total	6,461,590	4,482,189	1,448,063	753,426	2,227,379	15,372,647

The movement on the expected credit loss provision was as follow:

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Beginning balance	2,618,001	2,418,001
Additions	200,000	200,000
Ending balance	2,818,001	2,618,001

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10.1.2 Cheques under collection related to insurance operations presented as part of insurance contract liability:

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Cheques under collection	5,369,091	4,668,212
(Less): ECL	(22,500)	(22,500)
	5,346,591	4,645,712

The movement on the expected credit loss provision as the follow:

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Beginning balance	22,500	22,500
Additions	-	-
Ending balance	22,500	22,500

The analysis on the cheques under collection mature as the follow:

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Mature in 6 months	3,969,124	3,269,543
Mature in 6 - 12 month	1,391,427	1,353,324
Mature more than 12 months	8,540	45,345
	5,369,091	4,668,212

10.1.3 Payables related to insurance operations presented as part of insurance contract liability

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Brokers payables	161,666	158,826
Agents' payables	245,157	256,720
Payables related to Liability for Remaining Coverage	406,823	415,546
Suppliers	715,924	770,584
Hospitals	348,516	338,082
Pharmacies	267,363	220,152
Medicals	133,412	353,923
Other	564,100	486,722
Payables related to Liability for incurred Coverage	2,029,315	2,169,463

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10.2 Analysis by remaining coverage and incurred claims reinsurance contracts:

Reinsurance contracts:

	As of 31 December 2024				
	Asset		Asset		
	For Remaining Coverage		For Incurred Claims		
	Excluding Loss- Recovery Component	Loss- Recovery Component	Estimates Of Present Value of FCF	Risk Adjustmen t for Non- Financial Risk	Total
<i>In Jordanian Dinar</i>					
Reinsurance contracts					
Reinsurance contract assets – opening	5,727,377	1,080	5,910,685	495,655	12,134,797
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	5,727,377	1,080	5,910,685	495,655	12,134,797
Allocation of reinsurance premium paid	(33,348,507)	-	-	-	(33,348,507)
Amounts recoverable from reinsurers:					
Claims recovered and other directly attributable expenses	-	(739,684)	17,173,715	776,594	17,210,625
Changes that relate to past service – adjustments to the LIC	-	738,604	1,383,685	(673,299)	1,448,990
Amounts recoverable from reinsurers	-	(1,080)	18,557,400	103,295	18,659,615
Finance income from reinsurance contracts					
Finance income from reinsurance contracts	-	-	80,588	4,852	85,440
Total changes in the statement of profit and loss	(33,348,507)	-	18,637,988	108,147	(14,602,372)
Cashflows					
Premiums ceded and acquisition cashflows paid	32,474,281	-	-	-	32,474,281
Recoveries from reinsurance	-	-	(17,170,749)	-	(17,170,749)
Total cash (outflows) / inflows	32,474,281	-	(17,170,749)	-	15,303,532
Reinsurance contracts					
Reinsurance contract assets – closing	4,853,151	-	7,377,924	603,802	12,834,877
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	4,853,151	-	7,377,924	603,802	12,834,877

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As of 31 December 2023				
	Asset For Remaining Coverage		Asset For Incurred Claims		
	Excluding Loss- Recovery Component	Loss- Recovery Component	Estimates Of Present Value of FCF	Risk Adjustmen t for Non- Financial Risk	Total
<i>In Jordanian Dinar</i>					
Reinsurance contracts					
Reinsurance contract assets – opening	5,783,900	7,029	4,777,134	503,579	11,071,642
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	5,783,900	7,029	4,777,134	503,579	11,071,642
Allocation of reinsurance premium paid	(25,456,555)	-	-	-	(25,456,555)
Amounts recoverable from reinsurers:					
Claims recovered and other directly attributable expenses	-	(570,127)	12,675,849	1,008,167	13,113,889
Changes that relate to past service – adjustments to the LIC	-	564,179	704,494	(1,017,879)	250,794
Amounts recoverable from reinsurers	-	(5,948)	13,380,343	(9,712)	13,364,683
Finance income from reinsurance contracts					
Finance income from reinsurance contracts	-	-	89,380	1,788	91,168
Total changes in the statement of profit and loss	(25,456,555)	(5,948)	13,469,723	(7,924)	(12,000,705)
Cashflows					
Premiums ceded and acquisition cashflows paid	25,400,032	-	-	-	25,400,032
Recoveries from reinsurance	-	-	(12,336,171)	-	(12,336,171)
Total cash (outflows) / inflows	25,400,032	-	(12,336,171)	-	13,063,861
Reinsurance contracts					
Reinsurance contract assets – closing	5,727,377	1,080	5,910,685	495,655	12,134,797
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	5,727,377	1,080	5,910,685	495,655	12,134,797

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10.2.1 Receivables related to insurance operations presented as part of reinsurance contract assets

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Local reinsurance companies	1,393,589	1,246,735
Foreign reinsurance companies	96,377	638
Total	1,489,966	1,247,373
(Less): Expected credit losses provision	(559,090)	(559,090)
	930,876	688,283

Analysis of reinsurance receivables according to their time period:

As of 31 December 2024	Not Due	1-90 Days	91-180 Days	181- 360 Days	361 Days and more	Total
Local reinsurance companies	292,897	260,902	225,625	132,527	481,638	1,393,589
Foreign reinsurance companies	-	10,660	84,105	1,420	192	96,377
	292,897	271,562	309,730	133,947	481,830	1,489,966

As of 31 December 2023	Not Due	1-90 Days	91-180 Days	181- 360 Days	361 Days and more	Total
Local reinsurance companies	179,910	253,547	205,746	109,749	497,783	1,246,735
Foreign reinsurance companies	-	73	-	247	318	638
	179,910	253,620	205,746	109,996	498,101	1,247,373

10.2.2 Payables related to reinsurance operations presented as part of reinsurance contract assets

<i>Jordanian Dinar</i>	As of 31 December 2024	As of 31 December 2023
Payables to local reinsurance companies	36,967	128,927
Payables to Foreign insurance companies	12,741,723	9,511,138
	12,778,690	9,640,065

11) INCOME TAX

1- Income Tax:

The following is the movement on the income tax provision:

<i>Jordanian Dinar</i>	As of 31 December 2024			As of 31 December 2023		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Balances beginning of the year	228,899	372,436	601,335	312,363	357,591	669,954
Income tax expense for the year	876	833,055	833,931	76,496	686,243	762,739
Payments during the year	(175,047)	(678,977)	(854,024)	(159,960)	(671,398)	(831,358)
Balance Ending of the Year	54,728	526,514	581,242	228,899	372,436	601,335

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2- The income tax expense for the period over shareholders profit is as follow:

<i>Jordanian Dinar</i>	For the Year Ended 31 December			
	2024		2023	
	Policyholder	Shareholder	Policyholder	Shareholder
Current tax expense for the year	876	833,055	76,496	686,243
Deferred tax expenses				
Insurance contract liabilities	(69,326)	-	(152,224)	-
Income tax expense for the year	(68,450)	833,055	(75,728)	686,243

3- Summary of reconciliation between accounting profit and taxable profit:

<i>In Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Accounting profit	3,935,865	3,592,435
Non-taxable profits	(4,239,067)	(4,241,418)
Non-acceptable expenses in terms of tax	3,173,325	3,259,333
Taxable profit	2,870,123	2,610,350
Tax due on the profit for the year	833,055	686,243
Tax due from profits for the year	833,055	686,243
Effective tax rate	21%	19%
Income tax rate	26%	26%
Deferred tax rate	26%	26%

4- Tax Status of the Group:

- The Company has reached to a final settlement with the Income and Sales Tax Department until the end of 2020. Moreover, the Company has submitted its tax returns for the years 2021, 2022 and 2023 and it has not been reviewed by the Income and Sales Tax Department yet. According to the opinion of the management and the tax consultant, the income tax provision is sufficient as of 31 December 2024.
- The income tax provision for the year ending on 31 December 2023 and 2024 for the Company was calculated according to the income tax law at a rate of 26% for balances inside the Kingdom and a rate of 10% for balances outside the Kingdom, according to the amended income tax law (38/2018).
- The subsidiary has reached to a final settlement for the subsidiary with the Income and Sales Tax Department until the end of 2020. Moreover, the subsidiary has submitted its tax returns for the years 2021, 2022 and 2023 and it has not been reviewed by the Income and Sales Tax Department yet. According to the opinion of the management and the tax consultant, the income tax provision is sufficient as of 31 December 2024.
- The income tax provision for the year ending on 31 December 2023 and 2024 for the subsidiary was calculated according to the income tax law at a rate of 20% according to the amended income tax law (38/2018).

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5- Deferred Tax Assets:

<i>In Jordanian Dinar</i>	As of 31 December 2024					As of 31 December 2023
	Beginning Balance	Amounts added	Amounts released	Balance at the End of the period	Deferred Tax	Deferred Tax
Deferred Tax Assets:						
Expected Credit Losses – Receivables	2,618,001	200,000	-	2,818,001	732,680	680,680
Expected Credit Losses – Reinsurance	559,090	-	-	559,090	145,363	145,364
Expected Credit Losses – Banks deposits	38,493	-	-	38,493	10,008	10,008
Expected Credit Losses – Sukuk	36,354	-	-	36,354	9,452	9,452
Expected Credit Losses – Checks under collection	22,500	-	-	22,500	5,850	5,850
Cumulative change in fair value of financial assets through other comprehensive income	518,889	-	393,593	125,296	12,531	51,889
Insurance contract liabilities	4,680,435	66,640	-	4,747,075	1,234,240	1,216,913
	8,473,762	266,640	393,593	8,346,809	2,150,124	2,120,156
Deferred Tax Liabilities:						
Cumulative change in fair value of financial assets through comprehensive income	59,797	-	11,973	47,824	12,434	15,547
	59,797	-	11,973	47,824	12,434	15,547

- Movement on deferred tax assets account during the year is as follows:

<i>Jordanian Dinar</i>	As of 31 December	
	2024	2023
Balance as of 1 January	2,120,156	1,957,795
Additions during the year	69,326	162,361
Released during the year	(39,358)	-
Balance as of 31 December	2,150,124	2,120,156

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12) PROPERTY AND EQUIPMENT

<i>Jordanian Dinar</i>	Lands	Building	Offices	Equipment, devices, and furniture	Vehicles	Decorates	Total
<u>As of 31 December 2024</u>							
Cost							
Balance as of 1 January 2024	2,676,458	5,227,045	1,479,300	2,045,456	161,914	917,776	12,507,949
Additions	-	-	-	58,778	89,000	12,162	159,940
Disposals	-	-	-	(2,686)	(62,733)	-	(65,419)
Balance as of 31 December 2024	2,676,458	5,227,045	1,479,300	2,101,548	188,181	929,938	12,602,470
Accumulated depreciation							
Balance as of 1 January 2024	-	709,504	236,352	1,173,632	142,779	647,387	2,909,654
Depreciation expense	-	104,827	29,667	158,425	21,585	45,296	359,800
Disposals	-	-	-	(3,904)	(62,733)	-	(66,637)
Balance as of 31 December 2024	-	814,331	266,019	1,328,153	101,631	692,683	3,202,817
Net book value as of 31 December 2024	2,676,458	4,412,714	1,213,281	773,395	86,550	237,255	9,399,653
<u>As of 31 December 2023</u>							
Cost							
Balance as of 1 January 2023	2,676,458	5,227,045	1,479,300	2,176,115	161,914	897,071	12,617,903
Additions	-	-	-	45,303	-	20,705	66,008
Disposals	-	-	-	(175,962)	-	-	(175,962)
Balance as of 31 December 2023	2,676,458	5,227,045	1,479,300	2,045,456	161,914	917,776	12,507,949
Accumulated depreciation							
Balance as of 1 January 2023	-	604,963	206,766	1,184,334	127,944	596,734	2,720,741
Depreciation expense	-	104,541	29,586	160,744	14,835	50,653	360,359
Disposals	-	-	-	(171,446)	-	-	(171,446)
Balance as of 31 December 2023	-	709,504	236,352	1,173,632	142,779	647,387	2,909,654
Net book value as of 31 December 2023	2,676,458	4,517,541	1,242,948	871,824	19,135	270,389	9,598,295

* Depreciation expense for the year ended 31 December 2024 distributed as JOD 15,170 related to policyholders and JOD 344,630 related to Group's shareholders (2023: JOD 15,168 related to policyholders and JOD 345,191 related to Group's shareholders).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13) INTANGIBLE ASSETS

The movement on intangible assets (software) during the year is as follows:

	Software	Total
<i>Jordanian Dinar</i>		
<u>As of 31 December 2024</u>		
Cost		
Balance as of 1 January 2024	1,663,019	1,663,019
Additions	74,918	74,918
Balance as of 31 December 2024	1,737,937	1,737,937
Accumulated Amortization		
Balance as of 1 January 2024	943,949	943,949
Amortization for the year	137,756	137,756
Balance as of 31 December 2024	1,081,705	1,081,705
Net Book Value as of 31 December 2024	656,232	656,232

Jordanian Dinar

As of 31 December 2023

Cost		
Balance as of 1 January 2023	1,589,019	1,589,019
Additions	74,000	74,000
Balance as of 31 December 2023	1,663,019	1,663,019
Accumulated Amortization		
Balance as of 1 January 2023	811,561	811,561
Amortization for the year	132,388	132,388
Balance as of 31 December 2023	943,949	943,949
Net Book Value as of 31 December 2023	719,070	719,070

14) RIGHT TO USE OF LEASED ASSETS / LIABILITIES AGAINST LEASED CONTRACTS

The Group has one contract conducted during the year 2024 represented by a land used by the Company (One lease contracts during 2023).

A) Right of use assets:

	Rental contract	Total
<i>Jordanian Dinar</i>		
<u>As of 31 December 2024</u>		
Cost		
Balance as of 1 January 2024	498,469	498,469
Additions	-	-
Balance as of 31 December 2024	498,469	498,469
Accumulated Deprecation		
Balance as of 1 January 2024	(8,308)	(8,308)
Deprecation for the year	(24,924)	(24,924)
Balance as of 31 December 2024	(33,232)	(33,232)
Net Book Value as of 31 December 2024	465,237	465,237

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Rental contract	Total
<i>Jordanian Dinar</i>		
<u>As of 31 December 2023</u>		
Cost		
Balance as of 1 January 2023	-	-
Additions	498,469	498,469
Balance as of 31 December 2023	498,469	498,469
Accumulated Depreciation		
Balance as of 1 January 2023	-	-
Deprecation for the year	(8,308)	(8,308)
Balance as of 31 December 2023	(8,308)	(8,308)
Net Book Value as of 31 December 2023	490,161	490,161

B) Lease liability:

The movement of the lease liability is as follow:

	For the year ended 31 December	
	2024	2023
<i>Jordanian Dinar</i>		
Balance at beginning of the year	497,576	-
Addition during the year	-	498,802
Interest expense	47,149	15,774
Repayments	(50,000)	(17,000)
Total discounted lease liabilities	494,725	497,576

- Undiscounted Lease liabilities:

	For the year ended 31 December	
	2024	2023
<i>Jordanian Dinar</i>		
Less than one year	50,000	50,000
One to five years	250,000	250,000
More than five years	650,000	700,000
Total undiscounted lease liabilities	950,000	1,000,000

Discounted lease liabilities included in the consolidated statement of financial positions of 31 December

Short term	42,408	42,408
Long term	452,317	454,835
Total discounted lease liabilities	494,725	497,243

** The lease liabilities have been discounted using an interest rate for the year ended 31 December 2024 9.5% (2023: 9.5%).

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15) OTHER ASSETS

<i>Jordanian Dinar</i>	As of 31 December 2024			As of 31 December 2023		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Accrued revenue	57,877	511,717	569,594	25,263	349,289	374,552
Prepaid expenses	-	172,974	172,974	-	158,604	158,604
Refundable insurance deposits	5,510	34,826	40,336	5,510	34,825	40,335
Supplies	-	36,545	36,545	-	36,111	36,111
Other	18,893	1,592,147	1,611,040	15,751	98,763	114,514
	82,280	2,348,209	2,430,489	46,524	677,592	724,116

16) ACCOUNT PAYABLES

<i>Jordanian Dinar</i>	For the year ended 31 December	
	2024	2023
Employees payable	8,181	6,456
Suppliers payable	25,181	54,290
Other	88,107	46,397
	121,469	107,143

17) OTHER LIABILITIES

<i>Jordanian Dinar</i>	As of 31 December 2024			As of 31 December 2023		
	Policyholder	Shareholder	Total	Policyholder	Shareholder	Total
Withholding sales tax	399,560	293	399,853	229,688	1,201	230,889
Withholding income tax	15,508	29,763	45,271	16,073	26,052	42,125
Withholding Social security	-	54,399	54,399	-	50,210	50,210
Withholding insurance federation fees	111,710		111,710	72,577	-	72,577
Unearned revenue	-	44,550	44,550	-	38,899	38,899
Shareholders trust	-	453,697	453,697	-	469,473	469,473
Others	470,000	31,734	501,734	404,670	24,771	429,441
	996,778	614,436	1,611,214	723,008	610,606	1,333,614

18) DEFICIT RESERVE (CONVINCINGNESS PROVISION)

This account represents the accumulated balance of the cumulative transfers from the surplus for the year to policyholders and the policyholders' share of the profit, where such provision is approved by Al-Sharia Supervisory Committee.

Below is the provision for movement on the account:

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Balance at the beginning of the year	33,309	23,151
Policyholders' surplus during the year	11,228	10,158
Balance at the end of the year	44,537	33,309

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19) PAID - UP CAPITAL

The subscribed capital is as of 31 December 2024 and 31 December 2023, divided into 28 million shares, where the nominal value of each share represents one Jordanian dinar.

20) STATUTORY RESERVE

The amount accumulated in this account is transferred at 10% from the annual net income before tax during the year and previous years according to the Company's Law and Companies Law. This reserve cannot be distributed to shareholders.

21) FAIR VALUE RESERVE

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Balance at the beginning of the year	(551,268)	(146,307)
Realized gain for financial assets at fair value through comprehensive income	313,469	62,274
Unrealized gain / (Loss) for financial assets at fair value through comprehensive income	287,395	(467,235)
	49,596	(551,268)

22) RETAINED EARNINGS

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Balance at the beginning of the year	1,935,840	428,470
Profit for the year	3,102,810	2,906,192
(Losses) gains on sale of financial assets at fair value through other comprehensive income	(313,469)	62,274
Transfer to statutory reserve	(377,155)	(341,096)
Distributed dividends	-	(1,120,000)
	4,348,026	1,935,840

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23) INSURANCE REVENUE AND EXPENSES

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for 31 December 2024 and 31 December 2023 is included in following tables. Additional information on amounts recognized in consolidated statement of policyholder's revenue and expenses is included in the insurance contract balances reconciliation.

<i>In Jordanian Dinar</i>	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical - Group	Medical - Individual	Marine	Fire	Engineering	G & A	Life	Total
For the year ended 31 December 2024											
Insurance Revenue	9,686,870	3,171,996	10,253,785	18,997,827	1,757,768	1,786,995	9,231,858	657,762	6,906,044	6,783,262	69,234,167
Takaful policies issuance fees	1,377,113	-	333,451	781,290	137,875	52,226	227,080	50,469	89,226	205,522	3,254,252
Change in assumptions	(453,675)	36,840	(822,218)	(682,351)	(137,874)	(67,407)	(964,707)	173,440	(691,958)	264,950	(3,344,960)
Insurance revenue from contracts measured under PAA	10,610,308	3,208,836	9,765,018	19,096,766	1,757,769	1,771,814	8,494,231	881,671	6,303,312	7,253,734	69,143,459
Incurred claims and other directly attributable expenses – net	(8,708,893)	(569,664)	(11,958,555)	(15,037,081)	(1,416,704)	(294,226)	(723,009)	(55,773)	(137,325)	(4,733,723)	(43,634,953)
Changes that relate to past service - adjustments to the LIC	828,054	28,334	(33,429)	(47,345)	77,782	(73,190)	(206,328)	(32,003)	(117,530)	(1,063,685)	(639,340)
(Losses) reversal of losses on onerous contracts – net	8,486	-	(260,554)	5,488	-	-	-	-	-	-	(246,580)
Risk Adjustment	71,176	16,835	9,536	21,923	7,694	(14,638)	(41,266)	(6,401)	(23,505)	(101,476)	(60,122)
Insurance service expenses	(7,801,177)	(524,495)	(12,243,002)	(15,057,015)	(1,331,228)	(382,054)	(970,603)	(94,177)	(278,360)	(5,898,884)	(44,580,995)
Net income from insurance contracts	2,809,131	2,684,341	(2,477,984)	4,039,751	426,541	1,389,760	7,523,628	787,494	6,024,952	1,354,850	24,562,464
Allocation of reinsurance premium paid - contracts measured under the PAA	(744,580)	(1,642,770)	(14,750)	(11,851,568)	(1,152,930)	(560,495)	(6,064,261)	(752,579)	(5,417,643)	(5,146,931)	(33,348,507)
Amounts recoverable from reinsurers – net	659,356	361,735	93,226	10,733,373	875,371	284,624	625,521	72,028	210,932	4,743,449	18,659,615
Net income/(expenses) from reinsurance contracts held	(85,224)	(1,281,035)	78,476	(1,118,195)	(277,559)	(275,871)	(5,438,740)	(680,551)	(5,206,711)	(403,482)	(14,688,892)
Insurance service result *	2,723,907	1,403,306	(2,399,508)	2,921,556	148,982	1,113,889	2,084,888	106,943	818,241	951,368	9,873,572

* This amount does not include the expenses related to shareholders' equity share for managing takaful insurance operations with an amount of JD 9,064,707

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>In Jordanian Dinar</i>	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical - Group	Medical - Individual	Marine	Fire	Engineering	G & A	Life	Total
For the year ended 31 December 2023											
Insurance Revenue	9,258,052	2,658,766	9,065,886	17,928,878	1,700,037	1,197,461	7,649,935	645,350	4,340,150	6,625,525	61,070,040
Takaful policies issuance fees	1,659,936	-	-	668,067	117,894	32,159	193,753	48,074	82,420	191,093	2,993,396
Change in assumptions	(747,852)	38,294	(826,265)	(1,982,106)	(173,328)	(84,716)	104,628	145,424	(676,249)	(144,598)	(4,346,768)
Insurance revenue from contracts measured under PAA	10,170,136	2,697,060	8,239,621	16,614,839	1,644,603	1,144,904	7,948,316	838,848	3,746,321	6,672,020	59,716,668
Incurred claims and other directly attributable expenses – net	(8,126,744)	(408,370)	(8,793,600)	(15,160,137)	(759,743)	(140,958)	(631,416)	(79,690)	(129,104)	(4,297,440)	(38,527,202)
Changes that relate to past service - adjustments to the LIC	265,862	134,813	143,112	26,933	(13,352)	(6,170)	(191,689)	28,028	147,718	(681,580)	(146,325)
(Losses) reversal of losses on onerous contracts – net	(19,906)	-	(16,596)	(5,486)	-	-	-	-	15,766	-	(26,222)
Risk Adjustment	(133,959)	(9,796)	34,392	(38,539)	6,723	(1,234)	(38,338)	5,605	29,544	106,980	(38,622)
Insurance service expenses	(8,014,747)	(283,353)	(8,632,692)	(15,177,229)	(766,372)	(148,362)	(861,443)	(46,057)	63,924	(4,872,040)	(38,738,271)
Net income/(expanse) from insurance contracts	2,155,389	2,413,707	(393,071)	1,437,610	878,231	996,542	7,086,873	792,791	3,810,245	1,799,980	20,978,397
Allocation of reinsurance premium paid - contracts measured under the PAA	(643,997)	(1,326,812)	(77,125)	(7,446,896)	(1,088,421)	(265,669)	(6,081,960)	(723,065)	(3,084,119)	(4,718,491)	(25,456,555)
Amounts recoverable from reinsurers – net	189,312	15,420	293,685	7,647,776	909,058	86,355	565,563	31,532	(95,559)	3,721,541	13,364,683
Net income/(expenses) from reinsurance contracts held	(454,685)	(1,311,392)	216,560	200,880	(179,363)	(179,314)	(5,516,397)	(691,533)	(3,179,678)	(996,950)	(12,091,872)
Insurance service result *	1,700,704	1,102,315	(176,511)	1,638,490	698,868	817,228	1,570,476	101,258	630,567	803,030	8,886,525

* This amount does not include the expenses related to shareholders' equity share for managing takaful insurance operations with an amount of JD 8,308,628.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24) NET FINANCE INCOME (EXPENSE) FROM INSURANCE CONTRACTS & REINSURANCE CONTRACTS HELD

An analysis of the net insurance finance (expense) / income by portfolios are presented below:

	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Total
For the year ended 31 December 2024				
Finance expense from insurance contracts issued				
Accretion of interest on LIC claims best estimate	(234,281)	(8,766)	(604,486)	(847,533)
Accretion of interest on LIC attributable expenses best estimate	(7,028)	(263)	(18,135)	(25,426)
Accretion of interest on LIC risk adjustment	(19,305)	(1,805)	(11,830)	(32,940)
Net finance expense from insurance contracts	(260,614)	(10,834)	(634,451)	(905,899)
Finance income from reinsurance contracts held				
Accretion of interest on LIC claims best estimate	53,605	6,983	20,000	80,588
Accretion of interest on LIC attributable expenses best estimate	3,431	1,117	304	4,852
Net finance income from reinsurance contracts held	57,036	8,100	20,304	85,440
Net Insurance Finance expense	(203,578)	(2,734)	(614,147)	(820,459)
For the year ended 31 December 2023				
Finance expense from insurance contracts issued				
Accretion of interest on LIC claims best estimate	(248,669)	(13,182)	(401,298)	(663,149)
Accretion of interest on LIC attributable expenses best estimate	(7,460)	(395)	(12,039)	(19,894)
Accretion of interest on LIC risk adjustment	(6,403)	(339)	(10,334)	(17,076)
Net finance expense from insurance contracts	(262,532)	(13,916)	(423,671)	(700,119)
Finance income from reinsurance contracts held				
Accretion of interest on LIC claims best estimate	59,343	16,603	13,434	89,380
Accretion of interest on LIC attributable expenses best estimate	1,187	332	269	1,788
Net finance income from reinsurance contracts held	60,530	16,935	13,703	91,168
Net Insurance Finance expense	(202,002)	3,019	(409,968)	(608,951)

*The Group used discount rates ranged from 9% to 10.36% for the year ended 31 December 2024 (2023: from 9% to 10.36%) for finance expenses from insurance contract and finance income from reinsurance contracts held.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25) POLICYHOLDERS SHARE OF MURABAHA INCOME FROM FINANCIAL INSTRUMENTS

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Investment income related to managing investments portfolio		
Investment income from bank deposit	139,613	168,535
Investment income from financial assets at amortized cost – net	74,556	56,063
Investment income from investment properties	19,166	11,028
Total	233,335	235,626
Shareholders' equity shares from managing the investments portfolio (note 30)	(81,667)	(82,469)
	151,668	153,157

26) SHAREHOLDERS' EQUITY SHARES FOR MANAGING TAKAFUL INSURANCE OPERATIONS

The contractual relationship between shareholder equity and policyholders that involves managing the insurance business through a dedicated staff appointed for this purpose.

The percentages for managing insurance operations as the following which already approved by Sharia Supervision Committee:

	For the Year Ended 31 December	
	2024	2023
Motor – Comprehensive	15%	15%
Motor – Pools-Borders & Buses	15%	15%
Motor – Third Party	15%	15%
Medical	15%	15%
Marine	25%	25%
Engineering	15%	20%
Fire	15%	20%
Life	15%	15.5%
General Accident	25%	25%
General Accident	7%	7%

26.1) The amounts for managing insurance operations as the following:

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Shareholder's' Equity Shares for Managing Takaful Insurance Operations	(9,064,707)	(8,308,627)
	(9,064,707)	(8,308,627)

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26.2) The amounts for managing insurance operations as the following:

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Shareholders' Equity Shares for Managing Takaful Insurance Operations – Medical	2,717,950	2,575,941
Shareholders' Equity Shares for Managing Takaful Insurance Operations – Marine	378,431	262,618
Shareholders' Equity Shares for Managing Takaful Insurance Operations – Life	934,374	913,591
Shareholders' Equity Shares for Managing Takaful Insurance Operations – Motor	3,122,456	2,830,780
Shareholders' Equity Shares for Managing Takaful Insurance Operations – G&A	450,268	28,910
Shareholders' Equity Shares for Managing Takaful Insurance Operations – Fire	1,362,593	1,314,043
Shareholders' Equity Shares for Managing Takaful Insurance Operations – Engineering	98,635	382,744
	9,064,707	8,308,627

27) GENERAL AND ADMINISTRATIVE EXPENSES

27.1) Below are the Policyholders' general and administrative expenses:

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Lawyer fees expenses	1,757	688
Miscellaneous technical consulting fees	-	5,000
Bidding expenses	8,014	4,416
Expenses and commissions	44,482	32,259
Fees, licenses, and taxes expenses	-	5,202
Sales tax expenses	90,943	83,920
Other	2,334	2,747
	147,530	134,232

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27.2) Below are the Shareholders' general and administrative expenses:

	For the Year Ended 31 December	
<i>Jordanian Dinar</i>	2024	2023
Advertising expenses	90,053	107,525
Board of Directors' expenses	189,586	195,904
Cleaning	49,655	50,601
Computer suppliers	326,370	313,128
Hospitality	79,810	52,278
Finance cost related to lease contract	47,148	15,774
Legal and litigations expenses	10,810	14,267
Mail and communications	75,596	73,636
Maintenance	50,397	65,825
Other	163,425	361,134
Professional fees	238,270	204,784
Rent	28,838	35,028
Sales tax expenses	20,053	19,455
Sharia' Supervisory Committee's fees	34,500	34,500
Stationery and printing	112,788	99,558
Subscriptions and license fees	83,922	84,792
Technical consultations fees	119,126	89,881
Tenders' expenses and bank charges	6,838	218
Water, electricity, and heating	78,676	75,703
Local travel	18,420	19,269
	1,824,281	1,913,260

28) SHAREHOLDERS' EQUITY SHARES OF MURABAHA INCOME

	For the Year Ended 31 December	
<i>Jordanian Dinar</i>	2024	2023
Murabaha income on bank deposits	683,452	526,624
	683,452	526,624

- The rates of return on deposits with banks in Jordanian dinars range from 3.3 % to 5.3 % as on 31 December 2024 (2023: 2.9% to 4.5 %), and the return on deposit balances outside Jordan in US dollars ranges from 2.25 % to 6.1 % as on 31 December 2024 (2023: from 6.25 % to 6.39 %). Deposits mature in period ranged from 31 January 2025 to 31 December 2025.

29) SHAREHOLDERS' EQUITY SHARES OF INVESTMENTS INCOME

	For the Year Ended 31 December	
<i>Jordanian Dinar</i>	2024	2023
Murabaha from financial assets at fair value through other comprehensive income	37,120	42,620
Murabaha from financial assets at fair value through other comprehensive income Sukuk	151,793	93,540
Murabaha from financial assets at amortized cost*	485,148	256,952
	674,061	393,112

- This item represents financial assets for which market prices are not available. The fair value was estimated by the Group's management.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

* This represents the Group investment outside Jordan in perpetual (Islamic) Sukuks at a face value of JOD 4,161,883 as of 31 December 2024 (2023: JOD 3,102,796) with coupon rate ranged as of 31 December 2024 from 3.88 % to 6.52 % (2023: from 3.88 % to 6.52 %) per annum with no specific maturity date, the repayment of principle and commission under the discretion of the issuer.

30) SHAREHOLDERS' EQUITY SHARES FOR MANAGING THE INVESTMENTS PORTFOLIO

The Sharia Supervisory committee has determined and approved the Mudarabah share for shareholder versus the management of investments portfolio for the years 2024 and 2023 at rate of 35% from investment profits.

31) SALARIES AND BENEFITS

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Employees bonuses	248,538	276,765
Employees trainings	9,319	7,060
Life Insurance	13,077	12,559
Medical Insurance	249,085	232,107
Social Security	418,546	384,858
Transportation expenses	239,645	227,389
Wages and salaries	3,322,033	3,073,969
	4,500,243	4,214,707

32) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT OF THE YEAR

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Profit for the year	3,102,810	2,906,192
Weighted average number of outstanding shares (share)	28,000,000	28,000,000
	0.111	0.104

The basic earnings per share from the net profit for the year equals the diluted earnings as the Company did not issue any financial instruments that may have an impact on the basic earnings per share.

33) CONTINGENT LIABILITIES

At the consolidated financial statements date, the Company has contingent liabilities as follows:

<i>Jordanian Dinar</i>	For the Year Ended 31 December	
	2024	2023
Letters of guarantee	931,880	810,720

- This represents letter of guarantees issued by a local bank at the request of the group to the benefit of third parties.
- The Group deals with banks rated (B - Ba3) with no significant change in the credit rating during the year. Letter if guarantee classified as stage one.

34) RELATED PARTY BALANCES AND TRANSACTIONS

The Group in the normal course of business, enters transactions with other entities that fall within the definition of a related party contained in IAS-24. Transaction with related parties mainly relate to expenses incurred by the related parties on behalf of the Group and revenue through under common control companies (parties related to the Group or shareholders of the Company). Transactions with related parties are undertaken at mutually agreed prices. All related parties' balances outstanding are short-term and bear no interest except for deposit at banks outside Jordan that was placed at market terms Significant related party balances arising from transactions are described as under the significant balances and transactions with related parties and the related amounts are as follows:

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Related Party			
	Board of Directors	Top Management	Under Common Control Company	31 December 2024
<u>Consolidated Statement of Financial Position Items</u>				
Accounts receivable	1,132	19,055	-	20,187
Accounts payable	-	-	31,111	31,111
Deposit at banks outside Jordan	-	-	2,622,412	2,622,412
Cash at banks	-	-	73,119	73,119
<u>Consolidated Statement of Comprehensive Income Items</u>				
Investments revenue	-	-	150,153	150,153
Insurance contract	1,150	5,090	-	6,240

	Related Party			
	Board of Directors	Top Management	Under Common Control Company	31 December 2023
<u>Consolidated Statement of Financial Position Items</u>				
Accounts receivable	3,290	35,790	-	39,080
Accounts payable	-	-	18,253	18,253
<u>Consolidated Statement of Comprehensive Income Items</u>				
Investments revenue	-	-	61,778	61,778
Insurance contract	8,395	1,532	-	9,927
Dividends	846	312	810,544	811,702

- Key management personnel are persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly and comprise top management executives including the Chief Executive Officer and the Chief Financial Officer of the Group. The following table shows the annual salaries, remuneration and allowances of the key management personnel for the year ended 31 December 2024 and 31 December 2023:

Jordanian Dinar

	For the year Ended 31 December	
	2024	2023
Salaries and bonuses	978,972	941,367

35) LAWSUITS AGAINST THE COMPANY AND ITS SUBSIDIARY

Lawsuits filed against the Company amounted to JOD 3,273,023 as of 31 December 2024 compared to JOD 2,330,145 as of 31 December 2023, while the balance of provisions recorded against these cases amounted to JOD 3,171,132 as of 31 December 2024 compared to JOD 2,262,850 as of 31 December 2023, in the estimates of the management and its legal consultant, the Company will not incur any additional obligations for these lawsuits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36) FINANCIAL RISK MANAGEMENT

QUALITATIVE AND QUANTITATIVE DISCLOSURES:

The Group employs various methods to manage its risks through a comprehensive strategy aimed at mitigating and minimizing risks, as well as establishing the appropriate controls to ensure the continued effectiveness of its operations. This includes implementing a risk control system to achieve the optimal balance between risk and return. The risk management process involves the ongoing identification, measurement, and control of both financial and non-financial risks that could potentially impact the Group's performance and reputation. Additionally, it involves effectively allocating the Group's capital to achieve the desired risk-return balance. The Group is exposed to a range of risks including market risks, liquidity risks, insurance risks, return rate risks, and commission risks.

Risk management is the process of assessing and evaluating risks and developing strategies to manage them. These strategies may involve transferring risks to other parties, avoiding risks, reducing their negative impacts, or accepting the consequences. Risk management is typically categorized into four sections:

- Insurance and reinsurance risks
- Physical risks, such as natural disasters, fires, accidents, and other external activities unrelated to the group's business.
- Legal risks, which result from lawsuits or non-compliance with laws and regulations issued by governing bodies.
- Financial risks
- Intangible risks, which are difficult to identify and may include knowledge risks among employees and relationship risks with clients. These risks can directly impact employee productivity, profitability, service quality, reputation, and overall gains.

The Group's risk management approach prioritizes risks based on their potential losses and likelihood of occurrence. Risks with high losses or high probabilities are addressed first, while risks with lower losses or likelihoods are addressed later.

- INSURANCE RISKS

The risks of any insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the claim related to that event. This is due to the nature of the insurance contract, where the risks are volatile and unpredictable for insurance contracts related to an insurance category. Probability theory can be applied to pricing and reserve. The main risks facing the Group the claims incurred and related payments may exceed the carrying value of the insurance liabilities. This may happen if the possibility and seriousness of claims are greater than expected, because insurance events are not constant and vary from year to year, estimates may differ from the statistics related to them. Studies have shown that the more similar the insurance contracts are, the closer the expectations are to the actual loss rate. The presence of diversification in the insurance risks that are covered leads to a decrease in the probability of total insurance loss.

- CLAIMS DEVELOPMENT

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The Group aims to maintain adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. Claims triangulation analysis is by accident years spanning a number of financial years.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accident year for Motor Comprehensive	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	6,699,222	6,289,471	6,321,442	5,178,848	19,314,641	43,803,624
1 year later	-	3,437,461	3,070,896	2,188,457	8,741,346	17,438,160
2 years later	-	-	819,549	397,942	1,447,277	2,664,768
3 years later	-	-	-	111,118	576,211	687,329
4 years later	-	-	-	-	218,359	218,359
5 years later	-	-	-	-	208,364	208,364
Total	6,699,222	9,726,932	10,211,887	7,876,365	30,506,198	65,020,604
Gross estimates for years of accidents for the last ten years	6,699,222	3,437,461	819,549	111,118	426,723	11,494,073
Cumulative gross claims and other directly attributable expenses paid	(1,189,016)	(275,689)	(185,556)	(55,090)	(29,260)	(1,734,611)
Gross undiscounted liabilities for incurred claims						
Effect of discounting	(60,469)	(14,020)	(9,437)	(2,802)	(1,488)	(88,216)
Gross discounted liabilities for incurred claims	5,449,737	3,147,752	624,556	53,226	395,975	9,671,246
Accident year for Motor Pools – Borders & Buses	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	726,954	563,357	519,248	490,688	3,385,165	5,685,412
1 year later	-	135,691	107,142	32,893	864,481	1,140,207
2 years later	-	-	38,268	1,048	206,235	245,551
3 years later	-	-	-	40	105,550	105,590
4 years later	-	-	-	-	83,094	83,094
5 years later	-	-	-	-	110,355	110,355
Total	726,954	699,048	664,658	524,669	4,754,880	7,370,209
Gross estimates for years of accidents for the last ten years	726,954	135,691	38,268	40	193,449	1,094,402
Cumulative gross claims and other directly attributable expenses paid	(21,403)	(16,505)	(11,446)	-	(6,442)	(55,796)
Gross undiscounted liabilities for incurred claims						
Effect of discounting	(782)	(466)	(243)	-	(110)	(1,601)
Gross discounted liabilities for incurred claims	704,769	118,720	26,579	40	186,897	1,037,005
Accident year for Motor Third Party	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	6,644,369	4,920,640	3,740,903	3,333,327	16,842,038	35,481,277
1 year later	-	3,597,691	2,506,351	1,805,983	12,032,114	19,942,139
2 years later	-	-	880,817	722,297	4,022,797	5,625,911
3 years later	-	-	-	299,143	2,046,615	2,345,758
4 years later	-	-	-	-	1,237,198	1,237,198
5 years later	-	-	-	-	693,928	693,928
Total	6,644,369	8,518,331	7,128,071	6,160,750	36,874,690	65,326,211
Gross estimates for years of accidents for the last ten years	6,644,369	3,597,691	880,817	299,143	1,931,126	13,353,146
Cumulative gross claims and other directly attributable expenses paid	(4,488,360)	(1,270,663)	(416,145)	(255,690)	(117,184)	(6,548,042)
Gross undiscounted liabilities for incurred claims						
Effect of discounting	(439,089)	(162,930)	(45,764)	(13,101)	(2,234)	(663,118)
Gross discounted liabilities for incurred claims	1,716,920	2,164,098	418,908	30,352	1,811,708	6,141,986

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2024	2023	2022	2021	2020 and prior	Total
Accident year for Medical						
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	13,880,109	12,935,439	13,352,013	11,792,428	65,978,604	117,938,593
1 year later	-	1,619,820	1,886,242	1,158,178	8,108,002	12,772,242
2 years later	-	-	10,567	182	32,607	43,356
3 years later	-	-	-	-	(28,577)	(28,577)
4 years later	-	-	-	-	94,932	94,932
5 years later	-	-	-	-	-	-
Total	13,880,109	14,555,259	15,248,822	12,950,788	74,185,568	130,820,546
Gross estimates for years of accidents for the last ten years	13,880,109	1,619,820	10,567	-	94,932	15,605,428
Cumulative gross claims and other directly attributable expenses paid	(1,719,423)	-	-	-	-	(1,719,423)
Gross discounted liabilities for incurred claims	12,160,686	1,619,820	10,567	-	94,932	13,886,005
Accident year for Marine	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	205,979	81,883	84,083	82,729	468,269	922,943
1 year later	-	24,998	4,808	28,706	256,075	314,587
2 years later	-	-	4,808	3,333	15,365	23,506
3 years later	-	-	-	50	1,800	1,850
4 years later	-	-	-	-	1,800	1,800
5 years later	-	-	-	-	32,589	32,589
Total	205,979	106,881	93,699	114,818	775,898	1,297,275
Gross estimates for years of accidents for the last ten years	205,979	24,998	4,808	50	34,389	270,224
Cumulative gross claims and other directly attributable expenses paid	(140,035)	-	(13,000)	-	-	(153,035)
Gross discounted liabilities for incurred claims	65,944	24,998	(8,192)	50	34,389	117,189
Accident year for Fire	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	118,105	161,786	259,055	61,826	1,406,973	2,007,745
1 year later	-	347,674	111,611	2,619,301	1,497,221	4,575,807
2 years later	-	-	639	140,836	34,987	176,462
3 years later	-	-	-	17,271	12,554	29,825
4 years later	-	-	-	-	3,486	3,486
5 years later	-	-	-	-	64,149	64,149
Total	118,105	509,460	371,305	2,839,234	3,019,370	6,857,474
Gross estimates for years of accidents for the last ten years	118,105	347,674	639	17,271	67,635	551,324
Cumulative gross claims and other directly attributable expenses paid	(668,670)	(178,036)	(70,500)	(20,088)	(23,441)	(960,735)
Gross discounted liabilities for incurred claims	(550,565)	169,638	(69,861)	(2,817)	44,194	(409,411)

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2024	2023	2022	2021	2020 and prior	Total
Accident year for Engineering						
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	31,281	58,812	1,009	13,953	675,789	780,844
1 year later	-	7,942	17,055	17,407	1,169,031	1,211,435
2 years later	-	-	1,100	-	27,267	28,367
3 years later	-	-	-	-	12,840	12,840
4 years later	-	-	-	-	12,840	12,840
5 years later	-	-	-	-	24,411	24,411
Total	31,281	66,754	19,164	31,360	1,922,178	2,070,737
Gross estimates for years of accidents for the last ten years	31,281	7,942	1,100	-	37,251	77,574
Cumulative gross claims and other directly attributable expenses paid	(66,443)	(5,299)	-	-	-	(71,742)
Gross discounted liabilities for incurred claims	(35,162)	2,643	1,100	-	37,251	5,832
Accident year for G&A	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	51,761	28,625	24,890	5,062	2,172,983	2,283,321
1 year later	-	30,746	14,279	65,163	549,277	659,465
2 years later	-	-	-	3,912	18,413	22,325
3 years later	-	-	-	63	103,115	103,178
4 years later	-	-	-	-	21,589	21,589
5 years later	-	-	-	-	20,210	20,210
Total	51,761	59,371	39,169	74,200	2,885,587	3,110,088
Gross estimates for years of accidents for the last ten years	51,761	30,746	-	63	41,799	124,369
Cumulative gross claims and other directly attributable expenses paid	(321,390)	(98,958)	(167,318)	(106,422)	(279,762)	(973,850)
Gross discounted liabilities for incurred claims	(269,629)	(68,212)	(167,318)	(106,359)	(237,963)	(849,481)
Accident year for Life	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, gross of reinsurance:						
At end of accident year	3,442,243	3,055,656	3,211,136	5,348,713	5,189,595	20,247,343
1 year later	-	928,137	979,808	744,043	4,430,870	7,082,858
2 years later	-	-	143,117	8,165	278,311	429,593
3 years later	-	-	-	12,711	49,338	62,049
4 years later	-	-	-	-	14,491	14,491
5 years later	-	-	-	-	3,525	3,525
Total	3,442,243	3,983,793	4,334,061	6,113,632	9,966,130	27,839,859
Gross estimates for years of accidents for the last ten years	3,442,243	928,137	143,117	12,711	18,016	4,544,224
Cumulative gross claims and other directly attributable expenses paid	(2,481,817)	(359,685)	(235,442)	(165,801)	-	(3,242,745)
Gross discounted liabilities for incurred claims	960,426	568,452	(92,325)	(153,090)	18,016	1,301,479

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accident year for Motor Comprehensive	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	6,360,142	6,034,410	6,149,709	5,076,031	18,229,035	41,849,327
1 year later	-	3,281,969	2,975,422	2,081,335	8,076,826	16,415,552
2 years later	-	-	695,830	367,026	1,242,317	2,305,173
3 years later	-	-	-	98,669	447,641	546,310
4 years later	-	-	-	-	178,859	178,859
5 years later	-	-	-	-	88,779	88,779
Total	6,360,142	9,316,379	9,820,961	7,623,061	28,263,457	61,384,000
Net estimates for years of accidents for the last ten years	6,360,142	3,281,969	695,830	98,669	267,638	10,704,248
Cumulative net claims and other directly attributable expenses paid	(1,097,686)	(138,075)	95,228	(22,446)	204,188	(958,791)
Net undiscounted liabilities for incurred claims						
Effect of discounting	(68,427)	(8,607)	5,936	(1,399)	12,729	(59,768)
Net discounted liabilities for incurred claims	5,194,029	3,135,287	796,994	74,824	484,555	9,685,689
Accident year for Motor Pools – Borders & Buses	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	500,476	366,757	347,375	393,830	2,475,338	4,083,776
1 year later	-	10,498	2,927	2,569	309,775	325,769
2 years later	-	-	818	58	26,603	27,479
3 years later	-	-	-	-	8,409	8,409
4 years later	-	-	-	-	4,203	4,203
5 years later	-	-	-	-	57,004	57,004
Total	500,476	377,255	351,120	396,457	2,881,332	4,506,640
Net estimates for years of accidents for the last ten years	500,476	10,498	818	-	61,207	572,999
Cumulative net claims and other directly attributable expenses paid	(300)	-	-	-	-	(300)
Net undiscounted liabilities for incurred claims						
Effect of discounting	(11)	-	-	-	-	(11)
Net discounted liabilities for incurred claims	500,165	10,498	818	-	61,207	572,688
Accident year for Motor Third Party	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	6,644,369	4,920,640	3,740,903	3,333,327	16,842,038	35,481,277
1 year later	-	3,597,691	2,506,351	1,805,983	12,032,114	19,942,139
2 years later	-	-	880,817	722,297	4,022,797	5,625,911
3 years later	-	-	-	299,143	2,046,615	2,345,758
4 years later	-	-	-	-	1,237,198	1,237,198
5 years later	-	-	-	-	693,928	693,928
Total	6,644,369	8,518,331	7,128,071	6,160,750	36,874,690	65,326,211
Net estimates for years of accidents for the last ten years	6,644,369	3,597,691	880,817	299,143	1,931,126	13,353,146
Cumulative net claims and other directly attributable expenses paid	(4,488,360)	(1,270,663)	(416,145)	(255,690)	(117,184)	(6,548,042)
Net undiscounted liabilities for incurred claims						
Effect of discounting	(439,089)	(162,930)	(45,764)	(13,101)	(2,234)	(663,118)
Net discounted liabilities for incurred claims	1,716,920	2,164,098	418,908	30,352	1,811,708	6,141,986

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2024	2023	2022	2021	2020 and prior	Total
Accident year for Medical						
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	3,452,931	5,747,882	6,922,033	5,082,958	29,184,874	50,390,678
1 year later	-	424,393	1,123,442	371,162	3,605,802	5,524,799
2 years later	-	-	4,139	46	9,761	13,946
3 years later	-	-	-	-	(44,516)	(44,516)
4 years later	-	-	-	-	33,226	33,226
5 years later	--	-	-	-	-	-
Total	3,452,931	6,172,275	8,049,614	5,454,166	32,789,147	55,918,133
Net estimates for years of accidents for the last ten years	3,452,931	424,393	4,139	-	33,226	3,914,689
Cumulative net claims and other directly attributable expenses paid	(438,770)	-	-	-	-	(438,770)
Net discounted liabilities for incurred claims	3,014,161	424,393	4,139	-	33,226	3,475,919
Accident year for Marine	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	205,979	81,883	84,083	82,729	468,269	922,943
1 year later		24,998	4,808	28,706	256,075	314,587
2 years later			4,808	3,333	15,365	23,506
3 years later				50	1,800	1,850
4 years later					1,800	1,800
5 years later					32,589	32,589
Total	205,979	106,881	93,699	114,818	775,898	1,297,275
Net estimates for years of accidents for the last ten years	205,979	24,998	4,808	50	34,389	270,224
Cumulative net claims and other directly attributable expenses paid	(15,373)	-	-	(597)		(15,970)
Net discounted liabilities for incurred claims	190,606	24,998	4,808	(547)	34,389	254,254
Accident year for Fire	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	17,402	26,908	30,711	2,631	134,560	212,212
1 year later	-	18,165	6,778	20,105	36,913	81,961
2 years later	-	-	115	3,548	2,366	6,029
3 years later	-	-	-	294	604	898
4 years later	-	-	-	-	97	97
5 years later	-	-	-	-	2,393	2,393
Total	17,402	45,073	37,604	26,578	176,933	303,590
Net estimates for years of accidents for the last ten years	17,402	18,165	115	294	2,490	38,466
Cumulative net claims and other directly attributable expenses paid	(71,490)	(27,987)	(13,988)	(2,174)	(891)	(116,530)
Net discounted liabilities for incurred claims	(54,088)	(9,822)	(13,873)	(1,880)	1,599	(78,064)

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2024	2023	2022	2021	2020 and prior	Total
Accident year for Engineering						
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	1,493	4,650	81	837	12,940	20,001
1 year later	-	635	1,254	335	3,971	6,195
2 years later	-	-	66	-	290	356
3 years later	-	-	-	-	316	316
4 years later	-	-	-	-	-	-
5 years later	-	-	-	-	-	-
Total	1,493	5,285	1,401	1,172	17,517	26,868
Net estimates for years of accidents for the last ten years	1,493	635	66	-	-	2,194
Cumulative net claims and other directly attributable expenses paid	(6,566)	2,772	-	-	-	(3,794)
Net discounted liabilities for incurred claims	(5,073)	3,407	66	-	-	(1,600)
Accident year for G&A	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	10,398	5,631	4,917	873	257,131	278,950
1 year later	-	6,133	2,856	2,068	74,011	85,068
2 years later	-	-	-	782	2,941	3,723
3 years later	-	-	-	13	18,222	18,235
4 years later	-	-	-	-	1,756	1,756
5 years later	-	-	-	-	816	816
Total	10,398	11,764	7,773	3,736	354,877	388,548
Net estimates for years of accidents for the last ten years	10,398	6,133	-	13	2,572	19,116
Cumulative net claims and other directly attributable expenses paid	(35,252)	(12,324)	(21,610)	(7,267)	(14,088)	(90,541)
Net discounted liabilities for incurred claims	(24,854)	(6,191)	(21,610)	(7,254)	(11,516)	(71,425)
Accident year for Life	2024	2023	2022	2021	2020 and prior	Total
Undiscounted liabilities for incurred claims, net of reinsurance:						
At end of accident year	539,489	559,317	575,318	884,476	1,022,610	3,581,210
1 year later	-	201,756	154,133	181,883	676,381	1,214,153
2 years later	-	-	31,821	2,965	85,230	120,016
3 years later	-	-	-	6,867	16,534	23,401
4 years later	-	-	-	-	10,585	10,585
5 years later	-	-	-	-	2,205	2,205
Total	539,489	761,073	761,272	1,076,191	1,813,545	4,951,570
Net estimates for years of accidents for the last ten years	539,489	201,756	31,821	6,867	12,790	792,723
Cumulative net claims and other directly attributable expenses paid	(438,610)	(67,584)	(46,952)	(38,958)	-	(592,104)
Net discounted liabilities for incurred claims	100,879	134,172	(15,131)	(32,091)	12,790	200,619

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- CONCENTRATION OF UNDERWRITING RISKS

The Group monitors concentration of insurance risks primarily by class of business. The major concentration lies in the motor segment.

The Group also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For flood or earthquake risk, a complete city is classified as a single location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Group evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Group.

The nature of the Group exposure to insurance risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

The following tables sets out the carrying amounts of the Group's insurance contracts -underwriting and its reinsurance by type of contract:

In Jordanian Dinar	31 December 2024			31 December 2023		
	Underwriting	Reinsurance		Underwriting	Reinsurance	
		contracts	Net		contracts	Net
Motor Comprehensive	9,687,587	(847,064)	8,840,523	9,174,005	(720,951)	8,453,054
Motor Pools-Borders & Buses	3,171,281	(1,626,359)	1,544,922	2,742,814	(1,411,709)	1,331,105
Motor Third Party	10,253,784	-	10,253,784	9,065,886	-	9,065,886
Medical - Group	18,997,827	(14,234,478)	4,763,349	17,928,878	(13,324,724)	4,604,154
Medical – Individual	1,757,768	(1,318,326)	439,442	1,700,037	(1,275,028)	425,009
Marine	1,786,995	(1,697,457)	89,538	1,197,461	(1,070,297)	127,164
Engineering	657,763	(639,612)	18,151	645,351	(631,764)	13,587
Fire	9,231,857	(8,898,172)	333,685	7,649,934	(7,366,258)	283,676
G & A	6,906,044	(6,665,866)	240,178	4,340,150	(4,136,406)	203,744
Life	6,783,261	(4,860,783)	1,922,478	6,625,525	(4,801,516)	1,824,009
	69,234,167	(40,788,117)	28,446,050	61,070,041	(34,738,653)	26,331,388

The following table distribute the carrying amounts of Groups insurance contracts (net of reinsurance) by geographical distribution:

In Jordanian Dinar	31 December 2024	31 December 2023
	Net	Net
Inside Kingdom	18,850,045	17,486,221

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table distribute the insurance contract liabilities and reinsurance contract assets based on geographical distribution:

	31 December 2024		31 December 2023	
In Jordanian Dinar	Insurance contracts liabilities	Reinsurance contracts Assets	Insurance contracts liabilities	Reinsurance contracts Assets
Inside Kingdom	28,313,834	2,642,657	26,933,481	1,094,296
Middle east	-	520,660	-	260,330
Asia *	-	3,723,088	-	897,131
Europe	-	5,948,472	-	9,883,040
Total	28,313,834	12,834,877	26,933,481	12,134,797

* Excluding middle east countries.

- REINSURANCE RISKS

In order to minimize financial exposure arising from large claims, the Group, in the normal course of business, enters into agreements with other parties for reinsurance purposes.

To minimize its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers.

Reinsurers are selected using the following parameters and guidelines set by the Group Board of Directors and Reinsurance Committee. The criteria may be summarized as follows:

- Minimum acceptable credit rating by recognized rating agencies (e.g., S&P) that is not lower than BBB or equivalent
- Reputation of reinsurance companies
- Existing or past business relationship with the reinsurer.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Group and agreed to pre-set requirements of the Group Board of Directors and Reinsurance Committee before approving them for exchange of reinsurance business. As of 31 December 2024, and 31 December 2023, there is no significant concentration of reinsurance balances.

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

- SENSITIVITIES ON MAJOR ASSUMPTIONS CONSIDERED WHILE APPLYING IFRS 17

The following sensitivity analysis shows the impact on gross and net liabilities, profit / loss before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions is consistent for both reporting periods.

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Following are the sensitivities derived for the portfolios computed under PAA approach before risk mitigation by reinsurance contracts held:

	For the year Ended 31 December	
	2024	2023
Impact on equity and net income of change in death		
5% Increase	(18,896)	(35,818)
5% Decrease	17,859	32,833
Impact on equity and net income of change in life period		
5% Increase	17,859	32,833
5% Decrease	(18,896)	(35,818)
Impact on equity and net income of change in claims ratio		
5% Increase	(231,717)	(151,747)
5% Decrease	251,725	178,348
Impact on equity and net income of change in direct expense ratio – loss component		
2% Increase	(11,091)	(10,827)
2% Decrease	11,091	10,827
Impact on equity and net income of change in risk adjustment for non-financial risk		
5% Increase	(22,800)	(10,011)
5% Decrease	33,325	31,665

(a) Financial Instrument:

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Equity price risk
- Concentration risk
- Capital management

This note provides information about the Group exposure to each of the above risks, the Group objectives, policies, methods of measuring and managing risks and the Group management of capital.

General framework for risk management

The entire responsibility for setting up and monitoring risk management rests with the Group management.

The Group risk management policies are designed to identify and analyses the risks that the Group faces, and to set appropriate controls and limits for the extent of exposure to those risks, and then monitor them to ensure that the set limits are not exceeded.

Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Group activities. The Group management aims, through training, standards and procedures set by the administration, to develop a constructive and organized control environment so that every employee understands his role and duties assigned to him.

The Group audit committee monitors the management's performance in monitoring the extent of compliance with the Group policies and procedures in risk management. It also reviews the adequacy of the risk management framework in relation to the risks facing the Group. The internal audit department assists the Group audit committee in the monitoring process. The Internal Audit Department undertakes the regular and ad-hoc review of risk management procedures and controls, so that the results are reported to the Audit Committee.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Credit risk

Credit risk represents the risk of the Group being exposed to a financial loss due to the failure of the customer or the party dealing with the Group with a financial instrument to fulfil its contractual obligations. This risk results mainly from cash at banks, bank deposits, financial assets at fair value through other comprehensive income, financial assets at amortized cost – net, receivables related to insurance operations, cheques under collection and reinsurance receivables.

The carrying value of financial assets represents the maximum value that the assets could be exposed to credit risk as at the date of the consolidated financial statements, and it is as follows:

<i>Jordanian Dinar</i>	As of 31 December	
	2024	2023
Cash at bank	5,752,611	3,238,915
Bank deposits	10,681,095	14,585,531
Financial assets at amortized cost - net	13,500,843	8,804,598
Reinsurance contract assets	12,834,877	12,134,797
Receivables related to insurance operations	15,627,388	12,754,646
Cheques under collection	5,346,591	4,645,712
	63,743,405	56,164,199

The Group deals with reinsurance companies rated (A – BBB) with no significant change in the credit rating during the year. An amount of JOD 559,090 as of 31 December 2024 (2023: JOD 559,090) of Reinsurance contract assets classified as level 3 and the remaining amounts is classified as level 1.

The Group maintains balances with leading financial institutions, so the Group believes that it is not exposed to a significant degree of credit risk related to balances with banks.

The Group applies the IFRS (9) simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets.

To measure the expected credit losses, financial assets have been grouped based on shared credit risk characteristics and the days past due.

The Group's exposure to credit risk is influenced mainly by the probability of default of each receivable. The demographic nature of the Group's customers, including the default risk of the activity and the country in which the customer operates, has a lesser impact on credit risk. Geographically, however, there is no credit concentration.

Receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days for corporate customers.

The Group does not require collateral in respect of trade and other receivables. The Group does not have receivable and contract assets for which no loss allowance is recognized because of collateral.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Liquidity Risk:

Liquidity risk is the risk arising from the Group inability to meet its financial obligations as they fall due and associated with its financial liabilities that are settled by providing cash or other financial assets. The Group management of liquidity lies in ensuring, as much as possible, that the Group always maintains sufficient liquidity to meet its obligations when it becomes payable in normal and emergency circumstances without incurring unacceptable losses or risks that may affect the Group reputation.

The Group is keen to have sufficient cash available to cover the expected operational expenses, including covering financial obligations, but without including any potential impact of severe conditions and it is difficult to predict as natural disasters, in addition to that, the Group maintains a source of credit from the banks that deal with it to meet any sudden cash needs.

The contractual maturities of financial liabilities including estimated interest payments are as follows:

Financial liabilities

31 December 2024

<i>Jordanian Dinar</i>	Book Value	Contracted Cash Flow	One year or less	More than one year
Insurance Contract Liabilities	28,313,834	-	(25,227,978)	(3,085,856)
Account payables	121,469	-	(121,469)	-
Accrued expenses	139,243	-	(139,243)	-
Other reserves	220,921	-	(45,921)	(175,000)
Deferred tax liabilities	12,434	-	-	(12,434)
Liabilities against lease contracts	494,725	(950,000)	(50,000)	(900,000)
Other liabilities	1,611,214	-	(1,611,214)	-
	30,913,840	(950,000)	(27,195,825)	(4,173,290)

31 December 2023

<i>Jordanian Dinar</i>	Book Value	Contracted Cash Flow	One year or less	More than one year
Insurance Contract Liabilities	26,933,481	-	(24,047,366)	(2,886,115)
Account payables	107,143	-	(107,143)	-
Accrued expenses	178,798	-	(178,798)	-
Other reserves	220,000	-	(45,000)	(175,000)
Deferred tax liabilities	15,547	-	-	(15,547)
Liabilities against lease contracts	497,576	(1,000,000)	(50,000)	(950,000)
Other liabilities	1,333,614	-	(1,333,614)	-
	29,286,159	(1,000,000)	(25,761,919)	(4,026,662)

- Market risk

Market risk is the risk that arises as a result of fluctuation in the fair value or future cash flows of financial instruments as a result of a change in market prices (such as interest rates, exchange rates, and equity prices). Market risks arise as a result of having open positions in interest rates, currencies, and investment in stocks. Each of the following risks includes:

- Interest rate risk.
- Exchange rate risk.
- Risk of change in stock price.
- Foreign currency fluctuations.
- Gaps in maturity of assets and liabilities and re-pricing.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Interest Rate Risks

Interest rate risks arise from the probable impact of changes in interest rates on the value of other financial assets. The Group is exposed to the risk of interest rates due to a mismatch or a gap in the amounts of assets and liabilities, according to the various time limits or review of interest rates in a certain period. Moreover, the Group manages these risks through reviewing the interest rates on assets and liabilities based on the risk management strategy.

The Group has developed analysis scenarios to measure the sensitivity of interest rate risk in addition to providing a system for controlling the difference in the history of re-pricing. This ensures control, reduces risk, and considers acceptable risk and balancing maturities of assets with liabilities.

In Jordanian Dinar	2024	2023
Fixed rate instruments:		
Financial Assets	31,229,420	29,092,332

Sensitivity Analysis

An increase in commission average rates by 1% will lead to increase the Murabaha and investments income as of 31 December 2024 by 312,294 JOD (2023: JOD 290,923), and a decrease in the commission average rates by 1% will lead to decrease the Murabaha and investment income as of 31 December 2024 by 312,294 JOD (2023: JOD 290,923).

- Foreign currency risk:

These risks arise from changing the value of financial instruments as a result of fluctuating currency exchange rates. The Group follows a deliberate policy in managing its positions in foreign currencies.

The following is a summary of the quantitative data related to the Group exposure to currency risk of volatility, provided to the management of the Group based on the risk management:

As of 31 December 2024

Jordanian Dinar	JOD	USD	BD	Total
Bank deposits	8,058,683	-	2,622,412	10,681,095
Financial assets at fair value through other comprehensive income	2,915,746	4,131,736	-	7,047,482
Financial assets at amortized cost – net	-	12,504,836	996,007	13,500,843

As of 31 December 2023

Jordanian Dinar	JOD	USD	BD	Total
Bank deposits	13,946,468	-	639,063	14,585,531
Financial assets at fair value through other comprehensive income	2,719,529	2,982,674	-	5,702,203
Financial assets at amortized cost – net	-	7,810,611	993,987	8,804,598

The Group's financial assets and liabilities as well as the transactions are in U.S. Dollar, Jordanian Dinar. And Bahrani Dinar and since the Jordanian Dinar and Bahrani Dinar are pegged against U.S. Dollar, therefore the Group's management believes that the foreign currency risk is not material on the consolidated financial statements.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Equity price risk

Equity price risk arises from the change in the fair value of equity investments. The Group works to manage these risks by diversifying investments in several geographical regions and economic sectors. Most of the share's investments held by the Group are listed in Amman Stock Exchange.

An increase (decrease) in the fair value prices will lead to an increase (decrease) in equity as follows:

Market	31 December 2024	
	Increase in Index	Effect on Equity
Amman Stock Exchange	5%	133,400
Palestine Stock Exchange	5%	10,918

Market	31 December 2024	
	Decrease in Index	Effect on Equity
Amman Stock Exchange	(5%)	(133,400)
Palestine Stock Exchange	(5%)	(10,918)

Market	31 December 2023	
	Increase in Index	Effect on Equity
Amman Stock Exchange	5%	122,694
Palestine Stock Exchange	5%	13,283

Market	31 December 2023	
	Decrease in Index	Effect on Equity
Amman Stock Exchange	(5%)	(122,694)
Palestine Stock Exchange	(5%)	(13,283)

- Concentration risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group total credit exposure. The Group portfolio of financial instruments is broadly diversified, and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Objectives are set by the Group to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

- Capital management

The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Group activities.

The Group manages its capital to ensure that it is able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Group operates while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings.

As per guidelines laid out by CBJ of the Insurance Implementing Regulations detailing the solvency margin required to be maintained, the Group shall maintain solvency margin equivalent to the highest of the following three methods as per Insurance Implementing Regulations:

- Minimum Capital Requirement.
- Premium Solvency Margin.
- Claims Solvency Margin.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>Jordanian Dinar</i>	For the ended 31 December	
	2024	2023
Paid-up capital	28,000,000	28,000,000
Statutory reserve	4,528,992	4,151,837
Retained earnings	6,602,009	4,189,823
Proposed profits to be distributed	-	(1,120,000)
Total	39,131,001	35,221,660
Increase in the value of investment properties	389,958	357,373
Fair value reserve	49,596	(551,268)
Available Capital	39,570,555	35,027,765

Total capital required **19,258,858** **15,042,994**

Solvency margin ratio (available capital/capital). **205%** **233%**

In the opinion of the Board of Directors, the Group has fully complied with the externally imposed capital requirements as of 31 December 2024 and 31 December 2023.

37) MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The following table shows the analysis of assets and liabilities according to the expected period to recover or settle them:

Assets	31 December 2024		
	Up to a year	More than a year	Total
Bank deposits	9,972,335	708,760	10,681,095
Financial assets at fair value through other comprehensive income	-	7,047,482	7,047,482
Financial assets at amortized cost – net	996,007	12,504,836	13,500,843
Investment properties	53,708	5,184,869	5,238,577
Cash on hand and at banks	4,061,624	-	4,061,624
Reinsurance contract assets	12,314,217	520,660	12,834,877
Deferred tax assets	-	2,150,124	2,150,124
Property and equipment	344,653	9,055,000	9,399,653
Intangible assets	151,232	505,000	656,232
Right of use assets	24,923	440,314	465,237
Other assets	2,430,489	-	2,430,489
Total Assets	30,349,188	38,117,045	68,466,233
Insurance Contract Liabilities	25,227,978	3,085,856	28,313,834
Account payables	121,469	-	121,469
Accrued expenses	139,243	-	139,243
Other reserves	45,921	175,000	220,921
Income tax provision	581,242	-	581,242
Deferred tax liabilities	-	12,434	12,434
Liabilities against lease contracts	3,384	491,341	494,725
Other liabilities	1,611,214	-	1,611,214
Total Liabilities	27,730,451	3,764,631	31,495,082

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Assets	31 December 2023		
	Up to a year	More than a year	Total
Bank deposits	14,585,531	-	14,585,531
Financial assets at fair value through other comprehensive income	-	5,702,203	5,702,203
Financial assets at amortized cost – net	669,428	8,135,170	8,804,598
Investment properties	53,253	5,238,605	5,291,858
Cash on hand and at banks	3,286,427	-	3,286,427
Reinsurance contract assets	11,713,447	421,350	12,134,797
Deferred tax assets	-	2,120,156	2,120,156
Property and equipment	360,000	9,238,295	9,598,295
Intangible assets	132,000	587,070	719,070
Right of use assets	24,923	465,238	490,161
Other assets	724,116	-	724,116
Total Assets	31,549,125	31,908,087	63,457,212
Insurance Contract Liabilities	24,047,366	2,886,115	26,933,481
Account payables	107,143	-	107,143
Accrued expenses	178,798	-	178,798
Other reserves	45,000	175,000	220,000
Income tax provision	601,335	-	601,335
Deferred tax liabilities	-	15,547	15,547
Liabilities against lease contracts	2,852	494,724	497,576
Other liabilities	1,333,614	-	1,333,614
Total Liabilities	26,316,108	3,571,386	29,887,494

38) FAIR VALUE LEVELS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability.

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in these consolidated financial statements.

Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data. The Group ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the period end.

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and liabilities not measured at fair value as the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry interest rates which are based on prevalent market interest rates.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Fair value through other comprehensive income (FVOCI)	Fair value		
		Level 1	Level 2	Level 3
<i>Jordanian Dinar</i>				
31 December 2024				
Shares with quoted prices	2,886,346	2,886,346	-	-
Shares with un-quoted prices	29,400	-	-	29,400
Sukuk	4,131,736	4,131,736	-	-
	7,047,482	7,018,082	-	29,400
31 December 2023				
Shares with quoted prices	2,692,929	2,692,929	-	-
Shares with un-quoted prices	26,601	-	-	26,601
Sukuk	2,982,673	2,639,784	342,889	-
	5,702,203	5,332,713	342,889	26,601

The fair value of investments in sukuk at level 1 and 2 is based on the value of similar quoted sukuk communicated by the investment manager. The fair value of investments in equity securities at level 1 is based on quoted prices available in the market. There were no transfers between levels of the fair value hierarchy during the period ended 31 December 2024 and the year ended 31 December 2023. Additionally, there were no changes in the valuation techniques. Investments measured at amortised cost include corporate sukuk.

39) OPERATING SEGMENTS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Board of Directors in their function as chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the consolidated statement of profit or loss. Segment assets and liabilities comprise operating assets and liabilities.

a) Information about the Group's operating segments

The Group was organized to include the general takaful sector (general insurance) according to the reports used by the CEO and the main decision maker, which include (Comprehensive, Pools - Borders & Buses, Third Party, Medical, Marine, Fire & Eng., G&A, and life). This sector is the base used by the Group to disclose information related to the main sectors, and the above-mentioned sector also includes the Group's investments and cash above. Transactions between business segments are based on market prices estimated in the same terms as those used with other segments.

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical - Group	Medical - Individual	Marine	Engineering	Fire	G & A	Life	Total
For the year ended 31 December 2024											
Insurance revenue	10,610,308	3,208,836	9,765,018	19,096,766	1,757,769	1,771,814	8,494,231	881,671	6,303,312	7,253,734	69,143,459
Insurance service expenses	(7,801,177)	(524,495)	(12,243,002)	(15,057,015)	(1,331,228)	(382,054)	(970,603)	(94,177)	(278,360)	(5,898,884)	(44,580,995)
Results of insurance contracts	2,809,131	2,684,341	(2,477,984)	4,039,751	426,541	1,389,760	7,523,628	787,494	6,024,952	1,354,850	24,562,464
Reinsurance contracts held	(744,580)	(1,642,770)	(14,750)	(11,851,568)	(1,152,930)	(560,495)	(6,064,261)	(752,579)	(5,417,643)	(5,146,931)	(33,348,507)
Recoveries from reinsurance contracts held	659,356	361,735	93,226	10,733,373	875,371	284,624	625,521	72,028	210,932	4,743,449	18,659,615
Net expense from reinsurance contracts held	(85,224)	(1,281,035)	78,476	(1,118,195)	(277,559)	(275,871)	(5,438,740)	(680,551)	(5,206,711)	(403,482)	(14,688,892)
Insurance service results	2,723,907	1,403,306	(2,399,508)	2,921,556	148,982	1,113,889	2,084,888	106,943	818,241	951,368	9,873,572
Net finance expense from insurance contracts	(260,614)	(10,835)	(634,450)	-	-	-	-	-	-	-	(905,899)
Net finance income from reinsurance contracts held	57,036	8,101	20,303	-	-	-	-	-	-	-	85,440
Net Insurance Finance Expense	(203,578)	(2,734)	(614,147)	-	-	-	-	-	-	-	(820,459)
Murabaha income											823,065
Investment income											748,617
Other income											254,309
Policyholders share of results											(11,228)
General and administrative expenses											(1,971,811)
Depreciation and amortization											(528,407)
Salaries and benefits											(4,500,243)
Profit before tax											3,867,415
Income tax for the year											(764,605)
Profit for the Year attributable to the shareholders											3,102,810

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Motor Comprehensive	Motor Pools - Borders & Buses	Motor Third Party	Medical - Group	Medical - Individual	Marine	Engineering	Fire	G & A	Life	Total
For the year ended 31 December 2023											
Insurance revenue	10,170,136	2,697,060	8,239,621	16,614,839	1,644,603	1,144,904	7,948,316	838,848	3,746,321	6,672,020	59,716,668
Insurance service expenses	(8,014,747)	(283,353)	(8,632,692)	(15,177,229)	(766,372)	(148,362)	(861,443)	(46,057)	63,924	(4,872,040)	(38,738,271)
Results of insurance contracts	2,155,389	2,413,707	(393,071)	1,437,610	878,231	996,542	7,086,873	792,791	3,810,245	1,799,980	20,978,397
Reinsurance contracts held	(643,997)	(1,326,812)	(77,125)	(7,446,896)	(1,088,421)	(265,669)	(6,081,960)	(723,065)	(3,084,119)	(4,718,491)	(25,456,555)
Recoveries from reinsurance contracts held	189,312	15,420	293,685	7,647,776	909,058	86,355	565,563	31,532	(95,559)	3,721,541	13,364,683
Net expense from reinsurance contracts held	(454,685)	(1,311,392)	216,560	200,880	(179,363)	(179,314)	(5,516,397)	(691,533)	(3,179,678)	(996,950)	(12,091,872)
Insurance service results	1,700,704	1,102,315	(176,511)	1,638,490	698,868	817,228	1,570,476	101,258	630,567	803,030	8,886,525
Net finance expense from insurance contracts	(262,532)	(13,916)	(423,671)	-	-	-	-	-	-	-	(700,119)
Net finance income from reinsurance contracts held	60,530	16,935	13,703	-	-	-	-	-	-	-	91,168
Net Insurance Finance Expense	(202,002)	3,019	(409,968)	-	-	-	-	-	-	-	(608,951)
Murabaha income											695,159
Investment income											449,176
Other income											874,003
Policyholders share of results											(10,158)
General and administrative expenses											(2,047,491)
Depreciation and amortization											(506,849)
Salaries and benefits											(4,214,707)
Profit before tax											3,516,707
Income tax for the year											(686,243)
Profit for the Year attributable to the shareholders											2,906,192

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>In Jordanian Dinar</i>	Motor	Motor	Motor	Medical	Medical -						
	Comprehensive	Pools- Borders &Buses	Third Party	- Group	Individual	Marine	Engineering	Fire	G & A	Life	Total
For the ended 31 December 2024											
Assets											
Reinsurance contract assets	1,542,072	722,883	377,702	2,654,054	387,359	847,116	255,908	1,615,116	2,544,239	1,888,428	12,834,877
Unallocated assets	-	-	-	-	-	-	-	-	-	-	55,631,356
Total Assets											<u>68,466,233</u>
Liabilities											
Insurance contract liabilities	2,610,148	218,005	10,698,344	4,932,397	565,861	79,196	175,458	3,639,532	1,447,152	3,947,741	28,313,834
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	3,181,248
Total Liabilities											<u>31,495,082</u>
For the ended 31 December 2023											
Assets											
Reinsurance contract assets	1,555,932	578,940	262,896	2,244,479	302,404	364,928	407,099	2,168,465	2,524,709	1,724,945	12,134,797
Unallocated assets	-	-	-	-	-	-	-	-	-	-	51,322,415
Total Assets											<u>63,457,212</u>
Liabilities											
Insurance contract liabilities	3,482,576	243,496	9,396,844	3,948,411	459,404	20,138	486,499	3,527,755	2,362,637	3,005,721	26,933,481
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	2,954,013
Total Liabilities											<u>29,887,494</u>

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) Information about geographical distribution

The table below illustrate the distribution of the Group results based on geographical distribution:

	Inside the Kingdom		Outside the kingdom		Total	
	2024	2023	2024	2023	2024	2023
Total assets	47,883,617	40,023,549	20,582,616	23,433,663	68,466,233	63,457,212
Total liabilities	31,495,082	29,887,494	-	-	31,495,082	29,887,494
Insurance revenue	69,143,459	59,716,668	-	-	69,143,459	59,716,668
Insurance service cost	44,580,995	38,738,271	-	-	44,580,995	38,738,271
Capital expenditures	234,858	198,396	-	-	234,858	198,396

FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40) UNDERWRITING PREMIUMS FOR INSURANCE PORTFOLIO

<i>In Jordanian Dinar</i> As of 31 December 2024	Motor Comprehensive	Motor Pools- Borders & Buses	Motor Third Party	Medical - Group	Medical – Individual	Marine	Engineering	Fire	G & A	Life	Total
Direct operation	9,421,617	1,626,358	10,253,784	18,997,827	1,757,768	1,777,978	617,107	8,854,497	3,059,759	6,772,697	63,139,392
Domestic reinsurance	265,970	1,544,923	-	-	-	9,017	40,657	377,359	3,846,285	10,564	6,094,775
Total gross written premium	9,687,587	3,171,281	10,253,784	18,997,827	1,757,768	1,786,995	657,764	9,231,856	6,906,044	6,783,261	69,234,167
Local reinsurance	(409,553)	(1,626,359)	-	(260,601)	-	(8,676)	(158,106)	(563,971)	(66,075)	(94,400)	(3,187,741)
Foreign reinsurance	(437,511)	-	-	(13,973,877)	(1,318,326)	(1,688,781)	(481,506)	(8,334,201)	(6,599,791)	(4,766,383)	(37,600,376)
Total reinsurance	(847,064)	(1,626,359)	-	(14,234,478)	(1,318,326)	(1,697,457)	(639,612)	(8,898,172)	(6,665,866)	(4,860,783)	(40,788,117)
Net underwriting premiums	8,840,523	1,544,922	10,253,784	4,763,349	439,442	89,538	18,152	333,684	240,178	1,922,478	28,446,050
As of 31 December 2023											
Direct operation	8,916,892	1,422,705	9,065,886	17,928,878	1,700,037	1,189,258	635,334	7,325,477	2,847,763	6,625,525	57,657,755
Domestic reinsurance	257,113	1,320,109	-	-	-	8,203	10,017	324,457	1,492,387	-	3,412,286
Total gross written premium	9,174,005	2,742,814	9,065,886	17,928,878	1,700,037	1,197,461	645,351	7,649,934	4,340,150	6,625,525	61,070,041
Local reinsurance	(385,594)	(1,411,709)	-	(287,103)	-	(8,246)	(164,073)	(409,757)	(3,624)	(1,135,721)	(3,805,827)
Foreign reinsurance	(335,357)	-	-	(13,037,621)	(1,275,028)	(1,062,051)	(467,691)	(6,956,501)	(4,132,782)	(3,665,795)	(30,932,826)
Total; reinsurance	(720,951)	(1,411,709)	-	(13,324,724)	(1,275,028)	(1,070,297)	(631,764)	(7,366,258)	(4,136,406)	(4,801,516)	(34,738,653)
Net underwriting premiums	8,453,054	1,331,105	9,065,886	4,604,154	425,009	127,164	13,587	283,676	203,744	1,824,009	26,331,388

**FIRST INSURANCE COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41) DONATIONS

There are no donations from the company for the year ended 31 December 2024 (2023: JOD 100,000).

42) AUDIT FEES

The total audit fees for the group in 2024 were JOD 83,800, including non-audit services totalling JOD 4,000.

43) COMPARATIVE FIGURES

The comparative figures represent the financial statements as of and for the period ended 31 December 2023.

The comparative figures for the year ended 31 December 2024, have been reclassified to conform with the consolidated of the financial statements for the year ended 31 December 2023.