



المجموعة العربية الأردنية للتأمين ش.م.ع.
ARAB JORDANIAN INSURANCE GROUP P.L.C.

Date: 03/04/2025

Ref: 100/062/2025

**To: The Respected Jordan Securities Commission
Amman – Hashemite Kingdom of Jordan**

Subject: Financial Statements as of 31/12/2024

Greetings and Respect,

With reference to the above-mentioned subject, please find attached the draft audited financial statements of the company for the year ended December 31, 2024, prepared in accordance with International Financial Reporting Standard (IFRS) 17. Kindly note that these financial statements are subject to the approval of the Central Bank of Jordan.

With highest regards,

**Arab Jordanian Insurance Group
CEO**

Eng. Safwan Tbaishat



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

Arab Jordanian Insurance Group
(Public Limited Shareholding Company)
Amman- the Hashemite kingdom of Jordan
Financial Statements and Independent Auditor's Report
For the year ended December 31, 2024

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Arab Jordanian Insurance Group ("the Company") which comprise the Consolidated Statement of Financial Position as at 31 December 2024, and the Consolidated Statement of Profit or Loss, the Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

The consolidated financial statements of the Company have been prepared on a going concern basis. As of December 31, 2024, the accumulated losses amounted to JOD 10,398,184, representing 109% of the Company's paid-in capital. In addition, the Company has been prohibited by the Central Bank of Jordan from issuing additional mandatory motor insurance contracts effective January 1, 2025. These events and conditions may indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue operating depends on the successful implementation of a viable plan by the Board of Directors to rectify its financial position.

Emphasis of Matter

Pursuant to a letter issued by the Central Bank of Jordan dated December 31, 2024, the Company has been prohibited from entering into any additional mandatory motor insurance contracts effective January 1, 2025, until appropriate corrective measures are taken to rectify its financial situation. All rights and obligations arising from contracts entered into prior to the date of the prohibition remain valid and enforceable, and the Company remains responsible for fulfilling them.

Other Matter

As disclosed in Note 41 to the Consolidated Financial Statements, the Company's solvency margin as at December 31, 2024, is below the minimum required ratio of 150% as set by the Central Bank of Jordan.

Key Audit Matters (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p>1. Assessment of incurred liabilities and Loss Component.</p> <p>The estimation of liabilities related to incurred claims and the recognition of the loss component involves a high degree of judgment.</p> <p>This requires estimating the present value of future cash flows and applying adjustments for non-financial risks - both for incurred claims liabilities and the loss component of remaining coverage liabilities.</p> <p>Non-financial risk adjustments reflect the compensation the Company requires for bearing uncertainty regarding the amount and timing of cash flows when settling obligations under insurance contracts.</p> <p>The present value of future cash flows depends on the best estimate of the ultimate cost of all incurred claims, whether reported or unreported, as at the reporting date.</p> <p>The loss component is recognized during the coverage period if facts and circumstances indicate that a group of contracts is onerous. It is remeasured at each reporting date as the difference between the discounted future cash flows relating to future service and the carrying amount of the remaining coverage liabilities, excluding the loss component.</p> <p>The Company engaged an external actuarial expert (the "appointed actuarial expert") to assist in estimating these liabilities.</p> <p>The appointed expert applied a range of methodologies based on explicit and implicit assumptions regarding settlement patterns and ultimate settlement amounts.</p> <p>As of December 31, 2024, the estimated present value of future cash flows and the risk adjustment for non-financial risks amounted to JOD 16.7 million, as disclosed in Note 13 of the Consolidated Financial Statements.</p> <p>We considered this a key audit matter due to the inherent uncertainty and subjective judgments involved in estimating insurance liabilities.</p> <p>Refer to Note 5 for significant accounting policies, judgments, and estimates relating to insurance contract liabilities.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Understanding, evaluating, and testing the key controls over claims processing operations and the determination of provisions. - Assessing the competence, capabilities, and objectivity of the appointed actuary based on their professional qualifications, experience, and evaluation of their independence. - Performing substantive tests, on a sample basis, on amounts recorded for notified and paid claims, including comparing outstanding claims amounts with appropriate source documents to evaluate the reserves for outstanding claims. - Verifying the completeness of the data used as inputs in the actuarial evaluations, and testing, on a sample basis, the accuracy of the underlying claims data used by the appointed actuary in estimating the present value of future cash flows, the non-financial risk adjustments, and the loss component by comparing them with accounting records and other source records. - Engaging our in-house actuarial specialists to evaluate the Company's actuarial practices and the adequacy of the retained provisions and to obtain assurance over the report issued by the appointed actuary. Our actuarial specialists performed the following: <ul style="list-style-type: none"> 1- Assessed whether the Company's actuarial methodologies are consistent with generally accepted actuarial practices. 2- Evaluated the appropriateness of the calculation methods, key actuarial assumptions used, and the sensitivity analysis performed. 3- Provided independent estimates for the present value of future cash flows, non-financial risk adjustments, and the loss component for significant lines of business, to compare with the amounts recorded by management. 4- Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

Independent Auditor's Report (Continued)

Other Information in the Group's Annual Report for the Year 2024

The other information comprises the information included in the Group's annual report for the year ended December 31, 2024, other than the Consolidated Financial Statements and our auditor's report thereon. Management is responsible for the other information.

At the date of this report, we have not yet received the Group's 2024 annual report. Our opinion on the Consolidated Financial Statements does not cover the other information, and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 International Financial Reporting Standards (IFRS).

Management is also responsible for implementing internal controls that it determines are 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 based on these Consolidated Financial Statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the 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.

We communicate with management and 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 management with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

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 year, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated 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 Company has not complied with the disclosure requirements prescribed by the forms approved by the Central Bank of Jordan.
- The Company's accumulated losses have exceeded three-quarters of its paid-in capital, which, according to the provisions of Article (75/b) of the Jordanian Companies Law No. 22 of 1997 and its amendments, requires the Company to be liquidated unless the General Assembly, in its extraordinary meeting, resolves to rectify the Company's situation in accordance with the Law.

Arab Jordanian Insurance Group (Public Shareholding Company) maintains properly organized accounting records as of December 31, 2024, which are, in all material respects, consistent with the accompanying Consolidated Financial Statements. We recommend that the General Assembly approve these Consolidated Financial Statements, taking into consideration the matters outlined in the paragraphs related to material uncertainty regarding the going concern principle and the emphasis of matter paragraphs.

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

Date: March 26, 2025

Amman - Jordan



Arab Jordanian Insurance Group
(Public Limited Shareholding Company)
Consolidated Statement of Financial position
As of December 31, 2024
(Jordanian Dinars)

	Note	2024	2023
<u>Assets</u>			
Deposits with banks	6	4,885,432	7,292,093
Financial assets at fair value through profit or loss statement	7	3,296,819	2,537,500
Financial assets at amortized cost	8	-	-
Investment properties	9	2,125,562	2,188,293
Total investments		10,307,813	12,017,886
Cash in hand and at banks	10	86,242	118,997
Reinsurance contract assets - net	13	3,605,783	2,831,274
Deferred tax assets	15	1,163,650	1,163,650
Property and equipment -net	16	2,920,659	2,640,672
Intangible assets - net	17	997	16,603
Other assets	18	205,093	644,992
Total Assets		18,290,237	19,434,074
<u>Liabilities and Shareholders' Equity</u>			
<u>Liabilities</u>			
Insurance Contract Liabilities	11	20,295,505	15,249,969
Total insurance contract liabilities		20,295,505	15,249,969
Creditor banks	19	310,170	202,959
Loan	20	-	472,805
Provision for income tax and national contribution	15	116,082	185,978
Other liabilities	21	165,342	108,245
Total Liabilities		20,887,099	16,219,956
<u>Shareholders' Equity</u>			
Authorized share capital	23	10,500,000	9,500,000
Paid-up share capital	23	9,500,000	9,500,000
Issuance discount	22	(2,019,280)	(2,019,280)
Statutory reserve	24	320,602	320,602
Accumulated losses	25	(10,398,184)	(4,587,204)
Total Shareholders' Equity		(2,596,862)	3,214,118
Total Liabilities and Shareholders' Equity		18,290,237	19,434,074

The accompanying notes from 1 to 50 are an integral part of these Consolidated financial statements

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

	Notes	2024	2023
Revenues:			
Insurance contract revenues	27	31,938,164	25,691,211
Insurance contract expenses	28	(35,303,514)	(22,171,923)
Insurance Contract Operations Result		(3,365,350)	3,519,288
Reinsurance contracts expenses	29	(9,041,055)	(7,282,923)
Reinsurance contracts revenues	30	6,791,643	3,958,525
Reinsurance Contracts Operations Results		(2,249,412)	(3,324,398)
Net Insurance Operations Results		(5,614,762)	194,890
Finance revenues - reinsurance contracts	31	(241,525)	141,691
Finance (expenses) - reinsurance contracts	32	239,444	71,369
Net Financing Results of Insurance Operations		(2,081)	213,060
Bank interest income	33	392,539	381,391
Losses from financial assets and investments	34	846,948	(80,050)
Other revenues	35	28,923	31,116
Total Revenue		1,268,410	332,457
Provision for expected credit losses/ reversed		(433,959)	127,988
Undistributed employee expenses		(386,426)	(817,341)
Undistributed general and administrative expenses		(241,928)	(685,806)
Depreciation and amortization		(207,725)	(205,137)
Other expenses	36	(7,643)	(9,041)
Total Expenses		(1,277,681)	(1,589,337)
Net Loss for the Year Before Income Tax		(5,626,114)	(848,930)
Income tax expense		(77,626)	(92,422)
Net Loss for the Year After Income Tax		(5,703,740)	(941,352)
Earnings per Share from Loss for the Year	37	(0.60)	(0.90)

The accompanying notes from 1 to 50 are integral part of these Consolidated financial statements

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

	<u>2024</u>	<u>2023</u>
Net loss for the year	(5,703,740)	(941,352)
Add: Other Comprehensive Income Items:		
Change in the fair value reserve of financial assets	-	(2,408)
Gains from the sale of financial assets at fair value through other comprehensive income	-	
Total Other Comprehensive Income	<u>(5,703,740)</u>	<u>(943,760)</u>

The accompanying notes from 1 to 50 are an integral part of these Consolidated financial statements

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

	Share Capital	Issuance Discount	Statutory Reserve	Fair Value Reserve of Financial Assets through Other Comprehensive Income	Accumulated Losses	Total
2023						
Balance as at December 31, 2022	9,500,000	(2,019,280)	320,602	2,408	(3,679,059)	4,124,671
Loss for the year after tax	-	-	-	-	(941,352)	(941,352)
Change in the fair value reserve of financial assets	-	-	-	(2,408)	-	(2,408)
Prior years' adjustments	-	-	-	-	33,207	33,207
Balance as at December 31, 2023	9,500,000	(2,019,280)	320,602	-	(4,587,204)	3,214,118
2024						
Balance as at December 31, 2023	9,500,000	(2,019,280)	320,602	-	(4,587,204)	3,214,118
Prior years' adjustments	-	-	-	-	(107,240)	(107,240)
Loss for the year after tax	-	-	-	-	(5,703,740)	(5,703,740)
Balance as at December 31, 2024	9,500,000	(2,019,280)	320,602	-	(10,398,184)	(2,596,862)

The accompanying notes from 1 to 50 are an integral part of these Consolidated financial statements

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

	2024	2023
<u>Cash flow from Operating Activities</u>		
Loss for the year before tax and national contribution	(5,626,114)	(848,930)
Adjustments for non-cash items		
Depreciation and amortization	207,725	205,137
Change in fair value of financial assets through profit or loss statement	275,692	(673,707)
Prior years' adjustments	(107,240)	-
Deferred tax assets	-	225,910
Cash flows from operating activities before changes in working capital	(5,249,937)	(1,091,590)
Reinsurance contract assets	(774,509)	996,327
Insurance contract liabilities	5,045,536	(164,959)
Other assets	439,899	(174,921)
Accrued expense	-	(115,892)
Other liabilities	57,097	(30,046)
Deferred tax assets	-	(225,910)
Net cash flows from operating activities before tax and paid contributions	(481,914)	(806,991)
Income tax and paid fees	(147,522)	(189,211)
Income tax from previous years	-	-
Net Cash Flows Used in Operating Activities	(629,436)	(996,202)
<u>Cash Flows from Investing Activities</u>		
Net movement in term deposits maturing after more than three months	254,777	-
Financial assets measured at fair value through other comprehensive income	(1,035,011)	(55,134)
Purchase of property and equipment	(409,685)	(148,857)
Purchase of intangible assets	(252)	(1,327)
Proceeds from sale of property and equipment	562	639
Net Cash Flows Used in Investing Activities	(1,189,609)	(204,679)
<u>Cash Flows from Financing Activities</u>		
Bank – Credit Balance	107,211	120,375
Loan	(472,805)	472,805
Cash Flow (Used in)/Provided from Financing Activities	(365,594)	593,180
Net Change in Cash	(2,184,639)	(607,701)
Cash and Cash Equivalent at Beginning of the Year	6,087,702	6,140,029
Cash and Cash Equivalent at the End of the Year	3,903,063	6,747,730

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The accompanying notes from 1 to 50 are an integral part of these Consolidated financial statements

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

1. Legal Status and Activities

Arab Jordanian Insurance Group (Public Shareholding Company) was established in 1966 in accordance with the Jordanian Companies Law and its amendments under registration number (321) as a public shareholding company, with an authorized capital of JOD 10,500,000. The paid-up capital amounted to JOD 9,500,000 as at December 31, 2024, divided into 9,500,000 shares with a par value of JOD 1 per share.

The Company engages in general insurance activities (motor, marine and transport, fire and property damage, medical, and other insurance classes) in addition to life insurance operations.

The Company's registered office is located at Wadi Saqra Street, Building No. 34, P.O. Box 840657, Amman 11184, Jordan.

The Consolidated Financial Statements were approved by the Board of Directors in its meeting held on March 26, 2025, and are subject to the approval of the General Assembly of Shareholders.

2. Basis of Preparation of the Financial Statements

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and in compliance with the applicable local regulations and the forms prescribed by the Central Bank of Jordan ("CBJ").

The Consolidated Financial Statements have been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss or through other comprehensive income, as detailed in the accounting policies. The functional and presentation currency of the Company is the Jordanian Dinar (JOD). The significant accounting policies applied in the preparation of the Consolidated Financial Statements are disclosed in Note 5, and have been applied consistently across all periods presented, unless otherwise stated.

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make significant accounting estimates and judgments in applying the Company's accounting policies. The areas involving significant judgments or higher degrees of estimation uncertainty are disclosed in Note 4.

Basis of Consolidated Financial Statements

The results of operations of the subsidiary are consolidated in the consolidated statement of comprehensive income from the date on which control is effectively transferred to the Parent Company.

Control is achieved when the Parent Company has the power to govern the financial and operating policies of the subsidiary in order to obtain benefits from its activities. Control is presumed to exist when the Parent Company holds, directly or indirectly, more than half of the voting rights of an entity, unless it can be clearly demonstrated otherwise. All intercompany balances, transactions, income, and expenses between the Parent Company and the subsidiary have been eliminated in full on consolidation.

The consolidated financial statements for the year ended December 31, 2024, include the financial statements of the Parent Company and its subsidiary, Arab Jordanian Real Estate Development Company.

<u>Company Name</u>	<u>Legal Status</u>	<u>Share Capital</u>	<u>Ownership Percentage</u>
Arab Jordanian Real Estate Development	Limited Liability Company	1,000	%100

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

3. Application of International Accounting Standards for Preparing New and Amended Financial Reports

The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those applied in the preparation of the Consolidated Financial Statements for the fiscal year ended December 31, 2023, except for the adoption of the following new and amended standards as of January 1, 2024. These amendments had no material impact on the amounts or disclosures in the Consolidated Financial Statements for the current or prior periods but may affect the accounting treatment of future transactions and arrangements, if any:

A. New and Amended IFRS Standards that are Effective for the Current Year:

1. Lease Liabilities in Sale and Leaseback Transactions:

International Financial Reporting Standard IFRS 16.

2. Presentation of Financial Statements and Classification of Liabilities:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1: Non-current Liabilities with Covenants.

3. Statement of Cash Flows and Financial Instruments Disclosures:

Amendments to IAS 7 and IFRS 7 related to supplier financing arrangements.

4. Sustainability and Climate-Related Disclosures:

- IFRS S1: General Requirements for Disclosure of Sustainability-Related Financial Information S1.
- IFRS S2: Climate-Related Disclosures S2.

* The application of these standards is subject to regulatory approval in the jurisdictions where the Company operates, and no official guidance has been issued as of the date of preparing this financial information.

Issued Accounting Standards Not Yet Effective:

The Company has not early adopted the following standards, which have not yet come into effect. Management is currently assessing their impact:

- **Effective for periods beginning on or after January 1, 2025:**
Amendments to IAS 21 regarding lack of exchangeability of currencies.
- **Effective for periods beginning on or after January 1, 2027:**
IFRS 18 relating to the presentation and disclosures in financial statements.
- **Indefinitely postponed:**
Amendments to IFRS 10 and IAS 28 regarding the accounting for the sale or contribution of assets between an investor and its associate or joint venture.

Changes in Classification and Measurement

International Financial Reporting Standard 17 (IFRS 17) sets out specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

The key principles of IFRS 17 require the Group to:

- Identify insurance contracts as contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separate specific embedded derivatives, distinct investment components, and distinct goods or services other than insurance services from insurance contracts and account for them in accordance with other applicable standards.
- Segment insurance and reinsurance contracts into groups for the purpose of recognition and measurement.

3. Application of International Accounting Standards for Preparing New and Amended Financial Reports (Continued)

Changes in Classification and Measurement (Continued):

Recognition and Measurement of Insurance Contract Groups as follows:

Modified Present Value of Future Cash Flows: The present value of future cash flows for fulfilling obligations is determined based on all available information about the cash flows, discounted in a manner consistent with observable market information.

In addition:

- **Contractual Service Margin:** An amount representing the unearned profit in the group of contracts (contractual service margin).
- **Recognition of Profit from a Group of Insurance Contracts:** Profit is recognized during each period in which the Group provides insurance services and is released from risk. If a group of contracts is expected to become onerous (i.e., loss-making) during the remaining coverage period, the Group recognizes the loss immediately.
- **Recognition of Assets Related to Insurance Contract Holdings:** An asset is recognized for cash flows paid or incurred before the recognition of the related group of insurance contracts. This asset is derecognized when those cash flows are included in the measurement of the related insurance contract group.

Under IFRS 17, issued insurance contracts and reinsurance contracts held by the Group qualify for measurement using either the Premium Allocation Approach (PAA) or the Variable Fee Approach (VFA). The Premium Allocation Approach simplifies the measurement of insurance contracts compared to the General Model under IFRS 17.

The measurement principles under the Premium Allocation Approach differ from the "Earned Premium Approach" previously applied by the Group under IFRS 4 in the following key aspects:

- The liability for remaining coverage reflects premiums received, net of deferred acquisition cash flows for holding insurance contracts, and less amounts recognized in revenue for services provided.
- For measurement under the General Model and the Variable Fee Approach, the liability for remaining coverage involves an explicit adjustment for non-financial risk when a group of contracts is onerous, to recognize a loss component (previously part of the unexpired risk reserve).
- The measurement of liabilities for incurred claims (claims unpaid as of the reporting date and reserves for claims incurred but not reported) is based on the expected discounted probability-weighted cash flows, explicitly adjusted for non-financial risk. This liability also includes the Group's obligation to pay for other incurred insurance expenses.
- The measurement of the asset related to remaining coverage (representing reinsurance premiums paid for retained reinsurance contracts) is adjusted to reflect the recovery of expected losses for onerous contracts when direct insurance contracts are reinsured into onerous reinsurance contracts.

The application of the Premium Allocation Approach is optional. If a group of insurance contracts meets certain eligibility criteria, the Company may choose to measure these contracts either under the General Model or using the Premium Allocation Approach.

The Group determined that contracts qualify for the Premium Allocation Approach if: Their coverage period is one year or less (Criterion 1), or the liability for remaining coverage does not differ materially from that under the General Model during any specified financial statement periods (Criterion 2), or Historical variability in cash flow expectations is low, meaning expectations are stable over time (Criterion 3).

The Variable Fee Approach (VFA) will be applied to all life insurance contracts where a directly identifiable investment component exists.

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

3. Application of International Accounting Standards for Preparing New and Amended Financial Reports (Continued)

Changes in Presentation and Disclosure

For the purposes of presentation in the consolidated financial statements, the Group aggregates issued insurance and reinsurance contracts along with retained reinsurance contracts and presents them as follows:

- Portfolios of issued insurance and reinsurance contracts representing assets.
- Portfolios of issued insurance and reinsurance contracts representing liabilities.
- Portfolios of retained reinsurance contracts representing assets.
- Portfolios of retained reinsurance contracts representing liabilities.

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

The portfolios of issued insurance contracts also include any assets related to cash flows arising from holding insurance contracts.

Significant changes have been made to the detailed line items in the consolidated statement of profit or loss compared to the previous year.

4- Use of Estimates and Assumptions

The preparation of the financial statements and the application of accounting policies require the Company's management to make estimates and assumptions that affect the reported amounts of financial assets and financial liabilities, as well as the disclosure of contingent liabilities.

These estimates and judgments also impact revenue, expenses, provisions, and changes in fair value recognized in the consolidated statement of profit or loss and in shareholders' equity.

In particular, management is required to make significant judgments and estimates regarding the timing and amounts of future cash flows. Such estimates are necessarily based on multiple assumptions and factors that involve varying degrees of estimation uncertainty. Actual results may differ from these estimates due to changes in the underlying circumstances and conditions in future periods. The nature and extent of any changes in prior years' estimates did not have a material impact on the current financial statements. Our estimates in the financial statements are reasonable and have been detailed as follows:

Expected Credit Loss

The Company applies the simplified approach prescribed by International Financial Reporting Standard (IFRS) 9 to recognize impairment by measuring expected credit losses over the lifetime of receivables and contractual assets, based on historical cash collection rates.

The expected loss rates are derived from the Company's historical credit loss experience over the past three years up to the end of the current reporting period. Historical loss rates are then adjusted, as necessary, to reflect current conditions. Since the Company relies on historical cash flow ratios without incorporating macroeconomic or forward-looking factors, and given that IFRS 9 does not require the mandatory inclusion of such factors under the simplified approach, these have not been incorporated.

Impairment of Financial Assets

The Company reviews the carrying amounts of its financial assets as at the date of the financial statements to assess whether there is any indication of impairment, either on an individual asset basis or collectively. If any such indications exist, the fair value is estimated to determine the amount of the impairment loss.

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4- Use of Estimates and Assumptions (continued)

Income Tax

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

1- Accrued Tax

Current income tax expense is calculated based on taxable profits. Taxable profits differ from accounting profits reported in the statement of profit or loss, as accounting profits include non-taxable income, non-deductible expenses in the current year (but deductible in future years), accumulated tax losses accepted for carry-forward, or items that are neither taxable nor deductible for tax purposes.

Income tax is calculated in accordance with the tax rates prescribed under the applicable laws, regulations, and instructions of the Hashemite Kingdom of Jordan.

2- Deferred Tax

Deferred taxes represent the amounts expected to be paid or recovered as a result of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases.

Deferred taxes are calculated using the liability method based on the financial statements and are measured using the tax rates that are expected to apply when the related deferred tax liabilities are settled, or deferred tax assets are realized.

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

Property, Equipment and Intangible Assets

Management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization, based on the condition of the assets and the estimated useful lives in light of future expectations. Any impairment loss identified is recognized in the statement of profit or loss.

The Present Value of Future Cash Flows

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

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

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

When establishing assumptions for estimating cash flows for groups of insurance contracts, the Company considers the following factors:

- Inherent risks;
- Level of aggregation;
- The probability of natural disasters;

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4. Use of Estimates and Assumptions (continued)
The Present Value of Future Cash Flows (continued)

- The likelihood of early termination of contracts before the expiration of insurance coverage or other expected policyholder behaviors;
- Factors that may influence estimates and the sources of information used for those factors.

Non-Financial Risk Adjustments

The Company reserves a financial amount to address the uncertainty regarding the amount and timing of cash flows arising from non-financial risks, based on actuarial assumptions and the Company's experience in managing groups of issued and held insurance contracts. A cost rate of 5.76% per annum has been determined, representing the required return to compensate for exposure to non-financial risks. The capital was set at a 75% confidence level and is expected to align with the runoff of the Company's business operations. A diversification adjustment is included to reflect the diversification of contracts sold across different geographic regions, which is consistent with the level of compensation required by the Company. Non-financial risk adjustments are re-evaluated annually by the appointed actuary.

Non-Insurance Components

The Company discloses the following aspects:

- Definition of insurance risks.
- Definition of an insurance contract and identification of written insurance contracts that meet the definition.
- Determination of contracts issued by the Company that qualify as insurance contracts.
- Mechanism for separating non-insurance components (such as investment components, service components, etc.) from insurance contracts.
- Where non-insurance components exist, the applicable specialized accounting standard is identified and applied to account for those components.
- Mechanism for determining the materiality of insurance contract risks.

Cases Brought Against the Company

An allocation is made for cases against the Company based on a legal study prepared by the Company's lawyer, according to which the risks likely to occur in the future are determined, and these studies are reviewed periodically.

Fair Value Levels

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

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

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

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

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

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4- Use of Estimates and Assumptions (continued)

Fair Value Levels (continued)

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

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

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

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

5-Significant Accounting Policies

A. Segments Information

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

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

B. Goodwill

The Company does not record the value of goodwill.

C. Insurance contracts

Definition of insurance contract

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

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

Direct Participating Feature

The direct participating feature under IFRS 17 refers to insurance contracts that exhibit economic characteristics similar to an insurance contract (such as long coverage periods, frequent premium payments, and a return amount or timing determined at the issuer's discretion) and that are linked to a specified portfolio of assets. Contracts containing this feature at inception meet the following conditions:

- The contractual terms specify that insurance contract holders share in a clearly identified and dedicated portfolio of assets.
- The Company expects to pay the contract holders a substantial share of the fair value returns from that specified portfolio.
- The Company expects that the amounts payable to the contract holders will vary substantially with changes in the fair value of the underlying portfolio of assets.

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5. Significant Accounting Policies (continued)

Company's products

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

<u>Main Insurance Type</u>	<u>Sub-Insurance Type</u>
<u>Vehicles</u>	- Comprehensive Insurance - Bus complex Insurance - Third Parties Liabilities Insurance
<u>Marine</u>	- Marine Insurance
<u>Fire</u>	- All risks Insurance
<u>Engineering</u>	- Engineering Insurance
<u>Medical</u>	- Medical Insurance
<u>General Insurance</u>	- General Insurance
<u>Life</u>	- Life Insurance

Types of Direct Participating Feature

Investment Contracts

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

Investment contracts that contain a voluntary participation feature - meaning they have a legal form similar to insurance contracts but do not transfer significant insurance risk to the issuer and therefore do not meet the definition of an insurance contract - are classified in accordance with IFRS 17.

Self-Insurance

Self-insurance refers to the retention of risks within the Company that would otherwise have been covered through an external insurance contract, meaning there is no external counterparty to the arrangement.

For example, if the Company issues an insurance contract in favor of itself, a subsidiary, or an associate company, such contracts are classified in accordance with IFRS 15. The Company issues the following contracts that are classified under IFRS 15:

- Medical insurance contracts for employees of the Arab Jordanian Insurance Group.
- Life insurance contracts for employees of the Arab Jordanian Insurance Group.
- Vehicle insurance contracts for vehicles owned by the Arab Jordanian Insurance Group.
- All-risk insurance contracts for buildings owned by the Arab Jordanian Insurance Group.

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5. Significant Accounting Policies (continued)

Separation of Non-Insurance Components

The Investment Component

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

- 1- The investment component and the insurance component are not highly interrelated.
- 2- The contract is sold, or could be sold, separately in the same market or jurisdiction, either by entities issuing insurance contracts or by other unrelated parties.

The investment and insurance components are considered highly interrelated if, and only if:

1. The Company cannot measure one component without considering the other. Therefore, if the value of one component varies based on the value of the other, the Company must apply IFRS 17 to account for the combined investment and insurance components.
2. The policyholder cannot benefit from one component unless the other component also exists. Therefore, if the lapse or maturity of one component causes the lapse or maturity of the other, the Company must apply IFRS 17 to account for the combined investment and insurance components.

The Company currently does not issue any products that contain a distinct investment component.

The Company issues the following contracts, which are classified in accordance with IFRS 15:

- Medical insurance contracts for employees of the Arab Jordanian Insurance Group.
- Life insurance contracts for employees of the Arab Jordanian Insurance Group.
- Vehicle insurance contracts for vehicles owned by the Arab Jordanian Insurance Group.
- All-risk insurance contracts for buildings owned by the Arab Jordanian Insurance Group.

Components of services and goods

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

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

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

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

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

Service/Goods	Insurance Contract that Includes the Service/Goods	Related International Standard
Road Assistance	Comprehensive/Supplementary Car Insurance	IFRS 17
Transfer Vehicle Ownership	Motor Vehicles	IFRS 17
Issuance Fees Service	All Types	IFRS 17

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5- Significate Accounting Policies (continued)

Acquisition cost

The Company allocates acquisition costs incurred to obtain insurance contracts to groups of insurance contracts and amortizes them over the duration of the contracts, unless the Company elects to expense them immediately by applying paragraph 59(a), which states:

When applying the premium allocation approach, the entity may choose to recognize acquisition cash flows as an expense when incurred, provided that the coverage period of each contract in the group at initial recognition does not exceed one year.

The Company has not elected to apply this exemption and instead amortizes all revenues and expenses over the contract period.

Recognition of Insurance Contract

The Company recognizes a group of insurance contracts at the earliest of the following dates:

- The beginning of the coverage period;
- The date when the first premium payment becomes due; or
- The date when the insurance contract is determined to be an onerous contract (i.e., expected to result in a loss).

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

Amendments to Insurance Contracts

The Company adjusts the initial recognition of insurance contracts to reflect changes in future cash flows required to fulfill the contracts, unless the conditions for derecognition of the insurance contracts are met.

Derecognition of Insurance Contracts

The Company derecognizes insurance contracts in the following cases:

- Upon the expiration of the contract (i.e., when the obligation specified in the insurance contract is fulfilled, expired, or canceled).
- When an insurance contract is amended such that, it no longer meets the requirements of the relevant standard, the Company derecognizes the existing contract and recognizes a new contract.

Liabilities for Remaining Coverage

This represents the amount the Company must reserve upon the recognition of insurance contracts, which relates to services to be provided in subsequent financial years under valid insurance contracts.

Liabilities for Incurred Claims

This represents the total estimated costs expected to be incurred by the Company as a result of insured events that occurred prior to the end of the reporting period. It includes both reported and unreported claims, as well as related expenses.

Contractual Service Margin

The contractual service margin represents the unearned profit from insurance contracts that are expected to be profitable. It is recognized over the coverage period as insurance services are provided.

5- Significant Accounting Policies (continued)

Initial Recognition of Insurance Contracts / General Measurement Approach / Variable Fee Approach

At initial recognition, the Company measures a group of insurance contracts as follows:

1. Fulfillment Cash Flows, which include:
 - Estimates of future cash flows;
 - Adjustments for the time value of money and for financial risks associated with future cash flows (excluding those financial risks from the cash flow estimates themselves);
 - Adjustments for non-financial risks.
2. Contractual Service Margin.

Measurement Approaches for Insurance Contracts

The standard provides insurance companies with three approaches for the measurement and accounting of insurance and reinsurance contracts held, as follows:

1. Premium Allocation Approach

This approach is applied to groups of insurance contracts that meet the following conditions:

- The insurance coverage period does not exceed one year; and
- The value of the liability for remaining coverage does not differ materially from what would be determined using the general measurement model.

2. General Measurement Approach

This approach applies to all insurance contracts that do not qualify for the premium allocation approach. It requires measuring the obligations of groups of insurance contracts by discounting future cash inflows and outflows, then adjusting for non-financial risks, to determine the contractual service margin, which represents the unearned profit from the group of insurance contracts.

3. Variable Fee Approach

This approach modifies certain requirements of the general measurement model to account for investment contracts that include a direct participation feature.

The Company applies the premium allocation approach to all insurance contracts and reinsurance contracts held, as the Company does not issue products or hold reinsurance contracts where the coverage period exceeds one year, except for certain travel, decreasing term life, and engineering insurance products, which have coverage periods exceeding one year. However, since the total premiums from these products are less than JOD 100,000 and are not considered material, the Company continues to apply the premium allocation approach to them.

Materiality

Materiality for the Company is determined at 3% of total equity.

The feasibility of applying the premium allocation approach was tested for travel, life, and engineering insurance products, where the coverage periods exceed one year. Since the total premiums from these products collectively amount to less than JOD 100,000, they are considered immaterial for the purposes of applying the premium allocation approach.

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5- Significant Accounting Policies (continued)

Measurement Approaches

Premium Allocation Approach

1. Initial Recognition of Insurance Contracts

- Upon initial recognition, the Company records the amount of insurance premiums received as a liability, net of acquisition costs (such as commissions, if any), and allocates it over the coverage period.
- Insurance premiums that have not yet been received are not recognized at initial recognition.

2. Subsequent Measurement/Premium Allocation Approach

At the end of each subsequent reporting period, the Company measures the carrying amount of the liability, incorporating the following adjustments:

- Addition of insurance premiums received during the year;
- Deduction of cash outflows related to the acquisition of insurance contracts;
- Addition of any amounts recognized as expenses relating to the amortization of acquisition cash flows;
- Addition of any adjustments related to the financing component;
- Deduction of amounts recognized as insurance revenue for the coverage provided during the year;
- Deduction of any paid or transferred investment components related to incurred claims.

The Company recognizes insurance contract assets for contracts where services have been rendered but premiums have not yet been collected. Expected credit losses for these assets are measured and accounted for in accordance with IFRS 9.

3. Liabilities for Incurred Claims

Liabilities for incurred claims are calculated based on the best estimate of future cash flows required to settle claims, adjusted for non-financial risks, and applying an appropriate discount rate to the claims settlement projections.

Aggregation Level:

Insurance contract portfolios are categorized into groups based on the underwriting year, by aggregating portfolios with similar risk characteristics that are managed together.

Present Value of Future Cash Flows

Cash flows are defined as all amounts expected to be collected and expected to be paid under the insurance contracts or reinsurance contracts held, adjusted to reflect the timing and uncertainty of those amounts, based on actuarial assumptions and the Company's experience in managing insurance/reinsurance contract portfolios, considering are as follows:

- Inherent risks;
- Level of aggregation;
- The probability of natural disasters;
- The likelihood of early termination or cancellation of the contract before the end of the coverage period, and other expected behaviors of policyholders;
- Factors affecting the estimates and the sources of information used.

A bottom-up approach is applied to derive discount rates for cash flows that are not variable based on the returns of underlying items in participating contracts (excluding non-DPL investment contracts that are outside the scope of IFRS 17). Under this approach: The discount rate is determined as the risk-free rate, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free rate and the liability cash flows (known as the illiquidity premium). The risk-free rate is derived using available swap rates denominated in the same currency as the product being measured. If swap rates are unavailable, highly liquid sovereign bonds rated AAA are used. Management applies judgment in assessing the liquidity characteristics of liability cash flows. Direct participating contracts and investment contracts with DPL features are considered less liquid than the financial assets used to derive the risk-free rate. For these contracts, the illiquidity premium is estimated based on market-observed illiquidity premiums adjusted to reflect the liquidity characteristics of the liabilities.

5- Significant Accounting Policies (continued)

Present Value of Future Cash Flows (continued)

A top-down approach is applied to derive discount rates for cash flows under all other contracts within the scope of IFRS 17. Under this approach: The discount rate is determined based on the implicit return within the fair value of a reference portfolio, adjusted for the differences between the reference portfolio assets and the cash flows of the related liabilities. The reference portfolio comprises a mix of sovereign and corporate bonds available in active markets. The portfolio return is adjusted to remove both expected and unexpected credit risks, estimated using observable historical data from credit default swaps (CDS) relating to bonds in the reference portfolio. For unobservable periods, the yield curve is extrapolated between the final observable point and the ultimate point using the Smith-Wilson method.

The Company does not calculate the present value of future cash flows for insurance and reinsurance premiums where the coverage period is less than 12 months.

The Company does calculate the present value of future cash flows for incurred claims, recoveries, and reinsurance liabilities where payment or collection is expected after more than 12 months, based on management's assessment.

To Calculate the Discount Rate, a top-down approach will be used as follows:

A. Risk-Free Yield Curve

- The risk-free yield curve is derived using the rates published by the European Insurance and Occupational Pensions Authority (EIOPA) for the relevant maturity periods.
- An adjustment margin of 1.5% is added to the EIOPA rates to adjust for currency differences between the US Dollar and the Jordanian Dinar, as the Company's investments are primarily denominated in Jordanian Dinars.

B. Market Risk Premium for Credit Risk

The market risk premium for credit risk is deducted from the yield curve to account for default risks associated with insurance contracts. Formula:

Discount Rate = Risk-Free Rate - Market Risk Premium for Credit Risk

Non-Financial Risk Adjustments

The Company establishes a provision to account for the uncertainty in the amount and timing of cash flows arising from non-financial risks, based on actuarial assumptions and the Company's experience in managing its portfolio of insurance and reinsurance contracts. The non-financial risk adjustment represents the compensation the Company requires for bearing uncertainty about the amount and timing of future cash flows from non-financial risks when fulfilling insurance contracts. Because this adjustment compensates for uncertainty, the Company makes estimates regarding diversification benefits and the likelihood of favorable and unfavorable outcomes in a way that reflects the degree of risk mitigation achieved. The non-financial risk adjustment is: Estimated separately from other assumptions; Calculated initially at the issuer level and then allocated to each group of insurance contracts based on their specific risk profiles; Derived using the Cost of Capital Method, under which the adjustment is determined by applying a cost rate to the present value of the expected capital required to support non-financial risks.

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5- Significate Accounting Policies (continued)

Non-Financial Risk Adjustments (continued)

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

No.	Type of Insurance	Cost Rate
1-	Third Party Motor Insurance	6.80%
2-	Complex (Fleet) Motor Insurance	6.80%
3-	Comprehensive Motor Insurance	6.80%
4-	Medical Insurance	6.80%
5-	Life Insurance	21%
6-	Fire Insurance	6.80%
7-	Engineering Insurance	6.80%
8-	Marine Insurance	6.80%
9-	Other Insurances	6.80%

A confidence level of 75% is applied, reflecting the business's expected run-off profile. A diversification benefit is incorporated to reflect the spread of risks across different geographic regions, consistent with the compensation the Company requires. Non-financial risk adjustments are re-assessed annually by the Company's appointed actuary.

Reinsurance Contracts Held

Definition of Reinsurance Contracts Held

A reinsurance contract held is an insurance contract issued by a reinsurer to compensate a policyholder (the Company) for claims arising from one or more insurance contracts issued by the Company (the underlying contracts).

1. Recognition of Reinsurance Contracts Held

- If the reinsurance contracts held are proportional to a group of insurance contracts, they are recognized either: At the beginning of the coverage period of the group of underlying insurance contracts; or at the initial recognition of any of the underlying insurance contracts, whichever occurs earlier.
- Alternatively, they are recognized from the beginning of the coverage period of the group of reinsurance contracts held.

2. Aggregation of Reinsurance Contracts Held

The Company aggregates its reinsurance contracts held in accordance with paragraphs 14 to 24 of IFRS 17, with the modification that references to "onerous contracts" are replaced with references to contracts with a net gain at initial recognition. For some reinsurance contracts held, the application of IFRS 17 paragraphs 14–24 may result in a group consisting of a single contract. The Company groups reinsurance contracts held into separate portfolios, which are independently classified and processed based on: Underwriting year (Cohort); and Profitability classification (Group).

A) Determination of Reinsurance Portfolios

The Company identifies portfolios of reinsurance contracts held. Each portfolio consists of contracts that are subject to similar risks and are managed together. Reinsurance portfolios are aligned with the Company's insurance contract portfolios.

B) Establishing the Aggregation Level (Cohort)

The Company further segments the reinsurance contracts held by underwriting year into the following groups:

1. Group of contracts unlikely to generate a net gain;
2. Group of contracts likely to generate a net gain;
3. Group of other contracts.

The Company assesses the profitability of the groups of reinsurance contracts held based on the assessment of the corresponding underlying insurance contracts.

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5- Significant Accounting Policies (continued)

Reinsurance Contract Commissions

The Company recognizes reinsurance contract commissions as unearned income, which is amortized over the term of the reinsurance contract.

Reinsurance Contract Assets

When measuring reinsurance contract assets, the Company calculates a provision for reinsurer default risk (i.e., the risk of default by reinsurance companies). This risk is considered a credit risk and is accounted for under IFRS 9 - outside the scope of IFRS 17.

Profitability Level

The contract groups identified at the previous aggregation level are further classified based on, the net expected cash flows of the contract; and the accounting approach adopted for the contract group. The classifications are as follows:

- Contracts not expected to become onerous at initial recognition;
- Contracts expected to become onerous

1. Financial Assets

At initial recognition, financial assets are classified into one of the following categories:

- At amortized cost;
- At fair value through profit or loss;
- At fair value through other comprehensive income (OCI).

A. Financial Assets at Amortized Cost

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

1. The objective of holding the financial assets is to collect contractual cash flows; and
2. The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are initially recognized at cost, plus directly attributable acquisition costs. Any premium or discount (if applicable) is amortized using the effective interest method to adjust interest income accordingly. Provisions for any impairment that leads to the inability to recover all or part of the investment are deducted, and any resulting impairment losses are recorded in the statement of profit or loss.

The impairment amount is the difference between the carrying amount and the present value of expected cash flows, discounted at the original effective interest rate. In rare circumstances, IFRS permits the measurement of such assets at fair value through profit or loss if this treatment eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets and liabilities or recognizing gains and losses on different bases.

Interest income, foreign currency gains or losses, and impairment losses are recognized in the statement of profit or loss. Gains or losses resulting from the derecognition (disposal) of financial assets at amortized cost are also recorded in the statement of profit or loss.

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5- Significant Accounting Policies (continued)

Financial assets (continued)

B. Financial Assets at Fair Value Through Profit or Loss

- Financial assets that do not meet the criteria for classification at amortized cost are measured at fair value through profit or loss.
- Financial assets at fair value through profit or loss include investments in equity and debt instruments held for trading purposes, where the objective is to generate profits from short-term market price fluctuations or trading margins.
- These financial assets are initially recognized at fair value upon acquisition, with transaction costs recorded directly in the statement of profit or loss at the time of purchase.
- Subsequently, they are re-measured at fair value at each financial reporting date.
- Changes in fair value are recognized immediately in the statement of profit or loss in the same year in which they arise, including changes resulting from foreign currency translation differences on non-monetary financial assets.
- Dividend income or returns are recognized in the statement of profit or loss when the right to receive payment is established (i.e., upon approval by the shareholders' general assembly).

Reclassification

Reclassification between financial assets measured at amortized cost and financial assets measured at fair value through profit or loss is permitted only when the Company changes its business model for managing those assets, as outlined above. In such cases, the following must be observed:

- No previously recognized gains, losses, or interest may be reversed.
- When reclassifying financial assets to be measured at fair value, their fair value must be determined at the date of reclassification, and any resulting gains or losses arising from differences between the previous carrying amount and the fair value shall be recognized immediately in the statement of profit or loss.
- When reclassifying financial assets to be measured at amortized cost, they are recorded at their fair value as of the reclassification date.

C. Financial Assets at Fair Value Through Other Comprehensive Income

- Upon initial recognition, for investments in equity instruments that are not held for trading purposes, the Company may elect an irrevocable option to present all subsequent changes in fair value in other comprehensive income (OCI) on an individual basis (i.e., for each share separately).
- Under no circumstances may amounts recognized in other comprehensive income relating to these investments be subsequently reclassified to profit or loss.
- Dividends received from such investments are recognized in investment income within the statement of profit or loss, unless they clearly represent a partial recovery of the original investment.
- Upon the sale (full or partial) of these financial assets, the cumulative gain or loss previously recognized in other comprehensive income is transferred to retained earnings and not reclassified through profit or loss.

Real Estate Investments

Real estate investments are carried at cost less accumulated depreciation (except for land, which is not depreciated). These investments are depreciated over their estimated useful lives at an annual rate of 2%. Any impairment in their value is recognized immediately in the statement of profit or loss. Additionally, any operating revenues or expenses related to these investments are recorded in the statement of profit or loss.

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5- Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation (except for land, which is not depreciated) is calculated on a straight-line basis over the estimated useful lives of the assets, using the following annual rates. Depreciation expense is recognized in the statement of profit or loss when the assets are ready for use.

Asset	Depreciation Rate (%)
Furniture & Fixtures	10%
Computers	15%
Transportation	15%
Equipment and Tools	15%
Electricals	15%
Buildings	2%
Heating and Cooling Devices	15%
Fire Alarm Systems	15%
Elevators	15%
Solar Energy Systems	15%

Depreciation of property and equipment is calculated when the assets are ready for their intended use. The full amount of the depreciation expense for the year is presented under the designated item in the statement of profit or loss. If the recoverable amount of any property or equipment is lower than its carrying amount, the asset's value is reduced to the recoverable amount, and the resulting impairment loss is recognized in the statement of profit or loss.

Property and equipment under construction intended for the Company's use are stated at cost, net of any recognized impairment losses. The useful lives of property and equipment are reviewed at the end of each financial year. If expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimates.

Gains or losses arising from the disposal or retirement of any property and equipment - representing the difference between the proceeds received and the asset's carrying value - are recognized in the statement of profit or loss. Property and equipment are derecognized upon disposal or when no future economic benefits are expected from their continued use.

Intangible Assets

- Intangible assets acquired through business combinations are recognized at their fair value at the acquisition date.
- Intangible assets acquired separately are recorded at cost.

Intangible assets are categorized based on whether they have:

- A finite useful life: such assets are amortized over their estimated useful lives and the amortization expense is recognized in the statement of profit or loss.
- An indefinite useful life: such assets are tested for impairment annually or whenever there is an indication of impairment. Any impairment loss is recognized in the statement of profit or loss.

Internally generated intangible assets are not capitalized and are expensed in the statement of profit or loss in the same financial year. At each financial reporting date, the Company reviews intangible assets for any indications of impairment and reassesses the estimated useful lives, adjusting them prospectively if necessary.

The Company obtained banking facilities from the Jordanian Commercial Bank against collection checks, bearing an interest rate of 8.5%. These facilities are initially recognized at fair value, net of any transaction costs incurred in obtaining the facilities. Subsequently, the interest-bearing liabilities are measured at amortized cost using the effective interest method. The financing costs include the initial transaction costs, any premium paid upon settlement, and the interest accrued over the life of the obligation.

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5- Significant Accounting Policies (continued)

Cash and Cash Equivalents

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

Offsetting

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

Recognition Date of Financial Assets

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

Fair Value

The closing prices (for asset purchases/liability sales) at the financial statement date in active markets represent the fair value of financial instruments that have quoted market prices.

When quoted prices are not available, or there is no active trading for certain financial instruments, or market activity is limited, fair value is estimated using several techniques, including:

- Comparing the instrument to the current market value of a closely similar financial instrument.
- Analyzing expected future cash flows and discounting them at a rate applicable to a similar financial instrument.
- Using option pricing models.

The objective of valuation techniques is to estimate a fair value that reflects market expectations, taking into consideration market conditions, expected risks, and benefits. If the fair value of a financial instrument cannot be reliably measured, it is carried at cost, net of any impairment losses.

Financial Liabilities

The Company classifies financial liabilities based on the purpose for which they arise. The accounting policies for financial liabilities are as follows:

1. Creditors and Liabilities of Reinsurance Contracts

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

2. Bank Facilities – Credit Balance

The Company obtained banking facilities from the Jordan Commercial Bank against cheques under collection, bearing an interest rate of 8.5%. These facilities are initially recognized at fair value, net of transaction costs incurred to obtain them. Subsequently, interest-bearing liabilities are measured at amortized cost using the effective interest rate method. Financing costs include initial transaction costs, any premiums paid upon settlement, and accrued interest over the term of the obligation.

3. Provisions

Provisions are recognized when the Company has present obligations as at the financial statement date arising from past events, settlement of which is probable and can be reliably measured. Provisions represent the best estimate of the amounts required to settle the obligations at the financial statement date, taking into account the risks and uncertainties associated with such obligations. Where provisions are measured based on estimated future cash flows, the carrying amount represents the present value of those cash flows.

When it is expected that some or all of the economic benefits required to settle a provision will be recovered from third parties, the related receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount can be reliably measured.

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5- Significant Accounting Policies (continued)

Financial Liabilities (continued)

4. End-of-Service Benefits Provision

The provision for employees' end-of-service benefits is calculated in accordance with the Company's policy, which aligns with the Jordanian Labor Law. Annual entitlements incurred for employees who leave the Company are recorded against the end-of-service benefits provision when paid. The provision for end-of-service obligations incurred by the Company is recognized in the statement of profit or loss.

Foreign Currency

- Transactions in foreign currencies are recorded at the exchange rates prevailing on the transaction dates.
- Monetary financial assets and liabilities denominated in foreign currencies are translated using the closing exchange rates prevailing at the statement of financial position date, as published by the Central Bank of Jordan.
- Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated at the exchange rate prevailing on the date the fair value was determined.
- Exchange differences arising from the translation of monetary items are recognized in the statement of profit or loss.
- Exchange differences related to non-monetary items are recognized as part of the change in the fair value of those items.
- In the consolidation of financial statements, the assets and liabilities of foreign subsidiaries and branches are translated into the presentation currency using the exchange rates prevailing at the reporting date, based on rates published by the Central Bank of Jordan. Income and expense items are translated at the average exchange rate during the reporting period. Exchange differences arising from the translation are recognized within other comprehensive income under a separate component of equity. Upon the disposal of a foreign operation, the cumulative exchange differences relating to that operation are reclassified to profit or loss.

Treasury Shares

Treasury shares are recorded at cost. These shares do not carry the right to receive dividends, nor do they have voting rights in the Company's general assembly meetings. Profits or losses resulting from the sale of treasury shares are not recognized in the statement of profit or loss. Instead, Any profit is recognized within equity under "Share Premium.". Any loss is charged against retained earnings if the balance of the share premium related to treasury shares is exhausted.

Costs of Issuing or Purchasing the Company's Shares

Any costs incurred in connection with issuing or purchasing the Company's shares are deducted from retained earnings (net of the related tax effect). If the issuance or purchase does not take place, such costs are recognized as expenses in the statement of profit or loss.

Revenue Recognition

1. Dividend and Interest Income:

Dividend income from investments is recognized when the right to receive the payment is established, which occurs upon approval by the General Assembly of Shareholders. Interest income is recognized on an accrual basis, based on the passage of time, the principal amount outstanding, and the effective interest rate earned.

2. Rental Income:

Rental income from real estate investments under operating leases is recognized on a straight-line basis over the term of the lease agreements, following the accrual basis of accounting.

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5- Significant Accounting Policies (continued)

Insurance Contract Expenses

The Company allocates direct general administrative expenses and direct employee expenses to insurance portfolios related to insurance contracts, by distributing direct expenses to each portfolio individually. The value of unallocated expenses is proportionately allocated based on the total production of each portfolio relative to the Company's total production. General administrative expenses and indirect employee expenses that are not directly related to insurance contracts are charged directly to the statement of profit or loss.

Acquisition Costs

Acquisition costs represent costs incurred by the Company to sell, underwrite, or initiate new insurance contracts. The Company recognizes all acquisition costs directly in the statement of profit or loss upon initial recognition of the insurance contract. However, under the premium allocation approach, the Company may choose to recognize acquisition cash flows as an expense when incurred, provided that the coverage period of each contract at initial recognition does not exceed one year. The Company has elected this exception only for commission expenses. When the premium allocation approach does not apply, acquisition costs are amortized over the coverage period of the insurance contract and recognized in the statement of financial position.

Insurance Contracts Expected to be Loss-Making

The Company recognizes insurance contracts as onerous (i.e., expected to be loss-making) if, at the initial recognition date, the contract is expected to result in a loss. The loss component is measured by comparing the cash outflows required to fulfill the contract or group of contracts with the expected inflows from the same contract or group. The Company discloses the loss component where the contractual service margin is nil (this applies only under the General Measurement Model and the Variable Fee Approach).

6- Deposits at Banks

	2024			2023	
	Deposits Due Within One Month	Deposits Due Within More Than Three Months	Deposits Due After More Than Three Months	Total	Total
Inside Jordan					
BLOM Bank – for the Account of the Central Bank Governor	-	1,068,612	-	1,068,612	1,129,677
BLOM Bank Jordan	1,784,817	-	-	1,784,817	1,817,531
Jordan Ahli bank	1,031,649	-	-	1,031,649	2,047,531
Jordan Commercial Bank	1,000,000	-	-	1,000,000	2,298,000
Deposit in Favor of the Ministry of Industry and Trade	354	-	-	354	354
	3,816,820	1,068,612		4,885,432	7,293,093

- Interest rates on bank deposit balances in Jordanian Dinars range between 5.75% and 6.85%.
- Deposits pledged to the order of the Central Bank Governor amounted to JD 1,050,000 as of December 31, 2024, and December 31, 2023, and are maintained with BLOM Bank.

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

	2024	2023
<u>Inside Jordan</u>		
Listed Shares	3,296,819	2,537,500
Total	3,296,819	2,537,500

8- Financial Assets at Amortized Cost

	2024	2023
<u>Inside Jordan</u>		
Corporate loans and bonds - inside Jordan (*)	99,400	99,400
Corporate loans and bonds - inside Jordan (**)	500,000	500,000
Less: Expected credit losses provision	(599,400)	(599,400)
Total	-	-

(*) The bonds and loan bonds of the Middle East Company matured on March 24, 2013. They carry an annual interest rate of 7% and were scheduled to be repaid in four installments. However, no payments have been made as of the maturity date to date.

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

	2024	2023
Balance at the beginning of the year	599,400	599,400
Additional	-	-
Balance at the end of the year	599,400	(599,400)

9- Investment Properties

	2024	2023
<u>Buildings</u>	2,509,300	2,509,303
Less: accumulated depreciation	(835,880)	(773,152)
Buildings, net	1,673,420	1,736,151
Land	452,142	452,142
	2,125,562	2,188,293

- The fair value of investment properties was estimated by real estate experts at JD 3,750,055 as of 3 January 2024.

- Investment buildings are depreciated at 2.5% annually and appears at net book value.

10- Cash in Hand and at Banks

	2024	2023
Cash on hand	500	25
Cash at banks -JD	83,163	112,439
Cash at banks - USD	2,579	6,533
	86,242	118,997

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

	Liabilities for remaining coverage			Liabilities for Incurred Claims			Total	
	2024	2024	2023	2024	2023	2024	2023	2023
	Excluding the loss component	Loss component	Excluding the loss component	Present value of cashflow	Risk adjustments- non financial	Risk adjustments- non financial	Total	Total
Insurance contracts liabilities-Beginning	1,870,605	613,569	3,825,354	613,569	12,013,344	10,422,536	553,469	15,414,928
Insurance contracts assets-Beginning	-	-	-	-	-	-	-	-
Net insurance contracts (liabilities)/assets - Beginning	1,870,605	613,569	3,825,354	613,569	12,013,344	10,422,536	553,469	15,414,928
Insurance contracts revenues	(31,938,164)	-	(25,691,211)	-	-	-	-	(25,691,211)
Claims incurred	-	-	-	-	-	-	-	19,039,529
Amortization of acquisition costs	926,426	-	933,503	-	-	-	-	933,503
Loss component	-	364,206	-	-	-	-	-	364,206
Employees' cost and administrative expenses	-	-	-	-	-	-	-	-
Insurance contract expenses	926,426	364,206	933,503	-	3,636,051	1,999,910	298,556	2,198,892
Insurance operations results	(31,011,738)	364,206	(24,757,708)	-	33,714,327	21,039,439	298,556	22,171,923
Finance expenses - from insurance contracts	-	-	-	-	33,714,327	21,039,439	298,556	3,365,351
Net change - other comprehensive income	(31,011,738)	364,206	(24,757,708)	-	241,525	(141,691)	-	(141,691)
Cash received from written contracts	31,419,237	-	23,773,838	-	33,955,852	20,897,747	298,556	3,606,876
Compensation paid and other direct expenses	-	-	-	-	-	-	-	31,419,237
Paid acquisition costs	(710,509)	-	(970,879)	-	(29,270,068)	(19,306,939)	-	(29,270,068)
Other expenses	-	-	-	-	-	-	-	(710,509)
Transferred to liabilities against claims incurred	30,708,728	-	22,802,959	-	(29,270,068)	(19,306,939)	-	3,496,020
Insurance contracts liabilities-Ending	1,567,595	977,775	1,870,605	613,569	16,699,128	12,013,344	1,051,006	20,295,505
Insurance contracts assets-Ending	-	-	-	-	-	-	-	15,249,969
Net insurance contracts (liabilities)/assets - Ending	1,567,595	977,775	1,870,605	613,569	16,699,128	12,013,344	1,051,006	15,249,969

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12 - Receivables Related to Insurance Operations

	2024	2023
Total value of receivables related to insurance operations	7,388,852	7,948,124
<u>Less: Expected credit losses provision</u>	<u>(2,027,899)</u>	<u>(1,179,307)</u>
Net value of receivables related to insurance operations	5,360,953	6,768,817

Analysis of receivables according to their time period:

	2024	2023
Payable within 0-30 days	704,646	1,636,947
Payable within 31-90 days	1,556,282	2,808,425
Payable within 91-180 days	1,693,018	1,274,112
Payable within 181-365 days	1,907,153	1,414,515
Payable after more than one year	1,567,182	814,125
	<u>7,428,281</u>	<u>7,948,124</u>

Cheques Under Collection:

	2024	2023
Total value of cheques under collection related to insurance operations	1,094,831	1,406,701
<u>Less: Expected credit losses provision</u>	<u>(79,843)</u>	<u>(79,843)</u>
Net value of cheques under collection related to insurance operations	1,014,988	1,326,858

Analysis of cheques under collection according to their time period:

	2024	2023
Payable within 0-6 months	1,019,181	1,261,116
Payable within 6-12 months	75,650	139,585
Payable after more than 12 months	-	6,000
	<u>1,094,831</u>	<u>1,406,701</u>

Receivables Related to Insurance Operations (Bv Type)

	2024	2023
Receivables from insurance contract holders	6,147,426	5,310,705
Agents' receivables	345,438	97,970
Brokers' receivables	782,407	2,539,449
Total Receivables Related to Insurance Operations	7,275,271	7,948,124
<u>Less: Expected credit losses provision</u>	<u>(2,027,899)</u>	<u>(1,179,307)</u>
	<u>5,247,372</u>	<u>6,768,817</u>

Arab Jordanian Insurance Group
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13- (Liabilities) / Assets Reinsurance Contracts (Premium Allocation Approach) (continued):

	Assets for remaining coverage (ARC)				Assets for Incurred Claims (AIC)			
	2024	2024	2023	2023	2024	2023	2024	2023
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cashflow	Present value of cashflow	Risk adjustments- non financial	Risk adjustments- non financial
Insurance contracts liabilities- beginning of the period	-	-	-	-	-	-	-	-
Insurance contracts assets-beginning of the period	(321,835)	-	(369,897)	-	2,873,904	3,821,886	279,204	375,612
Net reinsurance contracts liabilities/(assets) - beginning of the period	(321,835)	-	(369,897)	-	2,873,904	3,821,886	279,204	375,612
Reinsurance services expenses	(9,041,055)	-	(7,282,923)	-	-	-	-	-
Reinsurance recoveries	-	48,702	-	-	5,969,179	3,484,530	-	-
Commissions received	689,270	-	-	-	570,402	-	-	-
Employees expenses	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-
Reinsurance contracts revenues	689,270	48,702	-	-	5,969,179	4,054,932	84,491	(96,408)
Reinsurance operation results	(8,351,785)	48,702	(7,282,923)	-	5,969,179	4,054,932	84,491	(96,408)
Finance expenses - from reinsurance contracts	-	-	-	-	(239,444)	71,369	-	-
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Net change - comprehensive income	(8,351,785)	48,702	(7,282,923)	-	6,208,622	4,126,301	84,491	(96,408)
Cash received from written contracts paid to reinsurers	8,931,809	-	7,330,985	-	-	-	-	-
Incurred claims recovered from reinsurers	-	-	-	-	(5,439,545)	(4,489,638)	-	-
Other recovered amounts	-	-	-	-	(584,625)	-	-	-
Recovered profit commission from reinsurers	(707,787)	-	-	-	-	-	-	-
Total cash flows	8,224,023	-	7,330,985	-	(5,439,545)	(5,074,283)	-	-
Reinsurance contracts liability at the end of the period	-	-	-	-	-	-	-	-
Reinsurance contracts assets- end of the period	(449,596)	48,702	(321,835)	-	3,642,982	2,873,904	363,695	279,204
Net reinsurance contracts liabilities- (assets) end of the period	(449,596)	48,702	(321,835)	-	3,642,982	2,873,904	363,695	279,204

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

14-1 Receivables (Reinsurance Contracts Held)

	2024	2023
Reinsurance contract assets held (local)	1,743,478	1,650,230
Reinsurance contract assets held (external)	1,432,002	799,544
Total value of receivables related to insurance operations	3,175,480	2,449,774
Less: Expected credit losses provision	(1,557,870)	(1,972,504)
Net value of receivables related to insurance operations	1,617,610	477,270
Analysis of receivables according to their time period:	2024	2023
Payable within 0-30 days	961,614	-
Payable within 31-90 days	38,672	837,954
Payable within 91-180 days	424,514	7,253
Payable within 181-365 days	233,259	156,330
Payable after more than one year	1,517,421	1,448,237
	3,175,480	2,449,774

14-2 Accounts Payables (Reinsurance Contracts Held)

	2024	2023
Reinsurance contract liabilities held (external)	1,073,407	1,780,233
Reinsurance contract liabilities held (local)	404,841	269,401
Total value of payables related to insurance operations	1,478,248	2,049,634

15- Provision for Income Tax

A- Provision for Income Tax:

The movement on the income tax provision is as follows:

	2024	2023
Balance at beginning of the year	185,978	51,049
Income tax paid	(69,896)	(36,261)
Income tax expense for the year	-	162,610
National contribution fees	-	8,580
Balance at the end of the year	116,082	185,978

- A final settlement was reached with the Income Tax Department for the year 2020.
- The self-assessment statement for the years 2021 and 2022 was submitted to the Income and Sales Tax Department within the specified period and is still under review.
- The income tax provision for the year 2023 was calculated by the Company's tax consultant.

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15- Provision for Income Tax (continued)

B- Deferred Tax Assets/Liabilities:

	2024				2023	
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
Deferred Tax Assets:						
Provision for unreported claims	153,209	-	-	153,209	-	153,209
Change in the fair value of financial assets through the income statement	24,752	-	-	24,752	-	24,752
Provision for doubtful collection checks	(22,481)	-	-	(22,481)	-	(22,481)
Provision for impairment of receivables	(246,730)	-	-	(246,730)	-	(246,730)
Provision for impairment of financial assets at amortized cost	-	-	-	-	-	-
Provision for impairment of reinsurance receivables	168,988	-	-	168,988	-	168,988
Losses on investments recognized in other comprehensive income	(39,000)	-	-	(39,000)	-	(39,000)
Bad debts	(4,682)	-	-	(4,682)	-	(4,682)
Total	34,056	-	-	34,056	-	34,056
Balance of deferred tax assets at the beginning of the period	1,129,594	-	-	1,129,594	-	1,129,594
Total	1,163,650	-	-	1,163,650	-	1,163,650

Movement on Deferred Tax Assets and Liabilities During the Year:

	2024	2023
Deferred tax assets	1,163,650	937,740
Amortized during the year	-	225,910
Net	1,163,650	1,163,650

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16- Property and Equipment

	<u>Land</u>	<u>Buildings</u>	<u>Furniture and Decorations</u>	<u>Solar Cells</u>	<u>Equipment and Devices</u>	<u>Cars</u>	<u>Total</u>
Cost							
Balance as of December 31, 2023	452,142	2,315,026	308,278	164,749	253,567	160,762	3,654,524
Additions	-	177,276	20,448	105,326	38,366	68,900	410,316
Disposals	-	-	(631)	-	-	-	(631)
Balance As of December 31, 2024	452,142	2,492,302	328,095	270,075	291,933	229,662	4,064,209
Less:							
Accumulated Depreciation:							
Balance as of December 31, 2023	-	580,850	200,457	36,525	147,194	49,147	1,014,173
Depreciation of the period	-	69,450	20,435	12,336	11,853	15,303	129,377
Disposals	-	-	-	-	-	-	-
Balance As of December 31, 2024	-	650,300	220,892	48,861	159,047	64,450	1,143,550
Net Book value:							
Balance As of December 31, 2024	452,142	1,842,002	107,203	221,214	132,886	165,212	2,920,659
Balance as of December 31, 2023	452,142	1,734,175	107,818	44,552	190,370	111,615	2,640,672

17- Intangible Assets

	<u>Computer Software</u>	
	<u>2024</u>	<u>2023</u>
Cost:		
Balance at the beginning of the year	298,478	297,152
Additions	252	1,327
Balance at the end of the year	298,730	298,479
Accumulated Amortization:		
Accumulated amortization at the beginning of the year	297,733	266,046
Amortization of the year	-	15,830
Accumulated amortization at the end of the year	297,733	281,876
Net at the end of the year	997	16,603

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18- Other Assets

A- Other Assets

	2024	2023
Accrued and unearned revenues	125,008	262,077
Income tax withholding accounts	67,083	-
National contribution withholding accounts	11,408	-
Insurance recoveries	471	10,112
Bank insurances	-	96,201
Advance payments for income tax	-	36,764
Other	1,123	204,569
Total	205,093	609,723

B- Receivables Not Related to Insurance Operations

	2024	2023
Employee receivables	53,506	33,953
Other receivables	-	1,316
Total accounts receivable	53,506	35,269
Total	258,599	644,992

Analysis of Receivables According to Due Date:

	2024	2023
Not due	-	3,528
Due date 0-30 days	-	1,763
Due date 31-90 days	40,743	5,290
Due date 91-180 days	9,032	21,161
Due date 181-365 days	768	3,527
Due date 365 days or more	2,963	-
	53,506	35,269

19- Creditor Banks

	2024	2023
Jordan Commercial Bank	310,170	202,959
	310,170	202,959

20- Loans

	2024	2023
Jordan Commercial Bank*	-	472,805
	-	472,805

The Company obtained a revolving loan from the Jordan Commercial Bank with a renewable credit facility limit of 1,500,000 Jordanian Dinars. This facility is used to finance 90% of the checks drawn and deposited for collection at the Jordanian Commercial Bank. The outstanding balance of the facility is subject to an interest rate of 8.85% annually, calculated on the daily balance. This facility is due on June 1, 2024.

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21- Other Liabilities

	2024	2023
Income and sales tax withholding accounts	116,263	51,385
Other withholding accounts	23,251	31,137
Social security withholding accounts	25,828	23,365
National contribution	-	2,358
	<u>165,342</u>	<u>108,245</u>

22- Issuance Discount

	2024	2023
Issuance fees	(2,019,280)	(2,019,280)
Amortize discount issue	-	-
	<u>(2,019,280)</u>	<u>(2,019,280)</u>

23- Authorized and Paid-Up Share Capital

The authorized share capital of the Company amounts to 10,500,000 Jordanian Dinars, while the paid-up capital as of December 31, 2024 amounts to 9,500,000 Jordanian Dinars, divided into 9,500,000 shares with a nominal value of one Jordanian Dinar per share. The paid-in capital in the previous year, as of December 31, 2023, was also 9,500,000 Jordanian Dinars, distributed over 9,500,000 shares, each with a par value of one Jordanian Dinar.

24- Statutory Reserve

The statutory reserve is formed in accordance with the provisions of the Jordanian Companies Law by deducting 10% of the annual net profit. The deduction ceases once the accumulated reserve reaches 25% of the Company's authorized capital. However, with the approval of the General Assembly, it is permissible to continue deducting until the reserve reaches an amount equivalent to the authorized capital. The amounts accumulated in this account represent annual profits before tax, transferred at a rate of 10% during the current and prior years. in accordance with the Companies Law, and are not distributable to shareholders.

25- Accumulated Losses

	2024	2023
Balance at the beginning of the year	(4,587,204)	(3,679,059)
Adjusted for previous years	(107,240)	33,207
Loss of the year	(5,703,740)	(941,352)
Balance at the ending of the year	<u>(10,398,184)</u>	<u>(4,587,204)</u>

26- Related Parties Transactions

The Company entered into transactions with members of the Board of Directors and senior management during the normal course of its activities, including insurance premiums and commercial commissions. All receivables from related parties are considered collectible, and no provisions have been made for them as of December 31, 2024.

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26- Related Parties Transactions (continued)

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

	2024		2023	
	Major shareholders	Members of the Board of Directors	Total	Total
<u>Items of Financial Position Statement</u>				
Insurance contract assets	-	80,321	80,321	91,778
Insurance contract liabilities	-	-	-	8,044
<u>Items of Statement of Profit or Loss</u>				
Insurance revenues	-	-	-	-
Travel and transportation expenses for members of the Board of Directors	-	82,216	-	82,050

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

	2024	2023
Salaries and rewards	532,733	564,879
Travel expenses	-	3,475
	532,733	568,354

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27- Insurance Contracts Revenue

2024

Insurance Contracts Revenue

Changes in insurance contract liabilities – against remaining coverage
Insurance contract issuance fees
Allocation of a portion of premiums related to cash flows for acquiring insurance
Other revenues

Total insurance contract revenues

Vehicles	Medical	Life- group	Life - Individual	Fire	Engineering	Other insurance	Marine -open cover	Marine- goods	Travel	Total
10,046,007	13,357,487	447,943	175,484	2,031,334	298,778	510,441	208,605	694,219	29,519	27,799,817
285,693	912,428	187,731	26,504	766,405	54,045	6,196	(12,522)	(13,710)	21,585	2,234,355
364,353	374,771	11,128	16,399	76,148	14,091	9,480	7,265	19,861	6,052	899,548
-	-	-	-	-	-	-	-	-	-	-
90,926	862,002	-	-	-	-	-	11,904	39,612	-	1,004,444
10,786,979	15,506,688	646,802	218,387	2,873,887	366,914	526,117	215,252	739,982	57,156	31,938,164

2023

Insurance Contracts Revenue

Changes in insurance contract liabilities – against remaining coverage
Insurance contract issuance fees
Allocation of a portion of premiums related to cash flows for acquiring insurance
Other revenues

Total insurance contract revenues

Vehicles	Medical	Life- group	Life - Individual	Fire	Engineering	Other insurance	Marine -open cover	Marine- goods	Travel	Total
9,779,581	7,697,486	1,003,980	226,376	2,978,102	424,616	539,445	380,745	477,878	60,830	23,569,039
1,848,890	(878,838)	(18,465)	82,777	(568,099)	(109,652)	28,958	(4,411)	(3,410)	6,666	384,416
251,380	315,600	20,279	20,741	103,939	17,215	11,912	6,364	15,577	4,451	766,458
-	-	-	-	-	-	-	-	-	-	-
329,342	415,792	7,307	-	20,474	-	-	-	-	-	971,298
12,209,193	7,550,040	1,013,101	329,894	2,533,416	332,179	580,315	382,698	688,428	71,947	25,691,211

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28-Insurance Contracts Expenses

	Vehicles	Medical	Life- group	Life - Individual	Fire	Engineering	Other Insurance	Marine -open cover	Marine- goods	Travel	Total
2024											
Incurred insurance claims	12,744,893	14,777,726	1,071,188	290,155	372,899	(22,928)	144,560	18,094	321,464	70	29,718,121
Acquisition cost amortization	461	12,185	19,669	21	124,074	52,476	7,230	(116)	(431)	204	215,773
Employee expenses	696,801	426,428	52,002	20,372	238,665	-	46,055	27,480	91,450	2,663	1,601,916
Administrative expenses	266,189	284,144	30,551	11,969	67,050	7,617	25,168	10,076	33,531	1,455	737,750
Expected loss on Contracts	63,518	182,042	64,693	53,953	-	-	-	-	-	-	364,206
Recovery from expected loss on contracts	-	-	-	-	-	-	-	-	-	-	-
Non-financial risk adjustments	(28,266)	149,182	(14,081)	(417)	6,248	17,490	43,841	506	124,051	-	298,554
Adjustments recovered from risk - non-financial	66,589	11,286	5,138	885	(31,240)	(1,621)	1,144	30	7,612	-	59,823
Accident exceptions	360,291	-	-	-	-	-	-	-	-	-	360,291
Undistributed expenses	-	-	-	-	-	-	-	-	-	-	-
Transferred from acquisition costs / acquisition cost (According to the company's recognition method)	470,839	113,979	237	-	62,543	15,223	11,979	2,308	33,235	182	710,525
Other expenses	506,232	389,426	5,195	2,035	283,518	4,020	26,591	4,159	13,841	1,538	1,236,555
Total insurance contract expenses	15,147,547	16,346,398	1,234,592	378,973	1,123,757	72,277	306,568	62,537	624,753	6,112	35,303,514

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28-Insurance Contracts Expenses (continued)

2023	Vehicles	Medical	Life- group	Life - Individual	Fire	Engineering	Other insurance	Marine-open cover	Marine- goods	Travel	Total
Incurred insurance claims	11,345,370	6,339,220	661,316	229,108	600,368	(50,090)	(104,858)	(633)	105,686	351	19,125,838
Acquisition cost amortization	174,124	(12,355)	(19,632)	4	(120,309)	(58,337)	(1,859)	36	787	165	(37,376)
Employee expenses	424,484	331,943	43,295	9,762	128,426	18,311	23,263	16,419	20,608	2,623	1,019,134
Administrative expenses	74,226	58,043	7,570	1,707	22,457	3,202	4,068	2,871	3,604	459	178,207
Expected loss on Contracts	-	-	-	-	-	-	-	-	-	-	-
Recovery from expected loss on contracts	-	-	-	-	-	-	-	-	-	-	-
Non-financial risk adjustments	76,157	(786)	24,602	5,681	21,929	(3,583)	(11,598)	(3,731)	6,663	-	115,334
Recovered from risk Adjustments - non-financial	-	-	-	-	-	-	-	-	-	-	-
Accident exemptions	-	-	-	-	-	-	-	-	-	-	-
Undistributed expenses	18,262	(1,595)	3,508	810	5,353	(2,455)	(6,235)	(1,840)	1,903	-	17,711
Transferred from acquisition costs / acquisition cost (According to the company's recognition method)	-	-	-	-	-	-	-	-	-	-	-
Other expenses	483,812	113,791	21,307	-	192,753	50,160	24,556	10,398	25,629	48,472	970,878
Total insurance contract expenses	133,372	516,025	106,496	-	13,578	1,720	2,767	2,058	6,181	-	782,197
	12,729,807	7,344,286	848,462	247,072	804,555	(41,072)	(69,896)	25,578	171,061	52,070	22,171,923

The Company used discount rates ranging from 5% to 6% in 2024, and from 6.5% to 7.83% in 2023.

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29. Reinsurance contracts expenses

	2024										
	Vehicles comprehensive	Medical	Life- group	Life - Individual	Fire	Engineering	Other insurance	Marine -open cover	Marine- goods	Travel	Total
Reinsurance contract premiums	640,663	4,318,869	186,988	776	2,024,974	283,536	236,375	190,602	619,801	21,039	8,523,623
Changes in reinsurance contract liabilities – against remaining coverage	(47,750)	6,417	38,787	6,980	596,826	(68,234)	22,854	(13,183)	(19,085)	(6,180)	517,432
Loss surplus expense	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts expenses	592,913	4,325,286	225,775	7,756	2,621,800	215,302	259,229	177,419	600,716	14,859	9,041,055

	2023										
	Vehicles comprehensive	Medical	Life-group	Life - Individual	Fire	Engineering	Other insurance	Marine-open cover	Marine-goods	Travel	Total
Reinsurance contract premiums	65,203	3,137,943	586,188	4,307	2,601,389	205,348	214,604	356,156	411,697	10,378	7,593,213
Changes in reinsurance contract liabilities – against remaining coverage	89,177	(165,630)	-	-	(444,205)	(8,663)	(12,307)	(2,852)	(2,137)	662	(545,955)
Loss surplus expense	136,165	-	-	-	99,500	-	-	-	-	-	235,665
Total reinsurance contracts expenses	290,545	2,972,313	586,188	4,307	2,256,684	196,685	202,297	353,304	409,560	11,040	7,282,923

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30- Reinsurance Contracts Revenue

	2024									
	Vehicles	Medical	Life-group	Life- Individual	Fire	Engineering	Other insurance	Marine-open cover	Marine- goods	Total
Reinsurance claims incurred	60,537	4,556,823	634,059	-	363,978	(19,701)	103,279	16,315	302,588	6,017,878
Commissions received	5,575	270,011	147	-	168,687	38,456	18,954	52,762	153,198	707,790
The reinsurer share of the loss of overburdened contracts	-	-	-	-	-	-	-	-	-	-
Recovered from the reinsurer share of the loss of overburdened contracts	-	-	-	-	-	-	-	-	-	-
The reinsurer's share of risk adjustments non-financial	(15,053)	35,019	6,563	-	(70,510)	13,622	22,284	301	92,267	84,493
Recoverable from the reinsurer's share of risk adjustments non-financial	-	-	-	-	-	-	-	-	-	-
Transferred from the reinsurer share of acquisition cost / acquisition cost (according to the Company's method of recognition)	(3,021)	(77,647)	1,402	132	79,239	(117)	5,855	(4,288)	(20,073)	(18,518)
Total reinsurance contracts revenue	48,038	4,784,206	642,171	132	541,394	32,260	150,372	65,090	527,980	6,791,643

	2023									
	Vehicles	Medical	Life-group	Life - Individual	Fire	Engineering	Other insurance	Marine-open cover	Marine- goods	Total
Reinsurance claims incurred	(623,641)	3,010,360	530,225	-	545,259	(56,701)	(136,515)	(20,578)	157,793	3,406,202
Commissions received	50,502	9,595	1,507	-	332,177	-	28,271	-	162,573	584,625
The reinsurer share of the loss of overburdened contracts	-	-	-	-	-	-	-	-	-	-
Recovered from the reinsurer share of the loss of overburdened contracts	-	-	-	-	-	-	-	-	-	-
The reinsurer's share of risk adjustments non-financial	9,134	73	16,123	-	(9,005)	(10,925)	(16,175)	(7,067)	(237)	(18,079)
Recoverable from the reinsurer's share of risk adjustments non-financial	-	-	-	-	-	-	-	-	-	-
Transferred from the reinsurer share of acquisition cost / acquisition cost (according to the Company's method of recognition)	17,530	(6,686)	139	49	(14,703)	(7,857)	(3,358)	(638)	1,301	(14,223)
Total reinsurance contracts revenue	(546,475)	3,013,342	547,994	49	853,728	(75,483)	(127,777)	(28,283)	321,430	3,958,525

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31- Financing Revenues – Reinsurance Contracts

	2024	2023
Financing revenues– Insurance contracts	(241,525)	141,691
	<u>(241,525)</u>	<u>141,691</u>

32- Financing (Expenses) – Reinsurance Contracts

	2024	2023
Financing (expenses) – Reinsurance contracts	239,444	71,369
	<u>239,444</u>	<u>71,369</u>

33- Interest Income

	2024	2023
Bank Interest	392,539	381,391
	<u>392,539</u>	<u>381,391</u>

34- Loss of Financial Assets and Investments

	2024	2023
Cash dividend returns and stock dividends	288,929	168,704
Gains from selling shares	282,327	47,683
change in the fair value of financial assets through profit or loss statement	275,692	(296,437)
Total	<u>846,948</u>	<u>(80,050)</u>

35- Other Income

	2024	2023
Net revenue rent	31,000	5,168
Profit/loss from the sale of fixed assets	2,640	(268)
Currency differences	(4,717)	(339)
Others	-	26,555
Total	<u>28,923</u>	<u>31,116</u>

36- Other Expenses

	2024	2023
Other	7,643	9,041
	<u>7,643</u>	<u>9,041</u>

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37- Earnings Per Share from Loss for the Year

The loss per share is calculated by dividing the profit for the year by the weighted average number of shares during the year, as detailed below:

	2024	2023
Loss for the year	(5,703,740)	(941,352)
Weighted average for share	9,500,000	9,500,000
Earnings per share from the net loss for the year	(0.60)	(0.099)

38- Cash on hand and at banks

	2024	2023
Cash on hand and bank balances	86,242	70,679
Add: Bank deposits maturing within three months	4,885,432	7,727,051
Less: Deposits due to the kind orders of the Director General of the Insurance Authority are due within three months	(1,068,611)	(1,050,000)
	3,903,063	6,747,730

39- Risk Management

First: Descriptive Disclosures:

1. Exposure to risks and how they arise.
2. The Company's policies and procedures for accepting, measuring, monitoring and controlling risks, such as:
 - The structure and organization of the risk management function within the Company, including an explanation of the elements of independence and accountability for this function.
 - The scope and nature of risk measurement and reporting systems.
 - The Company's policies for hedging or mitigating risks, including policies and procedures for obtaining guarantees.
 - Risk control procedures and monitoring the ongoing effectiveness of hedging and risk mitigation measures.
 - Policies and procedures adopted to avoid risk concentration.

Second: Quantitative Disclosures

1. Insurance Risks

The risks of any insurance contract are represented by the possibility of the insured event occurring and the uncertainty of the amount of the claim related to that event. Due to the nature of insurance contracts, risks are volatile and unpredictable for insurance contracts related to an insurance class. Probability theory can be applied for pricing and reserving purposes. The main risks facing the Company are that incurred claims and related payments may exceed the carrying value of insurance liabilities. This may occur if the likelihood and severity of claims are greater than expected. As insurance events are not constant and vary from year to year, estimates may differ from the associated statistics.

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

Monitoring the risk status in both internal and external work environments is the key driver for selecting the appropriate strategy for dealing with risks. While the Company may be required to accept some level of risk despite it being at critical/high levels due to the presence of external, regulatory, and legal constraints, enhancing risk monitoring enables the Company to adjust and improve its controls to manage these risks as soon as they become available.

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39- Risk Management (continued)

Second: Quantitative Disclosures (continued)

1. Insurance Risks (continued)

The risk management strategies for the Company's products primarily depend on two main factors: uncertainty and volume/exposure to risk, as follows:

1. Risk Acceptance: In cases of reduced uncertainty/low exposure when marketing the product.
2. Control Implementation: For risks with low uncertainty/high exposure, the Company implemented relevant controls by establishing appropriate procedures to limit risks.
3. Risk Transfer: For risks with low exposure/high uncertainty, the Company transferred these risks to third parties through reinsurance arrangements, ensuring external parties bear the risks.
4. Emergency Planning: Appropriate contingency plans were adopted to manage high exposure/high uncertainty risks and high exposure/high uncertainty risks were avoided whenever possible.

The above-mentioned risks were managed by the Risk Management Department, with periodic reports related to all Company risks sent to the Risk Management Committee, which is a subcommittee of the Board of Directors. These reports were discussed, and recommendations were sent to executive management for implementation within the Company.

- When addressing the quantitative data related to insurance risks, the Company disclosed the methods used, their strengths and limitations, the assumptions made, the impact of reinsurance, the participation of the policyholder, and other mitigating factors.

2. Concentration of Insurance Risk

The Company must disclose the concentration of insurance risks, including a description of how management determined this concentration and an explanation of the common characteristics of each concentration, such as the type of insured, geographic region, or currency.

	2024	2024	2023	2023
	Total	Net	Total	Net
Vehicles – comprehensive	6,996,117	6,996,117	4,173,801	3,955,473
Vehicles – third party liability	7,206,255	7,206,255	7,214,195	7,214,195
Bus complex	208,784	208,784	194,524	194,524
Marine	830,844	781,559	874,257	111,569
Engineering	240,667	587,817	353,322	155,908
Fire	1,545,642	1,058,723	2,622,467	436,392
Medical	3,124,942	1,380,899	7,308,466	4,425,855
Other branches	417,879	204,275	645,400	433,097
Life	703,893	414,563	1,333,480	733,357
	21,275,023	18,838,992	24,719,912	17,660,370

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39- Risk Management (continued)

2- Concentration of Insurance Risk (continued)

A- According to Geographical region

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

	2024				2023			
	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities
Inside Kingdom	21,188,312	23,677,935	-	-	19,927,415	15,802,477	-	-
Middle eastern countries	-	-	1,500,024	1,496,254	-	-	455,100	181,738
Europe	-	-	-	-	-	-	646,173	1,030,819
Asia	-	-	-	-	-	-	-	128
Africa	-	-	-	-	-	-	136,601	4,003
America	-	-	-	-	-	-	-	-
Other countries	-	-	-	-	-	-	-	-
	21,188,312	23,677,935	1,500,024	1,496,254	19,927,415	15,802,477	1,237,874	1,216,688

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39- Risk Management (continued)

2- Concentration of Insurance Risk (continued)

B- By Sector

	2024			2023		
	Assets	Liabilities	Items outside financial position statement	Assets	Liabilities	Items outside financial position statement
Private sector:						
Companies and Establishments	18,290,237	20,887,099	-	19,434,074	16,219,956	-
Total	18,290,237	20,887,099	-	19,434,074	16,219,956	-

3- Reinsurance Risks

As part of its ordinary operations, the Company enters into reinsurance agreements with other parties. To reduce its exposure to significant losses arising from the potential insolvency of reinsurers, the Company evaluates the financial position of its reinsurers and monitors concentrations of credit risks resulting from geographic regions, business activities, or similar economic sectors to which those companies belong. Reinsurance contracts issued do not release the Company from its direct obligations to policyholders. Consequently, the Company remains liable for the reinsured claims in the event that the reinsurers are unable to fulfill their contractual obligations.

4- Insurance Risk Sensitivity

The insurance Company discloses the sensitivity of insurance risks and performs a sensitivity analysis to show how profit or loss and shareholders' equity would be affected by a reasonably possible change in the relevant risk variable as of the financial statements' reporting date. The Company discloses the methods and assumptions used in preparing the sensitivity analysis, as well as any changes to these methods and assumptions from the previous reporting period. Additionally, the Company discloses quantitative information about its risk sensitivity and details the terms and conditions of insurance contracts that have a material impact on the amount, timing, and uncertainty of future cash flows. The following table presents the impact of a reasonably possible change in underwriting premium rates on the statement of profit or loss and shareholders' equity, assuming that all other influencing variables remain constant.

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39- Risk Management (continued)

4- Insurance Risk Sensitivity (continued)

2024	Change ratio	Contractual service margin		Contractual service margin		Profit or loss		Profit or loss		Impact on owners' equity	
		Total	Net	Total	Net	Total	Net	Total	Net	Total	Net
Death rate	%9.57+	(290,155)	(78,342)	(203,109)	(54,839)	(162,487)	(43,871)				
Death rate	%9.57-	290,155	78,342	203,109	54,839	162,487	43,871				
Morbidity	%9.09+	(275,647)	(74,425)	(192,953)	(52,098)	(154,362)	(41,678)				
Morbidity	%9.09-	275,647	74,425	192,953	52,098	154,362	41,678				
Long life	%12.41+	(376,287)	(101,598)	(263,401)	(71,119)	(210,721)	(56,895)				
Long life	%12.41-	376,287	101,598	263,401	71,119	210,721	56,895				
Expenses	%9.85+	(298,609)	(80,624)	(209,026)	(56,437)	(167,221)	(45,150)				
Expenses	%9.85-	298,609	80,624	209,026	56,437	167,221	45,150				
Expiry rate	%10.14+	(307,063)	(82,907)	(214,944)	(58,035)	(171,955)	(46,428)				
Expiry rate	%10.14-	307,063	82,907	214,944	58,035	171,955	46,428				
Gross loss rate	%14.79+	(448,341)	(121,052)	(313,839)	(84,736)	(251,071)	(67,789)				
Gross loss rate	%14.79-	448,341	121,052	313,839	84,736	251,071	67,789				

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39- Risk Management (continued)

4- Insurance risk sensitivity (continued)

2023	Change ratio	Contractual service margin		Profit or loss		Impact on owners' equity	
		Total	Net	Total	Net	Total	Net
Death rate	%5+	-	-	1,495	666	1,495	666
Death rate	%5-	-	-	(1,495)	-666	(1,495)	(666)
Morbidity	%5+	-	-	-	-	-	-
Morbidity	%5-	-	-	-	-	-	-
Long life	%5+	-	-	-	-	-	-
Long life	%5-	-	-	-	-	-	-
Expenses	%5+	-	-	5,252	5,252	5,252	5,252
Expenses	%5-	-	-	(5,252)	(5,252)	(5,252)	(5,252)
Expiry rate	%5+	-	-	-	-	-	-
Expiry rate	%5-	-	-	-	-	-	-
Gross loss rate	%5+	-	-	10%	7%	1,141	203
Gross loss rate	%5-	-	-	8%	5%	(1,141)	(203)
Gross loss rate	%5+-	-	-	1,495	666	1,495	666

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39- Risk Management (continued)

A- Financial risks

The Company is exposed to financial risks primarily related to the possibility that the collected premiums and investment returns may be insufficient to meet the obligations arising from insurance contracts and investments.

The Company follows established financial policies to manage various risks within a defined strategy. The management is responsible for monitoring, controlling, and optimizing the strategic allocation of financial assets and liabilities. The primary risks include interest rate risk, credit risk, foreign currency risk, and market risk. The Company applies financial hedging strategies for its financial assets and liabilities whenever necessary, focusing on hedging against expected future risks.

1- Market risk

Market risk refers to the risk of fluctuations in the fair value or cash flows of financial instruments resulting from changes in market prices, such as interest rates, currency exchange rates, and stock prices. These risks arise due to the existence of open positions in interest rates, currencies, and equity investments. They are managed through specific policies, procedures, specialized committees, and designated business units. Market risks include: Interest rate risks, Exchange rate risks, Price fluctuation risks (e.g., stock prices).

If the Company does not apply the Value at Risk (VaR) method to measure market risks, it must disclose sensitivity analyses for each type of market risk separately (interest rate, foreign currency, price fluctuation), along with the estimated impact on profit, loss, and equity resulting from reasonably possible changes in the relevant risk variables

B- Interest rate risk:

Interest rate risk arises from changes in interest rates that affect the Company's fixed deposits with banks. As of December 31, 2024, the interest rates on the Company's bank deposits ranged between 5.75% and 6.9% per annum. The Company's policy for managing interest rate risk includes, at a minimum:

- Risk mitigation strategies
- Matching the maturities of financial assets and liabilities
- Managing return gaps

C- Foreign currency risks:

Foreign currency risk refers to the risk of changes in the value of financial instruments as a result of fluctuations in foreign currency exchange rates. The Jordanian Dinar (JOD) is the Company's functional and reporting currency. The Board of Directors sets limits for each foreign currency exposure within the Company. The Company monitors its foreign currency positions daily and adopts strategies to ensure that exposures remain within the approved limits.

The Company's policy for managing foreign currency risk includes, at a minimum:

- Setting position limits for each foreign currency
- Daily monitoring of foreign currency exposures

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

	In Foreign Currency		Equivalent to Jordanian Dinars	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Currency Type USD	709	6,533	-	4,638

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39- Risk Management (continued)

3- Credit Risk

Credit risk refers to the risk that one party to a financial transaction may fail to meet its obligations, thereby causing the other party to incur a financial loss.

4- Liquidity Risk

Liquidity risk represents the risk that the Company may not be able to secure sufficient funding to meet its financial obligations as they fall due. To protect against these risks, management diversifies funding sources, manages assets and liabilities, aligns their terms, and maintains a sufficient balance of cash, cash equivalents, and tradable securities.

	<u>Less than one month</u>	<u>From 1 to 3 months</u>	<u>From 3 to 6 months</u>	<u>From 6 to 12 months</u>	<u>More than one year</u>	<u>Total</u>
<u>2024</u>						
Insurance liabilities:						
Insurance contract liabilities	586,974	5,869,731	9,782,886	4,055,914	-	20,295,505
Reinsurance contract liabilities	-	-	-	-	-	-
Creditor Banks	-	-	-	310,170	-	310,170
Credit Loans	-	-	-	-	-	-
Income tax provision and National Contribution	-	-	-	(116,082)	-	116,082
Other liabilities	-	-	-	(165,342)	-	165,342
Total insurance liabilities	586,974	5,869,731	9,782,886	4,647,508	-	20,887,099
Total insurance assets	245,319	1,078,315	1,078,315	1,203,834	-	3,605,783
<u>2023</u>						
Insurance liabilities:						
Insurance contract liabilities	442,539	4,425,385	7,375,642	3,006,403	-	15,249,969
Reinsurance contract liabilities	-	-	-	-	-	-
Creditor Banks	-	-	-	202,959	-	202,959
Credit Loans	-	-	-	472,805	-	472,805
Income tax provision and National Contribution	-	-	-	185,978	-	185,978
Other liabilities	-	-	-	108,245	-	108,245
Total insurance liabilities	442,539	4,425,385	7,375,642	3,976,390	-	16,219,956
Total insurance assets	106,794	889,946	889,946	944,588	-	2,831,274

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39- Risk management (continued)

4- Liquidity Risk (continued)

The matters mentioned above are general; however, the Company has disclosed its policies for managing liquidity risk, ensuring that the following elements are covered at a minimum, and at the level of each portfolio:

- Diversification of funding sources
- Analysis and monitoring of the maturities of assets and liabilities
- Geographical and sectoral distribution of exposures

The table below summarizes the maturity profile of the Company's financial liabilities based on the remaining contractual maturity period from the date of the financial statements:

5- Operational Risk

Operational risk arises from system failures or may result from any intentional or unintentional human error. Such risks may negatively impact the Company's reputation and could lead to financial losses. These risks can be mitigated through proper segregation of duties, the establishment of necessary procedures to access information from the Company's systems, and by educating and training Company personnel.

6- Legal Risk

Legal risk arises from lawsuits filed against the Company. To mitigate such risks, the Company has established an independent legal department responsible for overseeing the Company's operations in compliance with the Insurance Business Regulation Law and the instructions of the Insurance Authority.

40 - Analysis of Main Segments

• **Information about the Company's Business Segments:**

For administrative purposes, the Company is organized into two main business segments: General insurance, Life insurance. These two segments form the basis for presenting the Company's segment information. Additionally, these segments encompass investment activities and cash management on behalf of the Company's own account. Transactions between business segments are conducted based on estimated market prices and under terms similar to those with third parties.

• **Geographic distribution information:**

This disclosure represents the geographical distribution of the Company's business. The Company primarily operates within the Hashemite Kingdom of Jordan, which constitutes its local business. The Company also engages in international operations through its branches in the Middle East, Europe, Asia, America, and the Near East, serving external clients.

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

	Inside Kingdom		Outside Kingdom		Total	
	2024	2023	2024	2023	2024	2023
Total						
revenues	31,938,164	25,691,211	-	-	31,938,164	25,691,211
Total assets	18,290,237	19,434,074	-	-	18,290,237	19,434,074

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41 – Share Capital Management

The Company discloses its capital management objectives, policies, and processes, including:

- A description of what is considered capital.
- Regulatory requirements regarding capital and how the Company complies with these requirements.
- How capital management objectives are achieved.
- Any changes to the above compared to the previous year.
- Any instances of non-compliance with regulatory capital requirements during the year and the consequences thereof.
- The causes and sources of changes in the Company's regulatory capital during the year.

Capital requirements are established and regulated by the Insurance Directorate. These requirements are designed to ensure that an adequate margin is maintained. Additionally, the Company has set further internal objectives aimed at maintaining strong credit ratings and a high capital adequacy ratio to support its operations and maximize shareholder value.

The Company actively manages its capital structure and makes adjustments as necessary in response to changes in business conditions. Changes to the objectives, policies, and procedures related to the capital structure were made during both the current and prior year.

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

The table below shows a summary of the Company's retained capital and the minimum required capital:

	2024	2023
Basic share capital items		
Paid-in Capital	9,500,000	9,500,000
Statutory Reserve	320,602	320,602
Issue Discount	(2,019,280)	(2,019,280)
Accumulated Losses	(10,398,184)	(4,587,204)
Additional Share Capital	(2,596,862)	3,214,118
Increase in the value of real estate investments	1,626,142	1,563,410
Cumulative change in fair value	-	-
Total Additional Share Capital	1,626,142	1,563,410
Total of Regulatory Share Capital (A)	705,036	6,293,199
Total of Required Share Capital (B)	8,649,684	8,340,435
Solvency Margin Ratio (A) / (B)	%8	75%

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42 - Maturity Analysis Of Current And Non-Current Assets And Liabilities

	<u>Up to one year</u>	<u>More than one year</u>	<u>Total</u>
2024			
<u>Assets</u>			
Deposits with banks	4,885,432	-	4,885,432
Financial assets at fair value through profit and loss	3,296,819	-	3,296,819
Real estate investments	-	2,125,562	2,125,562
cash on hand and at banks	86,242	-	86,242
Reinsurance contract assets held	-	3,605,783	3,605,783
Deferred tax assets	-	1,163,650	1,163,650
property and equipment - net	-	2,920,659	2,920,659
Intangible assets - net	-	997	997
Other assets	-	205,093	205,093
Total	8,268,493	10,021,744	18,290,237
<u>Liabilities</u>			
Insurance contract liabilities	-	20,295,505	20,295,505
Creditor Banks	310,170	-	310,170
Income tax provision and National Contribution	116,082	-	116,082
Other liabilities	165,342	-	165,342
Total	591,594	20,295,505	20,887,099
Net	7,676,899	(10,273,761)	(2,596,862)

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42 - Maturity Analysis Of Current And Non-Current Assets And Liabilities (continued)

	<u>Up to one year</u>	<u>More than one year</u>	<u>Total</u>
2023			
<u>Assets</u>			
Deposits with banks	7,292,093	-	7,292,093
Financial assets at fair value through profit and loss	2,537,500	-	2,537,500
Financial assets at fair value through other comprehensive income	-	-	-
Real estate investments	-	2,188,293	2,188,293
cash on hand and at banks	118,997	-	118,997
Reinsurance contract assets held	-	2,831,274	2,831,274
Deferred tax assets	-	1,163,650	1,163,650
property and equipment- net	-	2,640,672	2,640,672
Intangible assets- net	-	16,603	16,603
Other assets	644,992	-	644,992
Total	<u>10,593,582</u>	<u>8,840,492</u>	<u>19,434,074</u>
<u>Liabilities</u>			
Insurance contract liabilities	-	15,249,969	15,249,969
Reinsurance contract liabilities held	-	-	-
Creditor Banks	202,959	-	202,959
Credit Loans	472,805	-	472,805
Accruals expenses	-	-	-
Income tax provision and National Contribution	185,978	-	185,978
Other liabilities	108,245	-	108,245
Total	<u>969,987</u>	<u>15,249,969</u>	<u>16,219,956</u>
Net	<u>9,623,595</u>	<u>(6,409,477)</u>	<u>3,214,118</u>

43- Lawsuits

- According to the Company's legal advisor, the cases filed against the Company by third parties amounted to JD 1,872,013. A provision for outstanding claims has been established, and based on the Company's legal opinion, this provision is sufficient.
- The cases filed by the Company against third parties amounted to JD 1,129,885. According to the Company's legal advisor, the related provisions are also deemed sufficient.

44 - Obligations That May Arise

As of the date of the financial statements, the Company had contingent financial obligations represented by bank guarantees totaling JD 959,325 as of December 31, 2024.

45 – Subsequent Events

There have been no events subsequent to the reporting date or after the preparation of the financial statements that require disclosure or adjustment.

46 - Comparative Figures

Certain comparative figures for the year 2023 have been reclassified to conform to the classification used in the current year's financial statements.

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47- Distribution Of The Financial Data According To Type Of Products

1- Financial position items

2024	Vehicles	Medical	life	Fire and general insurance	Engineering	Other Insurance	Marine	Total
Insurance contracts assets	-	-	-	-	-	(8,948)	-	(8,948)
Reinsurance contracts assets	411,276	2,062,980	560,991	2,119,031	-	257,265	1,092,247	6,503,790
Accounts receivables	1,830,524	4,446,787	207,389	1,831,718	87,903	316,379	938,440	9,659,140
Financial assets	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	2,241,800	6,509,767	768,380	3,950,749	87,903	564,696	2,030,687	16,153,982
Insurance contracts liabilities	13,445,957	2,997,250	840,305	1,335,629	336,325	401,935	878,763	20,236,164
Reinsurance contracts liabilities	-	-	-	-	-	-	-	-
Accounts payable	1,275,096	3,230,761	32,700	1,138,577	53,064	202,981	599,262	6,532,441
Different provisions	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total liabilities	14,721,053	6,228,011	873,005	2,474,206	389,389	604,916	1,478,025	26,768,605

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47- Distribution Of The Financial Data According To Type Of Products (continued)

1- Financial position items (continued)

2023	Vehicles	Medical	life	Fire and general insurance	Engineering	Other Insurance	Marine	Total
Insurance contracts assets	-	-	-	-	-	-	-	-
Reinsurance contracts assets	166,337	147,716	288,244	1,227,150	195,774	68,256	737,797	2,831,274
Accounts receivables	3,008,449	2,276,664	813,094	813,094	325,238	406,547	487,857	8,130,943
Financial assets	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	3,174,786	2,424,380	1,101,338	2,340,243	521,012	474,803	1,225,654	11,262,216
Insurance contracts liabilities	-	-	-	-	-	-	-	-
Reinsurance contracts liabilities	10,177,451	1,224,093	536,784	2,274,459	252,610	238,330	546,242	15,249,969
Accounts payable	1,202,352	1,239,926	60,118	300,588	30,059	150,294	22,544	3,005,881
Different provisions	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total liabilities	11,379,803	2,464,019	596,902	2,575,047	282,669	388,624	568,786	18,255,850

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47- Distribution Of The Financial Data According To Type Of Products (continued)

2- Income statement items

	2024										
	Vehicles	Medical	Life- group	Life- individual	Fire and general insurance	Engineering Insurance	other Insurance	Marine - open cover	Marine- goods	Travel	Total
Insurance contracts revenues	10,786,980	15,506,688	646,802	218,387	2,873,887	366,914	526,117	215,252	739,982	57,155	31,938,164
Insurance contracts expenses	(15,147,550)	(16,346,400)	(1,234,588)	(378,973)	(1,123,758)	(72,276)	(306,569)	(62,536)	(624,752)	(6,112)	(35,303,514)
Insurance contracts Operation results	(4,360,570)	(839,712)	(587,786)	(160,586)	1,750,129	294,638	219,548	152,716	115,230	51,043	(3,365,350)
Reinsurance contracts expenses	(592,915)	(4,325,286)	(225,775)	(7,756)	(2,837,101)	-	(259,229)	(177,419)	(600,715)	(14,859)	(9,041,055)
Reinsurance contracts revenues	48,037	4,784,204	642,173	132	573,654	-	150,373	65,090	527,980	-	6,791,643
Reinsurance contracts Operation results	(544,878)	458,918	416,398	(7,624)	(2,263,447)	-	(108,856)	(112,329)	(72,735)	(14,859)	(2,249,412)
Net insurance contracts results	(4,905,448)	(380,794)	(171,388)	(168,210)	(513,318)	294,638	110,692	40,387	42,495	36,184	(5,614,762)
Finance (expenses)/revenues- Insurance contracts	186	(11,807)	(22,376)	(2,157)	(158,446)	(19,238)	(12,204)	(97)	(15,387)	-	(241,525)
Finance (expenses)/revenues- Reinsurance contracts	20,811	9,440	10,428	-	174,286	-	5,527	95	18,857	-	239,444
Net insurance finance operations results	20,997	(2,367)	(11,948)	(2,157)	15,840	(19,238)	(6,677)	(2)	3,470	-	(2,081)

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47- Distribution Of The Financial Data According To Type Of Products (continued)

2- Income statement items (continued)

2023											
	Vehicles	Medical	Life- grouping	Life- individual	Fire and general insurance	Engineering Insurance	other Insurance	Marine - open cover	Marine- goods	Travel	Total
Insurance contracts revenues	12,209,193	7,550,041	1,013,101	329,893	2,533,416	332,179	580,315	382,698	688,428	71,947	25,691,211
Insurance contracts expenses	(12,729,807)	(7,344,286)	(848,462)	(247,072)	(864,555)	41,072	69,896	(25,578)	(171,061)	(52,070)	(22,171,923)
Insurance contracts Operation results	(520,614)	205,755	164,639	82,821	1,668,861	373,251	650,211	357,120	517,367	19,877	3,519,288
Reinsurance contracts expenses	(290,545)	(2,972,313)	(586,188)	(4,307)	(2,256,684)	(196,685)	(202,297)	(353,304)	(409,560)	(11,040)	(7,282,923)
Reinsurance contracts revenues	(546,475)	3,013,342	547,994	50	853,727	(75,483)	(127,777)	(28,283)	321,430	-	3,958,525
Reinsurance contracts Operation results	(837,020)	41,029	(38,194)	(4,257)	(1,402,957)	(272,168)	(330,074)	(381,587)	(88,130)	(11,040)	(3,324,398)
Net insurance contracts results	(1,357,634)	246,784	126,444	78,565	265,904	101,083	320,137	(24,467)	429,237	8,837	194,890
Finance (expenses)/revenues- Insurance contracts	116,450	(1,079)	15,257	3,178	31,841	(6,828)	(19,740)	(5,098)	7,710	-	141,691
Finance (expenses)/revenues- Reinsurance contracts	100,939	(3,427)	(8,395)	-	(32,354)	3,962	12,973	5,128	(7,457)	-	71,369
Net insurance finance operations results	217,389	(4,506)	6,862	3,178	(513)	(2,866)	(6,767)	30	253	-	213,060

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48- Written Premiums - Insurance Branch

	Vehicles - comprehensive		Vehicles - against third parties		Vehicles - complexes		Medical		life		Fire and general insurance		Engineering		Other insurance		Marine		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Written premiums																				
Direct premiums	10,012,966	9,757,867	-	6,334,395	-	476,174	13,357,486	7,697,485	623,427	1,230,361	1,967,432	2,914,473	286,190	409,923	538,278	600,281	886,604	858,629	27,672,383	23,469,023
Received installments	33,039	55,613	-	-	-	-	76,488	-	-	-	63,902	63,632	12,586	14,696	1,680	1,652	16,219	13,583	127,426	179,176
Total premiums																				
Written	10,046,005	9,813,480	-	6,334,395	-	476,174	13,330,110	7,697,485	623,427	1,230,361	2,031,334	2,978,105	298,776	424,619	539,958	601,933	902,823	872,212	27,799,809	23,648,199
Less:																				
Local reinsurer share	119,549	127,955	-	-	-	109,713	70,263	-	-	-	54,350	56,580	15,915	21,550	1,506	-	-	-	191,320	206,085
Foreign reinsurer share	521,113	-	-	-	-	-	2,238,241	3,125,655	187,763	590,495	1,970,662	2,557,093	267,619	183,798	255,907	224,982	810,402	767,853	8,332,294	7,449,880
Net premiums Written	9,405,343	9,715,525	-	6,334,395	-	366,461	21,004	4,571,830	435,664	639,866	6,302	364,432	15,242	219,271	282,545	376,951	92,421	104,359	19,276,195	15,992,234

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49- Amortization Of Acquisition Cost For Insurance Contract Assets

	Insurance contracts issued							
	Vehicles	Medical	life	Fire and general insurance	Engineering	Other insurance	Marine	Total
The number of years expected to amortize the acquisition costs of insurance contract assets	28,442	113,683	177,630	106,572	106,578	71,052	106,578	710,535
Total	28,442	113,683	177,630	106,572	106,578	71,052	106,578	710,535

Insurance contracts issued								
	Vehicles	Medical	Life	Fire and general insurance	Engineering	Other insurance	Marine	Total
The number of years expected to amortize the acquisition costs of insurance contract assets	91,669	162,965	254,633	101,853	152,780	101,853	152,780	1,018,533
Total	91,669	162,965	254,633	101,853	152,780	101,853	152,780	1,018,533

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50- Receivables Analysis

	2024			2023		
	Receivables	Expected credit losses provision	Net	Receivables	Expected credit losses provision	Net
Vehicles	3,788,420	1,032,200	2,756,220	4,860,794	651,801	4,208,993
Medical	2,370,662	649,215	1,721,447	2,924,905	392,211	2,532,694
Life	158,639	43,307	115,332	200,536	26,891	173,645
Fire and general	510,875	139,467	371,408	645,797	86,597	559,200
Engineering	242,455	66,189	176,266	306,488	41,098	265,390
The responsibility	166,179	45,366	120,813	210,067	28,169	181,898
Other insurance	191,051	52,156	138,895	241,508	32,385	209,123
	7,428,281	2,027,900	5,400,381	9,390,095	1,259,152	8,130,943