



شركة التأمين الإسلامية

المساهمة العامة المحدودة

إشارتنا : ت إ/ن/٩٥/٢٠٢٥
التاريخ : ٢٠٢٥/٠٣/١٦

To: Jordan Securities Commission

السادة / هيئة الأوراق المالية المحترمين

To: Amman Stock Exchange

السادة / بورصة عمان المحترمين

Subject:

Financial Statements as at
31/12/2024

الموضوع: البيانات المالية المنتهية في
٢٠٢٤/١٢/٣١

Attached the Financial Statements
of The Islamic Insurance Co. as at
31/12/2024.

The financial statements are
subject to the approval from the
Central Bank of Jordan

بالإشارة إلى الموضوع أعلاه ، يسرنا أن
نرفق طياً البيانات المالية كما هي
في ٣١ كانون الاول ٢٠٢٤ ، وفقاً
للمعيار الدولي لإعداد التقارير المالية رقم
(١٧) (باللغة الانجليزية) مراجعة من قبل
مدقق حسابات الشركة السادة المهنيون
العرب، حسب الأصول، وهي خاضعة
لموافقة البنك المركزي الاردني.

Kindly accept our highly
appreciation and respect

وتفضلوا بقبول فائق الاحترام،،،

The Islamic Insurance Co. Plc.

عن / شركة التأمين الإسلامية م.ع.م.

A. Al- Natsheh
First Deputy. G. Manager

عبد السميع النتشه
نائب المدير العام الأول

The Islamic Insurance Company
Public Shareholding Company
Amman - Jordan
Financial Statements
for the Year Ended 31 December 2024
Together with the Independent Auditor's Report

The Islamic Insurance Company
Public Shareholding Company

	<u>Page</u>
- Independent Auditor's Report	2-4
- Statement of Financial Position	5
- Statement of Financial Position (Policyholders)	6
- Statement of Financial Position (Shareholders)	7
- Statement of Profit or Loss (Policyholders)	8
- Statement of Profit or Loss (Shareholders)	9
- Statement of Profit or Loss (Policyholders) - Takaful	10
- Statement of Other Comprehensive Income (Policyholders)	11
- Statement of Changes in Shareholders' Equity	12
- Statement of Changes in Policyholders' Equity	13
- Statement of Cash Flows	14
- Notes to the Financial Statements	15-69



INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
The Islamic Insurance Company
Public Shareholding Company
Amman – Jordan

Opinion

We have audited the financial statements of **The Islamic Insurance Company (PLC)**, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss (Policyholders), statement of profit or loss (Shareholders), statement of comprehensive income (Shareholders), statement of changes in shareholders' equity, statement of changes in policyholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Islamic shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company and in accordance with Financial Accounting Standards for Islamic Financial Institutions as issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Insurance Contracts Liabilities

The accompanying financial statements, as at the end of the year 2024, include insurance contracts liabilities amounting to JOD (26,521,714). Measuring insurance contracts liabilities includes a degree of material judgment and is based on many assumptions and estimates and requires the adjustment for non-financial risks that the Company needs to take into account for uncertainty about the amount and timing of cash flows from non-financial risks while the company fulfils insurance contracts. In addition to estimating the present value of future cash flows, which is based on the best estimate of the ultimate cost of all incurred claims, but not yet settled at the reporting date, whether reported or not, along with related claims handling costs and the measurement of onerous contracts. Given the uncertainty inherent in the estimation process and the objectivity associated with measuring insurance contracts liabilities, ensuring the accurate measurement and completeness of insurance contract liabilities is considered one of the key audit matters to us. Our audit procedures regarding the measurement and completeness of insurance contract liabilities included an understanding, evaluating and testing the key controls related to claims processing and provisions recording procedures. We performed substantive tests on recorded amounts for a sample of reported and paid claims, including, comparing outstanding claims amounts with appropriate documentation and payments in subsequent periods. We assessed the completeness of the data used as inputs in the actuarial evaluations and tested the accuracy of the basic claims data used by the actuary appointed by the company's management in estimating the present value of future cash flows and the risk adjustment for non-financial risks by comparing them with other accounting records. We also evaluated the competence, capabilities, and objectivity of the actuary appointed by the company's management based on their professional qualifications and experience. We involved our internal actuarial specialists to assess the company's methods and assumptions and evaluate the company's actuarial practices and provisions





Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Islamic shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company and in accordance with Financial Accounting Standards for Islamic Financial Institutions as issued by the Accounting and Auditing Organization for Islamic Financial Institutions, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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


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

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 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 in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Islamic Insurance Company PLC as at 31 December 2024 maintains proper accounting records and the accompanying financial statements are in agreement therewith and with the financial data presented in the Board of Director's report, and we recommend the general assembly to approve it.

17 February 2025
Amman – Jordan


Arab Professionals
Ibrahim Hammoudeh
License No. (606)



The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of financial position as at 31 December 2024
(In Jordanian Dinar)

	Note	2024	2023
Assets			
Investments			
Bank deposits	3	26,729,151	25,030,041
Financial assets at fair value through profit or loss (Policyholders)	4	1,000,000	1,000,000
Financial assets at fair value through profit or loss (Shareholders)	4	3,000,000	3,000,000
Financial assets at fair value through other comprehensive income	5	8,803,967	8,885,671
Investment properties	6	380,034	388,055
Total Investments		39,913,152	38,303,767
Cash on hand and at banks	7	1,848,606	2,883,968
Insurance contract assets - net	8	-	-
Reinsurance contract assets - net	9	7,494,734	4,931,812
Property and equipment - net	11	2,301,261	2,123,016
Intangible assets - net	12	5,483	9,577
Other assets	13	545,149	77,468
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	20	-	-
Total Assets		52,108,385	48,329,608
Liabilities, Shareholders' Equity and Policyholders' Equity			
Liabilities			
Insurance contract liabilities	8	26,521,714	22,682,627
Reinsurance contract liabilities	9	62,326	23,891
Accounts payable	14	26,564	26,745
Income tax provision	10	489,126	730,680
Other provisions	15	1,228,433	1,061,846
Other liabilities	16	313,988	319,543
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	20	-	-
Total Liabilities		28,642,151	24,845,332
Policyholders' Equity			
Deficiency cover reserve (Emergency Provision)	17	7,106	490,102
Cumulative change in fair value	23	(166,866)	(146,440)
Non-demanded surplus	18	4,022	17,793
Accumulated surplus	19	-	-
Total Policyholders' Equity		(155,738)	361,455
Shareholders' Equity			
Paid-in capital	21	16,500,000	15,000,000
Statutory reserve	22	4,248,059	3,954,946
Voluntary reserve	22	5,916	1,505,916
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	20	-	-
Cumulative change in fair value	23	(500,598)	(439,320)
Retained earnings	24	3,368,595	3,101,279
Total Shareholders' Equity		23,621,972	23,122,821
Total Shareholders' and Policyholders' Equity		23,466,234	23,484,276
Total Liabilities, Policyholders' Equity and Shareholders' Equity		52,108,385	48,329,608

"The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report"

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of financial position (Policyholders) as at 31 December 2024
(In Jordanian Dinar)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Assets			
Investments			
Bank deposits	3	13,341,572	10,940,968
Financial assets at fair value through profit or loss (Policyholders)	4	1,000,000	1,000,000
Financial assets at fair value through other comprehensive income	5	2,198,952	2,219,378
Total Investments		16,540,524	14,160,346
Cash on hand and at banks	7	-	1,458,514
Insurance contract assets - net	8	-	-
Reinsurance contract assets - net	9	7,494,734	4,931,812
Other assets	13	354,833	-
Income tax provision	10	93,523	-
Amounts due from shareholders		3,240,783	2,746,079
Total Assets		27,724,397	23,296,751
Liabilities and Policyholders' Equity			
Liabilities			
Insurance contract liabilities	8	26,521,714	22,682,627
Reinsurance contract liabilities	9	62,326	23,891
Cash on hand and at banks (overdrawn accounts)	7	1,209,215	-
Income tax provision	10	-	146,997
Other liabilities	16	86,880	81,781
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	20	-	-
Total Liabilities		27,880,135	22,935,296
Policyholders' Equity			
Deficiency cover reserve (Emergency Provision)	17	7,106	490,102
Cumulative change in fair value	23	(166,866)	(146,440)
Non-demanded surplus	18	4,022	17,793
Accumulated surplus	19	-	-
Total Policyholders' Equity		(155,738)	361,455
Total Liabilities and Policyholders' Equity		27,724,397	23,296,751

"The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report"

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of financial position (Shareholders) as at 31 December 2024
(In Jordanian Dinar)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Assets			
Investments			
Bank deposits	3	13,387,579	14,089,073
Financial assets at fair value through profit or loss (Shareholders)	4	3,000,000	3,000,000
Financial assets at fair value through other comprehensive income	5	6,605,015	6,666,293
Investment properties	6	380,034	388,055
Total Investments		<u>23,372,628</u>	<u>24,143,421</u>
Cash on hand and at banks	7	3,057,821	1,425,454
Property and equipment - net	11	2,301,261	2,123,016
Intangible assets - net	12	5,483	9,577
Other assets	13	190,316	77,468
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	20	-	-
Total Assets		<u>28,927,509</u>	<u>27,778,936</u>
Liabilities and Shareholders' Equity			
Liabilities			
Accounts payable	14	26,564	26,745
Income tax provision	10	582,649	583,683
Other provisions	15	1,228,433	1,061,846
Other liabilities	16	227,108	237,762
Amounts due to policyholders		<u>3,240,783</u>	<u>2,746,079</u>
Total Liabilities		<u>5,305,537</u>	<u>4,656,115</u>
Shareholders' Equity			
Paid-in capital	21	16,500,000	15,000,000
Statutory reserve	22	4,248,059	3,954,946
Voluntary reserve	22	5,916	1,505,916
Al Qard Al Hasan granted by shareholders to cover policyholders' deficit	20	-	-
Cumulative change in fair value	23	(500,598)	(439,320)
Retained earnings	24	3,368,595	3,101,279
Total Shareholders' Equity		<u>23,621,972</u>	<u>23,122,821</u>
Total Liabilities and Shareholders' Equity		<u>28,927,509</u>	<u>27,778,936</u>

"The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report"

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of profit or loss (policyholders) for the year ended 31 December 2024
(In Jordanian Dinar)

	Note	2024	2023
Revenues			
Insurance contracts revenues	26	37,340,289	34,467,656
Insurance contracts expenses	27	(32,304,231)	(30,249,708)
Insurance contract service results		5,036,058	4,217,948
Reinsurance contracts held expenses	28	(13,396,708)	(12,401,010)
Reinsurance contracts held revenues	29	9,325,009	10,280,105
Reinsurance contracts service results		(4,071,699)	(2,120,905)
Net insurance contract service results		964,359	2,097,043
Finance (expenses) revenues from insurance contracts	30	(464,438)	(540,329)
Finance revenues (expenses) from reinsurance contracts	31	282,459	207,820
Net insurance financing results		(181,979)	(332,509)
Net insurance contracts service and financing results		782,380	1,764,534
Policyholders' share of investment returns	32	937,078	447,946
Policyholders' share of net profits from financial assets and investments	33	97,005	94,932
Less : Shareholders' share against managing the investment portfolio	34	(258,521)	(135,720)
Total revenues		1,557,942	2,171,692
Shareholders' share against takaful operation management (not-allocated)	34	(2,030,591)	(2,150,493)
Provision for expected credit losses (cheques under collection)		-	(367)
Provision for expected credit losses (deposits)		(10,347)	5,782
Total expenses		(2,040,938)	(2,145,078)
Policyholders' (deficit) surplus before income tax		(482,996)	26,614
Income tax provision	10	-	(183,977)
Policyholders' (deficit) after income tax		(482,996)	(157,363)

"The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report"

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of profit or loss (Shareholders) for the year ended 31 December 2024
(In Jordanian Dinar)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Revenues			
Shareholders' share against takaful operation management	34	6,372,583	6,393,527
Shareholders' share against managing the investment portfolio	34	258,521	135,720
Shareholders' share of investment returns	32	974,198	744,765
Shareholders' share of net profits from financial assets and investments	33	324,879	318,569
Other revenues		-	-
Total revenues		<u>7,930,181</u>	<u>7,592,581</u>
Employees expenses	35	3,507,552	3,387,846
Al Qard Al Hasan granted to policyholders expense	20	-	-
Administrative and general expenses	37	865,702	819,592
Other expenses	38	55,000	55,000
Other provisions	39	441,907	532,133
Depreciation & amortization		188,874	266,078
Unneeded provision for expected credit losses (deposits)		(4,980)	(17,429)
Total expenses		<u>5,054,055</u>	<u>5,043,220</u>
Profit for the year before income tax		2,876,126	2,549,361
Income tax expense for the year	10	(815,697)	(806,928)
Profit for the year		<u>2,060,429</u>	<u>1,742,433</u>
Earnings per Share	40	<u>0.125</u>	<u>0.106</u>

"The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report"

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of profit or loss (Policyholders) - Takaful
for the year ended 31 December 2024

(In Jordanian Dinar)

	Note	2024	2023
Revenues			
Insurance contracts revenues	26	11,756,487	10,625,921
Insurance contracts expenses	27	(4,148,224)	(5,871,829)
Insurance contract service results		7,608,263	4,754,092
Reinsurance contracts held expenses	28	(5,389,429)	(5,169,170)
Reinsurance contracts held revenues	29	2,463,721	3,787,833
Reinsurance contracts service results		(2,925,708)	(1,381,337)
Net insurance contract service results		4,682,555	3,372,755
Finance (expenses) from insurance contracts	30	(157,799)	(135,662)
Finance revenues from reinsurance contracts	31	92,379	81,376
Net insurance financing results		(65,420)	(54,286)
Policyholders' share of investment returns	32	421,685	138,096
Policyholders' share of net profits from financial assets and investments	33	43,652	18,381
Less : Shareholders' share against managing the investment portfolio	34	(116,333)	(39,118)
Total revenues		4,966,139	3,435,827
Shareholders' share against takaful operation management (not-allocated)	34	(1,487,697)	(1,477,965)
Provision for expected credit losses (cheques under collection)		-	-
Provision for expected credit losses (deposits)		(4,656)	1,783
Total expenses		(1,492,353)	(1,476,182)
Policyholders' surplus before income tax		3,473,786	1,959,645
Income tax provision	10	-	(165,002)
Policyholders' surplus after income tax		3,473,786	1,794,643

"The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report"

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of other comprehensive income (Shareholders) for the year ended 31 December 2024
(In Jordanian Dinar)

	<u>2024</u>	<u>2023</u>
Profit for the year	2,060,429	1,742,433
Other comprehensive income items:		
Shareholders' share from change in fair value	<u>(61,278)</u>	<u>(396,358)</u>
Total comprehensive income for the year	<u>1,999,151</u>	<u>1,346,075</u>

“The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report”

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of changes in shareholders' equity for the year ended 31 December 2024
(In Jordanian Dinar)

	Paid-in Capital	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Retained Earnings	Total Shareholders' Equity
Balance at 1 January 2024	15,000,000	3,954,946	1,505,916	(439,320)	3,101,279	23,122,821
Profit for the year	-	-	-	-	2,060,429	2,060,429
Shareholders' share from change in fair value	-	-	-	(61,278)	-	(61,278)
Transfer to reserves	-	293,113	-	-	(293,113)	-
Transfer from the voluntary reserve to increase capital	1,500,000	-	(1,500,000)	-	-	-
Paid dividends	-	-	-	-	(1,500,000)	(1,500,000)
Balance at 31 December 2024	16,500,000	4,248,059	5,916	(500,598)	3,368,595	23,621,972
Balance at 1 January 2023	15,000,000	3,694,510	1,245,480	(42,962)	3,079,718	22,976,746
Profit for the year	-	-	-	-	1,742,433	1,742,433
Shareholders' share from change in fair value	-	-	-	(396,358)	-	(396,358)
Transfer to reserves	-	260,436	260,436	-	(520,872)	-
Paid dividends	-	-	-	-	(1,200,000)	(1,200,000)
Balance at 31 December 2023	15,000,000	3,954,946	1,505,916	(439,320)	3,101,279	23,122,821

"The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report"

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of changes in policyholders' equity for the year ended 31 December 2024
(In Jordanian Dinar)

	Deficiency Cover Reserve (Emergency Provision)*	Cumulative Change in Fair Value	Non- Demanded Surplus	Accumulated Surplus (Deficit)	Total Policyholders' Equity
Balance at 1 January 2024	490,102	(146,440)	17,793	-	361,455
Policyholders' deficit for the year	-	-	-	(482,996)	(482,996)
Transferred from deficiency cover reserve to cover the deficit	(482,996)	-	-	482,996	-
Policyholders' share from change in fair value of financial assets through other comprehensive income	-	(20,426)	-	-	(20,426)
Change in non-demanded surplus	-	-	(13,771)	-	(13,771)
Balance at 31 December 2024	7,106	(166,866)	4,022	-	(155,738)
Balance at 1 January 2023	580,515	(14,321)	56,180	66,950	689,324
Policyholders' deficit for the year	-	-	-	(157,363)	(157,363)
Transferred from deficiency cover reserve to cover the deficit	(90,413)	-	-	90,413	-
Policyholder' share from change in fair value of financial assets through other comprehensive income	-	(132,119)	-	-	(132,119)
Change in non-demanded surplus	-	-	(38,387)	-	(38,387)
Balance at 31 December 2023	490,102	(146,440)	17,793	-	361,455

*The deficiency coverage reserve is calculated at a rate of 20% from both of the Policyholders' surplus for the period and the Policyholder's share from profit of sale of financial assets at fair value through other comprehensive income.

"The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report"

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Statement of cash flows for the year ended as at 31 December 2024
(In Jordanian Dinar)

	Note	2024	2023
Cash Flows from Operating Activities			
Profit for the year before income tax		2,393,130	2,575,975
Adjustments			
Depreciation & amortization		188,874	266,078
Provision against end of service indemnity		56,048	45,534
Unallocated loss adjustment expense (ULAE)		111,934	132,133
Provision for expected credit losses (cheques under collection)		-	367
Provision for expected credit losses (deposits)		6,179	(18,592)
Cash flows from operating activities before changes in working capital items		2,756,165	3,001,495
Insurance contract assets –Net		-	-
Reinsurance contract assets –Net		(2,562,922)	1,921,592
Other assets		(467,681)	219,017
Insurance contract liabilities		3,839,087	2,346,058
Reinsurance contract liabilities		38,435	23,891
Accounts payable		(181)	12,690
Other provisions		(1,395)	12,150
Other liabilities		(5,555)	(57,956)
Non-demanded surplus		(13,771)	(38,387)
Net cash flows from operating activities before paid income tax		3,582,182	7,440,550
Income tax paid		(1,057,251)	(769,992)
Net cash flows from operating activities		2,524,931	6,670,559
Cash Flows from Investing Activities			
Bank deposits		(3,096,174)	(1,709,904)
Purchase of financial assets at fair value through other comprehensive income		-	(8,150)
Sale of financial assets at fair value through other comprehensive income		-	-
Purchase of property and equipment		(351,504)	(398,004)
Sale of property and equipment		-	-
Purchase of intangible assets		(3,500)	(138,717)
Sale of financial assets at amortized cost		-	747,000
Net cash flows used in investing activities		(3,451,178)	(1,507,775)
Cash Flows from Financing Activities			
Paid dividends		(1,500,000)	(1,200,000)
Net cash flows used in financing activities		(1,500,000)	(1,200,000)
Net (decrease) increase in cash and cash equivalents		(2,426,247)	3,962,784
Cash and cash equivalents, beginning of year		5,289,898	1,327,114
Cash and cash equivalents, end of year	41	2,863,651	5,289,898

“The attached notes from (1) to (57) are an integral part of these financial statements and should be read with external auditor's report”

The Islamic Insurance Company
Public Shareholding Company
Amman-Jordan
Notes to the financial statements
31 December 2024

1. General

The **Islamic Insurance Company** (the "Company") was established on 1996 and registered as a public shareholding company under No. (306). The authorized and paid in capital is JD 16,500,000 divided into 16,500,000 shares at JD 1 per share.

The Company engages in several Insurance activities that complies with Islamic regulation including, motor, marine transportation risk, fire insurance, comprehensive householder insurance, engineering and contactor's plant and equipment insurance, miscellaneous insurance, workers compensation insurance, liability insurance, glass plate insurance, personal accidents, medical, and social takaful insurance (Life), and all investment business with means free of usury any illegitimate, and with accordance with Sharia' Islamic principles and Central Bank of Jordan regulations.

The accompanying financial statements were approved by the Board of Directors' in their meeting held on 12 February 2025, and its subject to General Assemble approval

2.1 Basis of Preparation

The financial statements were prepared in accordance with Financial Accounting standards for Islamic Financial Institutions issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and in accordance with templates set by Central Bank of Jordan - Insurance Supervision Department. In the absence of Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions relating to financial statements items, the International Financial Reporting Standards and related interpretations are applied in conformity with the Shari'a standards, pending the promulgation of Islamic Standards therefor.

The financial statements have been prepared on a historical cost basis except for financial assets at fair value.

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

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

The preparation of financial statements requires the use of important and specific accounting estimates, and it also requires management to use its own estimates in the process of applying the company's accounting policies.

2.2 Changes in accounting policies

1. The following amendments to standards have been published that are mandatory for accounting periods beginning on or after 1 January 2024.

New IFRS and amendments	Effective Date
These amendments clarify that liabilities are classified as either 'current' or 'non-current' based on the rights available at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date (such as receiving a waiver or a breach of financial covenants). The amendments also explain what is meant by settlement of a liability (Amendments to International Accounting Standard No (1) / Presentation of Financial Statements).	1 January 2024
These amendments require the seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not recognize any gain or loss related to the retained right of use. (Amendments to International Financial Reporting Standard No (16) / Leases).	1 January 2024
These amendments require disclosures to clarify the transparency of supplier finance arrangements and also their impact on the Company's liabilities, cash flows and the Company's exposure to liquidity risks. (Amendments to International Accounting Standard No (7) / Statement of Cash Flows).	1 January 2024

The adoption of these amendments has no material impact on the financial statements of the Company for the current and past year

2. New standards, interpretations and amendments not yet effective.

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued both Financial Accounting Standard No. (42) relating to presentation and disclosure in the financial statements of Takaful institutions, and Financial Accounting Standard No. (43) relating to Accounting for Takaful (Recognition and Measurement) applicable to the fiscal years on or after 1 January 2025.

2.3 Use of Estimates

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

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

A) Expected credit losses

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

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

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

B) Impairment in the value of financial assets.

The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the consolidated statement of profit or loss.

C) Income tax

The financial year is charged with its related income tax in accordance with regulations.

1) Accrued income tax

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

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

2) Deferred taxes

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

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

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

D) Property & equipment

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

E) The present value of future cash flows

Cash flows are defined as all expected receipts and payments within the boundaries of an insurance or reinsurance contract, after adjusting them to reflect the timing and uncertainty of those amounts. This adjustment is based on actuarial assumptions and the company's experience in managing its portfolio of insurance or reinsurance contracts.

Future cash flows are recognized at their present value, and this section provides an overview of items likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, along with information about the accounting basis for each affected item in the financial statements.

When applying the measurement requirements according to International Financial Reporting Standard (IFRS) 17, the following inputs and methods were used, which involve significant estimates. The present value of future cash flows is estimated using deterministic scenarios, and the assumptions used in these deterministic scenarios are derived to approximate the weighted average probability for a complete set of scenarios.

E.1) Discount rates

The bottom-up approach was used to derive the discount rate for cash flows that do not vary with the underlying items' returns in participating contracts (except for investment contracts without discretionary participation features (DPF) that fall outside the scope of IFRS 17). Under this approach, the discount rate is determined as the risk-free rate adjusted for the differences in liquidity characteristics between the financial assets used to derive the risk-free rate and the related cash flows (known as the illiquidity premium). The risk-free rate was derived using available market swap rates in the currency of the insurance contract being measured or an equivalent currency, adjusted for currency basis spreads.

In the absence of a market for Jordanian government bonds, discount rates are determined based on the risk-free discount rate (EIOPA rate) in US dollars plus 1%. The additional 1% is assumed to compensate for the fact that the Jordanian dinar is pegged to the US dollar, and interest rates on the dinar are always higher to maintain its attractiveness. Additionally, although Jordanian government bonds are not publicly traded, their yields at issuance are published by the Central Bank of Jordan. Accordingly, we have reviewed these yields against the risk-free rate in US dollars and confirmed the reasonableness of the additional 1%.

E.2) Estimations of future cash flows to fulfill insurance contracts.

The measurement of each group of contracts within the scope of International Financial Reporting Standard 17 includes all future cash flows within the boundaries of each contract group. The estimation of these future cash flows is based on the expected and probabilistic future cash flows. The company estimates the expected cash flows and their likelihood of occurrence on the measurement date. In formulating these expectations, the company uses information about past events, current conditions, and future condition expectations. The company's estimation of future cash flows represents an average of a range of scenarios that reflect the full spectrum of possible outcomes. Each scenario specifies the amount, timing, and probability of future cash flows. The weighted average of the estimated future cash flows is calculated using a deterministic scenario that represents the expected average probability of a set of scenarios.

When establishing assumptions related to estimating cash flows for groups of insurance contracts, the company takes into consideration factors such as underlying risks, aggregation level, the likelihood of contract settlement before the end of the coverage period, and other expected practices of insurance contract holders. Additionally, the company considers other factors that could impact the estimates and sources of information for these factors.

When estimating cash flows related to expenses at the portfolio or higher level, they are allocated to groups of contracts using systematic approaches such as the direct cost method. The Islamic insurance company has determined that this method leads to a systematic and rational allocation, where similar methods are consistently applied to allocate expenses of a similar nature. Typically, cash flows for acquisition costs of contract groups are allocated based on the total written contributions.

E.3) Financing revenues (expenses) - Insurance and reinsurance contracts

Insurance financing revenues or expenses include the change in carrying amount of the portfolio of insurance contracts arising from:

1. The effect of the time value of money and changes in the time value of money.
2. The impact of financial risks and changes in financial risks.

For contracts measured under the Premium Allocation Approach (PAA), the main amounts within the revenues or expenses of insurance finance are:

1. The accumulated profits on the liability for incurred claims.
2. The impact of changes in profit rates and other financial assumptions.

The company classifies changes in the risk adjustment for non-financial risks within the insurance service result and as revenues or expenses of insurance financing.

For contracts measured under the Premium Allocation Approach (PAA), the company includes all insurance financing revenues or expenses for the period in the statement of profit or loss (That is, the profit or loss option is applied).

F) Adjustments for non-financial risk

Represents an amount against the uncertainty of the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the company's experience in managing the portfolio of insurance/reinsurance contracts held.

The non-financial risk adjustment is applied to the present value of estimated future cash flows and reflects the compensation required by the company to bear the uncertainty regarding the amount and timing of cash flows arising from non-financial risks as the company executes insurance contracts. For reinsurance contracts retained, the non-financial risk adjustment represents the amount of risk transferred from the company to the reinsurer.

The Company calculate the non-financial risk adjustments based on the Value-at-Risk assumption at 75% confidence level.

G) Non-insurance components

Insurance contracts are contracts through which the company accepts significant insurance risks from policyholders by agreeing to compensate the policyholder if there is an uncertain future event that negatively impacts the policyholder. When conducting this assessment, all substantive rights and obligations are considered, including those arising from laws or regulations, on a contract-by-contract basis. The company exercises judgment to evaluate whether the contract transfers insurance risks (i.e., whether there is a scenario with a commercial substance in which the company has the potential for loss based on present value) and whether the accepted insurance risks are significant.

The company issues insurance policies for various types of coverage, including motor, marine transportation risk, fire insurance, comprehensive householder insurance, engineering and contractor's plant and equipment insurance, miscellaneous insurance, workers compensation insurance, liability insurance, glass plate insurance, personal accidents, medical, and social takaful insurance (Life). All of these falls within the definition of insurance contracts and insurance risks. The company does not engage in issuing savings, investment, or participatory policies.

Contracts that have a legal form of insurance but do not involve significant insurance risks and expose the company to financial risks are classified as investment contracts. These contracts are accounted for under the International Financial Reporting Standard 9 (IFRS 9) as financial instruments. It's important to note that the company does not issue any investment-linked or savings-related insurance contracts.

The company defines an insurance contract that exhibits characteristics of direct participation as a contract that meets the following criteria at its inception:

- The contractual terms specify that the policyholders will participate in a clearly defined portion of a specific pool of key elements.
- The company expects to pay the policyholder an amount equal to a significant portion of the fair value returns on the underlying assets.
- The company anticipates that a substantial proportion of any change in the amounts to be paid to the policyholder will vary with the changes in the fair value of the underlying assets.

All other insurance contracts issued by the company are without direct participation features.

In the normal course of business, the company uses reinsurance to mitigate its exposure to risks. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risks related to the underlying contracts, even if the reinsurer does not have a significant exposure to the possibility of a large loss.

All references to insurance contracts in these financial statements apply to both issued insurance contracts and held reinsurance contracts, unless specifically stated otherwise.

Significant Accounting Policies

A) Business Segments

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

The geographic sector relates to providing products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

B) Definition of insurance contract

The contract under which an insurance company accepts significant insurance risks from the policyholder. By agreeing to compensate the contract holder in the event of a specific and uncertain future occurrence (the insured event), which adversely impacts the contract holder. The company recognizes a group of insurance contracts at the following timings, whichever is earlier.

- The start of the coverage period for the group of contracts.
- From the date of the first payment due from any contract holder in the group.
- From the date when the facts and circumstances indicate that the group to which an insurance contract will belong is onerous, for group of onerous contracts.

The company does not issue contracts containing the direct participation feature, and all insurance contracts issued by the company are classified as insurance contracts and do not contain any non-insurance components.

C) Reinsurance contracts held

It is an insurance contract issued by a reinsurer to compensate an insurance company for claims arising from one or more of its issued insurance contracts (the underlying contracts).

Reinsurance contracts held are recognized:

- If the reinsurance contracts held are proportionate to a group of insurance contracts, the reinsurance contracts held are recognized at the beginning of the coverage period for this group of contracts, or upon the initial recognition of any underlying contract, whichever comes first.
- From the beginning of the coverage period for the group of reinsurance contracts held.

D) Initial recognition of insurance contracts / general approach / variable fee.

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

- 1) The cash flows for fulfilling the contracts, which include:
 - Estimates of future cash flows.
 - Adjustments for the time value of money and financial risks associated with future cash flows, to the extent that these financial risks are not included in the estimates of future cash flows (discount rates).
 - Adjustments for non-financial risks.
- 2) Contractual service margin.

E) Subsequent measurement of insurance contracts / general approach / variable fee.

At initial recognition, the company records the book value of the liability, which includes the following:

- 1) The liability for the remaining coverage, which includes the net present value of cash inflows and outflows (after applying the discount rate), adjusted for non-financial risks and contractual service margin.
- 2) The liability for incurred claims, which is calculated based on the best estimate of future cash flows for settling the claims, adjusted for non-financial risks, and considering the application of the discount rate to claims expected to be settled beyond one year.

F) Initial recognition of insurance contracts / premium allocation approach.

At initial recognition, the company records the book value of the liability, which includes the following:

- 1) The received insurance premiums at initial recognition.
- 2) Deducting any costs paid for the acquisition of insurance contracts on that date.
- 3) Adding any amounts relating to the amortization of insurance acquisition cash flows recognized as an expense in the reporting period.

G) Subsequent measurement of insurance contracts / premium allocation approach.

- 1) At the end of each subsequent period, the company confirms the book value of the liability, considering the following adjustments to the balance of the liability:
 - a) Add the insurance premiums received for the period,
 - b) Subtract cash flows for acquisitions of insurance contracts,
 - c) Add any amounts related to the amortization of cash flows to acquire established insurance contracts as an expense
 - d) Adding any incidental adjustment on the financing component.
 - e) Deducting the amount recognized as insurance revenue for services provided in that period.
 - f) Deduct any paid investment component transferred to incurred claims.

- 2) Liabilities for claims incurred, which are calculated according to the best estimate of future cash flows to settle claims plus adjustments for non-financial risks, considering the application of the discount rate to claims.

The company conducted an eligibility test (PAA Eligibility Test) for groups of insurance contracts and reinsurance contracts with coverage periods exceeding one year, and all groups passed the eligibility test (PAA Eligibility Test), as it was found that there are no fundamental differences between the Liabilities for remaining coverage (LRC) and/or Assets for remaining coverage (ARC) when applying the premium allocation approach and the general measurement approach. Therefore, the company decided to measure these portfolios using the premium allocation approach. Note that the level of relative importance for the financial statements used is (3%) of net equity, and the relative importance limit for each group tested is (33%) of the relative importance limit at the company level (i.e. 1% of net equity).

H) Modification of insurance contracts

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

I) Derecognition of insurance contracts

The company derecognizes insurance contracts in the following cases:

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

J) Onerous Insurance contracts (PAA)

The company recognizes insurance contracts as onerous contracts if, at the initial recognition date, the contract is expected to incur a loss. The loss component is measured if the expected cash flows to fulfill the contract's obligations or the group of contracts exceed the expected cash inflows from that contract or group of contracts. The loss is recognized immediately in the statement of profit and loss (Policyholders) in insurance contract expenses. The loss component is measured on a gross basis but can be mitigated by the loss recovery component if the contracts are covered by reinsurance contracts.

K) Liability for the remaining coverage

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

L) **Liability for incurred claims.**

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

M) **Contractual service margin.**

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

N) **A summary of measurement approaches.**

1) Islamic insurance company classify insurance contracts according to the following:

The portfolio (Level 1)	Contract classification	Measurement approach.
Own damage insurance	Insurance contracts	PAA
Compulsory insurance	Insurance contracts	PAA
Buses & borders	Insurance contracts	PAA
Marine insurance	Insurance contracts	GMM eligible to PAA
Fire insurance	Insurance contracts	PAA
Engineering insurance – short term	Insurance contracts	PAA
Engineering insurance – long term	Insurance contracts	GMM eligible to PAA
General insurance (Liability, Accidents, and Others)	Insurance contracts	PAA
Medical insurance (Group and Individual)	Insurance contracts	PAA
Takaful (Life) insurance - Group	Insurance contracts	PAA
Takaful (Life) insurance - Individual	Insurance contracts	GMM eligible to PAA

The company conducted an eligibility test (PAA) for groups of insurance contracts with coverage periods exceeding one year. All groups passed the eligibility test, showing no significant differences between the liabilities of the remaining coverage contracts and the remaining coverage assets under the premium allocation approach and the general measurement approach. Therefore, the company decided to measure these portfolios using the premium allocation approach

2) Islamic insurance company classify reinsurance contracts held according to the following:

The portfolio (Level 1)	Measurement approach.
Motors Insurance (Proportional treaty)	GMM eligible to PAA
Motors Insurance (Non-proportional treaty)	PAA
Motors Insurance (Borders & Buses)	PAA
Marine Insurance (Proportional treaty)	GMM eligible to PAA
Marine Insurance (Facultative)	GMM eligible to PAA
Marine Insurance (Non-proportional treaty)	PAA
Fire Insurance (Proportional treaty)	GMM eligible to PAA
Fire Insurance (Facultative)	GMM eligible to PAA
Fire Insurance (Non-proportional treaty)	PAA
General Insurance (Proportional treaty)	GMM eligible to PAA
General Insurance (Facultative)	GMM eligible to PAA
Engineering Insurance (Proportional treaty)	GMM eligible to PAA
Engineering Insurance (Facultative)	GMM eligible to PAA
Medical Insurance (Proportional treaty)	GMM eligible to PAA
Takaful Insurance (Proportional treaty)	GMM eligible to PAA
Takaful Insurance (Facultative)	GMM eligible to PAA
Takaful Insurance (Non-proportional treaty)	PAA

The company conducted an eligibility test (PAA) for groups of insurance contracts with coverage periods exceeding one year. All groups passed the eligibility test, showing no significant differences between the liabilities of the remaining coverage contracts and the remaining coverage assets under the premium allocation approach and the general measurement approach. Therefore, the company decided to measure these portfolios using the premium allocation approach.

O) Aggregation level.

The company classify groups of insurance contracts and reinsurance contracts according to the following:

The company manages insurance contracts issued by insurance departments within the operational sector. Each insurance management handles contracts subject to similar risks, all insurance contracts within an insurance management represent a group of contracts. Similarly, each portfolio is classified into groups of contracts issued within a fiscal year (annual groups), (a) onerous (loss-making) contracts upon initial recognition, (b) contracts that have a significant possibility of becoming onerous (loss-making) at a later time upon initial recognition, or (c) a group of remaining contracts. These groups represent the aggregation level at which recognition and measurement of insurance contracts occur at the outset. These distinctions are not subsequently reconsidered.

For each portfolio of contracts, the company determines the appropriate level for which it has reasonable and supportable information to assess whether these contracts are onerous (loss-making) upon initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of accuracy determines the groups of contracts. The company uses an estimation approach to determine the level of accuracy for which it possesses reasonable and supportable information sufficient to conclude that all contracts within a homogenous group will be adequately allocated to the same group without performing individual assessments of contracts.

For underwriting management of the life insurance risk, contract groups typically align with policyholder groups that the company has determined to have similar insurance risks and are priced within the same insurance rate ranges. The company monitors the profitability of contracts within the portfolios, the likelihood of changes in insurance and financial exposure, and other factors that could lead these contracts to become onerous within these pricing groups, without information available at a more granular level.

Contracts issued within the participating insurance management are always priced with high expected profit margins. Therefore, these contracts are allocated to groups of contracts that have a low possibility of becoming onerous (loss-making) as is the case upon initial recognition.

Compulsory motor insurance contracts which are underwritten through the Unified Compulsory Insurance Bureau have been included in one group of contracts and classified as having a significant possibility of becoming onerous (loss-making) prior to acquisition.

For other motor vehicle contracts that are measured using the retrospective accounting approach, the company assumes that no contracts of this nature are onerous (loss-making) upon initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish between onerous and non-onerous contracts (not likely to become loss-making).

For non-onerous contracts, the entity evaluates the likelihood of changes in facts and circumstances occurring in subsequent periods to determine whether the contracts have a significant possibility of becoming onerous. Similar to life insurance contracts, this assessment is conducted at the policyholder group pricing level.

The evaluation of portfolios of reinsurance contracts held is conducted separately from portfolios of issued insurance contracts, applying the company's requirements to reinsurance contracts. The company aggregates reinsurance contracts entered into during a fiscal year (annual groups) into groups of (a) contracts that have a positive net profit upon initial recognition, if any; (b) contracts that do not have a significant possibility of future net profit upon initial recognition; and (c) the remaining contracts in the portfolio, if any.

The evaluation of reinsurance contracts held is performed for aggregation purposes on an individual contract basis. The company tracks internal management information reflecting historical experience of these contracts' performance and utilizes this information to determine the pricing of these contracts in a manner that positions the reinsurance contracts held at a net cost position with little likelihood of future net profit arising later.

P) Profitability level

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

- Contracts that have no likelihood of becoming onerous at initial recognition.
- Contracts that are onerous.
- Other contracts.

Q) Financial assets

Financial assets at amortized cost

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

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

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

Financial Assets at Fair Value through Profit or Loss

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

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

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

Reclassification

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

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

Financial Assets at Fair Value through Other Comprehensive Income

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

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

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

These assets are not subject to impairment testing.

Dividends are recorded in the consolidated statement of profit or loss on a separate line item.

Q) Investment properties

Property held to earn rentals or for capital appreciation purposes as well as those held for undetermined future use are classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment losses (except for lands), these investments are depreciated over their useful life at a rate of 2%, and any decrease in their value is recorded in statement of profit or loss.

The cost of constructed property includes the cost of material and any other costs directly attributed to bringing the property to a working condition for its intended use.

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

R) Property and equipment

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

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis at annual depreciation rates:

Buildings	2%
Fixture & Furniture	20%
Computers	35%
Vehicles	15%

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

S) Intangible assets

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

Intangible assets with finite live are amortized over the useful economic lives, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired.

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

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

Intangible assets include computer software and software licenses. These intangible assets are amortized on a straight-line basis over their estimated economic useful.

T) Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated financial statement at cost. For the purposes of the consolidated statement of cash flow, cash and cash equivalents comprise cash on hand and at banks, deposits with maturities less than three months, less restricted funds.

U) Offsetting

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

V) Recognition of financial assets

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

W) Fair value

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

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

- Comparing them to the current market value of a similar financial instrument to a large extent.
- Analyzing the future cash flows and discounting the expected cash flows using a rate employed in a similar financial instrument.
- Option pricing models.

The valuation methods aim to obtain a fair value that reflects market expectations and takes into consideration market factors, as well as any anticipated risks or benefits when estimating the value of financial instruments. In cases where it is not feasible to measure their fair value using a reliable method, they are presented at cost, after any impairment in value has been recognized.

X) Financial liabilities

The company classifies financial liabilities based on the purpose for which the obligation was incurred. The accounting policy for financial liabilities is as follows:

- Payables and reinsurance contracts liability.
Payables and reinsurance contracts liability are initially recognized at fair value, subsequently measured at amortized cost using the effective interest rate method.
- Credit facilities
They are initially recognized at fair value net of costs associated with obtaining the facilities, Subsequently, these liabilities are measured at amortized cost using the effective murabha method. The finance cost includes the initial expenses, the premium paid upon settlement, and the murabha that accrues during the term of the obligation.

Y) Insurance Contract Liabilities

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

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

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

- **Allowance for doubtful debts and expected credit loss**

The allowance for doubtful debts and expected credit losses provision are booked when there is objective evidence that the company will not be able to collect all or part of the due amounts, and calculated based on the difference between book value of and recoverable amount.

Taking into consideration that 100% from insurance company receivables have been taken, as its margin compliance less than 100%

- Provision for end of service indemnity

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

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

Z) Foreign currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Translation differences for items of non-monetary assets and liabilities denominated in foreign currencies are recorded as part of the change in fair value and translated at the date of fair value determination. Foreign exchange gains or losses are reflected in the statement of profit or loss.

AA) Revenue recognition

A. Dividend and Deposits revenue

The Dividends revenues are realized when the shareholder has the right to receive the payment once declared by the General Assembly of Shareholders.

Deposits revenues are recorded when it booked by bank.

B. Rent revenues

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

BB) Insurance acquisition cost

Insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. The Company has elected to capitalize and amortize these costs over the coverage period.

CC) Insurance contract expenses (Shareholders' share against Takaful Operation Management - distributed)

The company allocate directly attributable employee expenditures, General & Administrative expenses related to insurance contracts to the insurance portfolios, incorporating them into the calculation of contract profitability while, the company allocate indirectly attributable employee expenditures, General & Administrative expenses not related to insurance contracts based on the total insurance contributions written by the insurance portfolios as an approved cost center for distribution.

DD) Deficiency cover reserve (Emergency provision)

20% of all policyholders' surplus and policyholders' gain from sale of financial assets at fair value through other comprehensive income recognized during the period are transferred to the contingencies provision to cover the deficits in future financial periods, and only if no accumulated deficit was present at date of the transfer. The reserve is not distributable to policyholders' and must not exceed total technical provisions.

In case of liquidation, the Deficiency coverage reserve (Emergency provision) is distributed to charity after the settlement of any outstanding non-profitable loans if present.

EE) Basis for determining the insurance surplus

Insurance surplus is the excess of the total contributions collected, investment income from these contributions and any other income after deducting claims paid, technical, reserves shareholders share for management of Takaful operations and investments, and policyholder's fund expense.

Different lines of business are treated as a single unit when computing the insurance surplus.

FF) Basis for Distributing the insurance surplus

The insurance surplus is limited to the policyholders and can only allocated to them. Shareholders do not have the right in the surplus.

The insurance surplus is distributed among policyholders in proportion to their respective contribution percentage without distinguishing between those who for insurance claims and those who have not during the fiscal year.

The Company retains any un-distributed amount not claimed by the policyholders' in. a separate account presented within the policyholders' fund to be later transferred to the reserve to cover deficit (Emergency Allowance) after acquiring the approval of the Sharia' Supervisory Committee.

In case of liquidation, the insurance surplus for the period is allocated to policyholders while any undistributed and unclaimed surplus of prior periods (if any) will be distributed to charity after the settlement of any outstanding non-profitable loan.

GG) Methods of covering policyholders' fund deficit

In case of deficit or accumulated deficit in the policyholders' current account, the deficit is covered by the Emergency Allowance In case of the shortage in the Emergency Allowance the shareholders will grant the policyholders a non-profitable loan to cover all the shortage, and then company create full allowance against this loan.

HH) Non-compliant Sharia' transactions

The Company is committed to comply with Sharia' in its operations and to disclose any income or gains from the transactions inconsistent with Sharia'.

Any revenues and gains non-compliant with sharia' are recorded in separate account which is presented in the financial statements within other credit balances (shareholders liabilities) and are not recorded in the income statement. This account is distributed to charity based on the Sharia' committee decision.

II) Policyholders and shareholders' financial investments

The Company complies with the principles of Takaful insurance by maintaining complete separate entries and records for the policyholders and the shareholders.

The shareholders paid all general expenses and manage Takaful Business for Policyholders' interest in accordance with contract on the basis of known wakala Fees.

The shareholders invest surplus funds from the policyholder's account against known share from investment revenue as Mudhareb.

The percentage as determined by Board and approved by Sharia' Committee, as follow:

30% Company share from Gross written contributions as Wakala Fees against mange Takaful business to cover administrative expenditures.

25% Company share from Investment revenue as mudhareb

While the applied percentage, as approved by the Board of Directors with the consent of the Shari'a Committee for the year 2024, is as follows:

17% Company share from Gross written contributions as Wakala Fees against mange Takaful business to cover administrative expenditures.

25% Company share from Investment revenue as mudhareb.

The mentioned percentage above have been applied in the financial statement as of 31 December 2024.

3. Bank Deposits

	31 December 2024						31 December 2023			
	Deposits mature within (1) month		Deposits mature after (1) month to (3) months		Deposits mature after (3) months to (12) months		Total		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
Inside Jordan	1,010,284	5,354	-	-	12,358,001	13,430,340	13,368,285	13,435,694	10,957,334	13,432,168
Outside Jordan	-	-	-	-	-	-	-	-	-	710,000
Total	1,010,284	5,354	-	-	12,358,001	13,430,340	13,368,285	13,435,694	10,957,334	14,142,168
Provision for expected credit losses *	(590)	(3)	-	-	(26,123)	(48,112)	(26,713)	(48,115)	(16,366)	(53,095)
Net	1,009,694	5,351	-	-	12,331,878	13,382,228	13,341,572	13,387,579	10,940,968	14,089,073

- There is no fixed profit rate on deposit balances with banks, as profits are linked to the investment outcomes of banks based on the principles and rules of Sharia-compliant trading. The profit rate ranged from 3% to 5.7% during the year 2024.
- Deposits pledged to the favor of the Governor of the Central Bank of Jordan amounted to JOD (800,000) as at 31 December 2024 at Jordan Islamic Bank.

* The movement on the provision for expected credit losses is as follow:

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at beginning of the year	16,366	53,095	22,147	2,581,024
Additions	10,347	-	-	-
Transfer to the provision for expected credit losses –Cash at bank	-	-	-	(2,510,500)
Disposals	-	(4,980)	(5,781)	(17,429)
Balance at end of the year	26,713	48,115	16,366	53,095

4 . Financial Assets at Fair Value Through Profit or Loss

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Inside Jordan				
Investment portfolios *	1,000,000	3,000,000	1,000,000	3,000,000
Total	1,000,000	3,000,000	1,000,000	3,000,000

*Investment portfolios represent bonds issued from Jordan Islamic Bank, available for subscription throughout the year without a predetermined maturity date. They are not listed on the public market and can be liquidated by the company at any time during the year. They are stated at cost which represent the best measure of fair value.

5 . Financial Assets at Fair Value Through Other Comprehensive Income

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Inside Jordan				
Investments in quoted shares	2,137,102	6,411,308	2,212,606	6,637,820
Investments in unquoted shares	61,850	185,550	6,772	20,316
Total	2,198,952	6,596,858	2,219,378	6,658,136
	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Outside Jordan				
Investments in quoted shares	-	-	-	-
Investments in unquoted shares*	-	8,157	-	8,157
Total	-	8,157	-	8,157
Grand total	2,198,952	6,605,015	2,219,378	6,666,293

*This item represents financial assets with no publicly traded prices outside Jordan and stated at cost.

6 . Investment properties

	31 December 2024	31 December 2023
Buildings	400,000	400,000
Accumulated depreciation	(19,966)	(11,945)
	380,034	388,055

The fair value of the investment properties as assessed by real estate appraiser equals to an amount of JOD (400,000) as at 31 December 2024 according to instruction issued from central bank.

7 . Cash on hand and at banks

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Cash on hand	9,401	-	73,852	-
Current banks accounts	(1,218,616)	6,298,294	1,384,662	4,335,954
Total	(1,209,215)	6,298,294	1,458,514	4,335,954
Transfer from the provision for expected credit losses- Deposits	-	-	-	(2,510,500)
Provision for expected credit losses	-	(3,240,473)	-	(400,000)
Total Provision for expected credit losses	-	(3,240,473)	-	(2,910,500)
Total	(1,209,215)	3,057,821	1,458,514	1,425,454

* The movement on the provision for expected credit losses is as follow:

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at beginning of the year	-	2,910,500	-	-
Transfer from the provision for expected credit losses – Deposits	-	-	-	2,510,500
Additions	-	329,973	-	400,000
Disposals	-	-	-	-
Balance at end of the year	-	3,240,473	-	2,910,500

The Islamic Insurance Company PLC
Notes to the Financial Statements (Continued)
31 December 2024

8 . Insurance contract Assets /liabilities – Premium Allocation Approach

	Liabilities for remaining coverage				liabilities for incurred claims				Total	
	31/12/2024 Excluding loss component contracts	31/12/2023 Excluding loss component contracts	31/12/2024 Loss component	31/12/2023 Loss component	31/12/2024 Present value of future cash flows	31/12/2023 Present value of future cash flows	31/12/2024 non-financial Risk adjustments	31/12/2023 non-financial Risk adjustments	31/12/2024 Total	31/12/2023 Total
Insurance contracts liabilities at beginning of the year	4,383,014	3,990,516	1,090,569	923,057	16,087,444	14,882,954	1,121,600	871,745	22,682,627	20,668,272
Insurance contracts (assets) at beginning of the year	-	-	-	-	-	-	-	-	-	-
Net of insurance contracts liabilities (assets) at the beginning of the year	4,383,014	3,990,516	1,090,569	923,057	16,087,444	14,882,954	1,121,600	871,745	22,682,627	20,668,272
Insurance Contract revenues	(37,340,289)	(34,467,656)	-	-	-	-	-	-	(37,340,289)	(34,467,656)
Insurance Contract expenses	1,148,461	888,833	732,398	167,512	30,446,029	28,943,508	(22,657)	249,855	32,304,231	30,249,708
Incurred claims net of recoveries	-	-	-	-	29,135,782	26,847,659	-	-	29,135,782	26,847,659
Changes that relate to past service: changes related to LFIC	-	-	-	-	(3,031,745)	(2,147,185)	-	-	(3,031,745)	(2,147,185)
Changes in onerous contract	-	-	732,398	167,512	-	-	-	-	732,398	167,512
Changes in risk adjustment –insurance contract	-	-	-	-	-	-	(22,657)	249,855	(22,657)	249,855
Amortization of insurance acquisition cost	512,653	426,857	-	-	-	-	-	-	512,653	426,857
Other technical expenses	635,808	461,976	-	-	-	-	-	-	635,808	461,976
Employee Exp. (Sh. Takaful Operation Management)	-	-	-	-	3,457,571	3,317,107	-	-	3,457,571	3,317,107
Management Exp. (Sh. Takaful Operation Management)	-	-	-	-	884,421	925,927	-	-	884,421	925,927
Insurance Contract service results	(36,191,828)	(33,578,823)	732,398	167,512	30,446,029	28,943,508	(22,657)	249,855	(5,036,058)	(4,217,948)
Finance (expenses) revenue from insurance contract	-	-	-	-	464,438	540,329	-	-	464,438	540,329
Net change – Other Comprehensive Income	(36,191,828)	(33,578,823)	732,398	167,512	30,910,467	29,483,837	(22,657)	249,855	(4,571,620)	(3,677,619)
Cash received from underwritten contracts	37,984,779	34,904,335	-	-	-	-	-	-	37,984,779	34,904,335
Paid claims	-	-	-	-	(24,026,801)	(24,036,313)	-	-	(24,026,801)	(24,036,313)
Paid acquisition cost	(569,471)	(471,038)	-	-	-	-	-	-	(569,471)	(471,038)
Paid other technical expenses	(635,808)	(461,976)	-	-	-	-	-	-	(635,808)	(461,976)
Paid Employee and management Exp (Sh. Takaful Operation Management)	-	-	-	-	(4,341,992)	(4,243,034)	-	-	(4,341,992)	(4,243,034)
Insurance contracts liabilities at the end of the year	4,970,686	4,383,014	1,822,967	1,090,569	18,629,118	16,087,444	1,098,943	1,121,600	26,521,714	22,682,627
Insurance contracts (assets) at the end of the year	-	-	-	-	-	-	-	-	-	-
Net of insurance contracts liabilities (assets) at the end of the year	4,970,686	4,383,014	1,822,967	1,090,569	18,629,118	16,087,444	1,098,943	1,121,600	26,521,714	22,682,627

8 . (A) Accounts Receivables – Insurance operations

	31 December 2024	31 December 2023
Policyholders receivables	4,411,094	4,099,168
Agents receivables	-	-
Brokers receivables	-	-
Employees receivables	11,330	21,660
Total	4,422,424	4,120,828
Less: Allowance for doubtful debts *	(51,042)	(174,289)
Less: Provision for expected credit losses **	(583,784)	(480,601)
Net Accounts Receivable	3,787,598	3,465,938

This item represents account receivables related to insurance operation that considered in the calculation of insurance contract assets and liabilities which is included in footnote (8)

* Movement on the allowance for doubtful debts is as follows:

	31 December 2024	31 December 2023
Balance at beginning of the year	174,289	201,067
Additions	-	-
Disposals	(123,247)	(26,778)
Balance at end of the year	51,042	174,289

** Movement on the provision for expected credit losses is as follows:

	31 December 2024	31 December 2023
Balance at beginning of the year	480,601	386,948
Additions	103,183	93,653
Disposals	-	-
Balance at end of the year	583,784	480,601

The aging of accounts receivables is as follows:

	31 December 2024	31 December 2023
Past due from 0-30 days	2,240,015	2,308,651
Past due from 31-90 days	1,020,175	794,833
Past due from 91-180 days	289,383	305,669
Past due from 181-365 days	369,193	306,529
Past due for more than one year	503,658	405,146
	4,422,424	4,120,828

8 . (B) Cheques under collection – Insurance Operations

	31 December 2024	31 December 2023
Cheques under collection *	1,513,064	1,562,283
Less: Provision for expected credit losses **	(7,822)	(7,822)
Net cheques under collection	1,505,242	1,554,461

** Movement on the provision for expected credit losses is as follows:

	31 December 2024	31 December 2023
Balance at beginning of the year	7,822	7,455
Additions	-	367
Disposals	-	-
Balance at end of the year	7,822	7,822

This item represents cheques under collection related to insurance operation that considered in the calculation of insurance contract assets and liabilities which is included in footnote (8)

The aging of cheques under collection is as follows:

	31 December 2024	31 December 2023
Past due from (0-6) months	1,045,466	1,094,141
Past due from (7-12) months	467,598	468,142
	1,513,064	1,562,283

8 . (C) Accounts Payable – Insurance Operations

	31 December 2024	31 December 2023
Individual	115,637	101,043
Companies payable	60,378	85,808
Institutions payable	2,811	3,132
Carag station & suppliers Co.	15,026	49,359
Other payables (Medical care, takaful, other)	94,835	69,298
Agents payables (Accrued commission)	113,429	112,446
Medical and pending cheques	59,458	52,585
Total	461,574	473,671

This item represent account payable related to insurance operation that considered in the calculation of insurance contract assets and liabilities which is included in footnote (8)

9. Reinsurance Contract Assets /Liabilities – Premium Allocation Approach

	Assets for remaining coverage				Assets against incurred claims				Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	Excluding loss recovery component	Excluding loss recovery component	Loss recovery component	Loss recovery component	Present value of future cash flows	Present value of future cash flows	non-financial Risk adjustments	non-financial Risk adjustments	Total	Total
Reinsurance contract liabilities at beginning of the year	117,062	-	-	-	(88,469)	-	(4,702)	-	23,891	-
Reinsurance contract (assets) at beginning of the year	4,006,803	1,828,267	(99,854)	(85,561)	(8,290,675)	(8,147,431)	(548,086)	(448,678)	(4,931,812)	(6,853,403)
Net of reinsurance contracts liabilities (assets) at the beginning of the year	4,123,865	1,828,267	(99,854)	(85,561)	(8,379,144)	(8,147,431)	(552,788)	(448,678)	(4,907,921)	(6,853,403)
Reinsurance contracts held expenses	13,396,708	12,401,010	-	-	-	-	-	-	13,396,708	12,401,010
Reinsurance contract held revenues	-	-	(12,988)	(14,293)	(9,294,247)	(10,161,702)	(17,774)	(104,110)	(9,325,009)	(10,280,105)
Recovered incurred claims from reinsurer	-	-	-	-	(8,928,499)	(9,884,767)	-	-	(8,928,499)	(9,884,767)
Change in loss recovery component	-	-	(12,988)	(14,293)	-	-	-	-	(12,988)	(14,293)
Changes in non-financial risk adjustment	-	-	-	-	-	-	(17,774)	(104,110)	(17,774)	(104,110)
Profit commission due from reinsurer	-	-	-	-	(365,748)	(276,935)	-	-	(365,748)	(276,935)
Insurance service results	13,396,708	12,401,010	(12,988)	(14,293)	(9,294,247)	(10,161,702)	(17,774)	(104,110)	4,071,699	2,120,905
Finance (expenses) revenue from insurance contracts held	-	-	-	-	(282,459)	(207,820)	-	-	(282,459)	(207,820)
Net Change –Other Comprehensive Income	13,396,708	12,401,010	(12,988)	(14,293)	(9,576,706)	(10,369,522)	(17,774)	(104,110)	3,789,240	1,913,085
Paid reinsurers 'share from premium	(15,468,682)	(10,105,412)	-	-	-	-	-	-	(15,468,682)	(10,105,412)
Received claims recovery from reinsurer	-	-	-	-	8,789,207	9,860,874	-	-	8,789,207	9,860,874
Received profit Commission	-	-	-	-	365,748	276,935	-	-	365,748	276,935
Reinsurance contracts liabilities at the end of the year	62,326	117,062	-	-	-	(88,469)	-	(4,702)	62,326	23,891
Reinsurance contracts (assets) at the end of the year	1,989,565	4,006,803	(112,842)	(99,854)	(8,800,895)	(8,290,675)	(570,562)	(548,086)	(7,494,734)	(4,931,812)
Net of reinsurance contracts liabilities (assets) at the end of the year	2,051,891	4,123,865	(112,842)	(99,854)	(8,800,895)	(8,379,144)	(570,562)	(552,788)	(7,432,408)	(4,907,921)

9. (A) Receivables (Reinsurance contract held) - net

	31 December 2024	31 December 2023
Reinsurance contract held assets (Local)	197,713	185,558
Reinsurance contract held assets (Foreign)	454,573	866,517
Total Receivables related to reinsurance operation	652,286	1,052,075
Provision for performance risks*	(24,394)	(26,247)
Provision for expected credit losses**	(140,780)	(142,859)
Net receivables reinsurance operations	487,112	882,969

This item represents receivables related to reinsurance operation that considered in the calculation of reinsurance contract assets and liabilities which is included in footnote (9).

* Movements on the provision for performance risks is as follows:

	31 December 2024	31 December 2023
Balance at beginning of the year	26,247	187,538
Additions	-	23
Disposals	(1,853)	(161,314)
Balance at end of the year	24,394	26,247

** Movement on the provision for expected credit losses is as follows:

	31 December 2024	31 December 2023
Balance at beginning of the year	142,859	48,420
Additions	-	94,439
Disposals	(2,079)	-
Balance at end of the year	140,780	142,859

The aging of receivables (Reinsurance contract held) is as follows:

	31 December 2024	31 December 2023
Past due from (31-90) days	513,844	879,287
Past due from (91-180) days	2,290	55,270
Past due from (181-365) days	3,650	16,838
Past due more than one year	132,502	100,680
Total	652,286	1,052,075

9. (B) Payables (Reinsurance contract held)

	31 December 2024	31 December 2023
Reinsurance contract held assets - (Local)	788,540	647,748
Reinsurance contract held assets - (Foreign)	3,166,587	5,475,586
Total	3,955,127	6,123,334

This item represents payable related to reinsurance operation that considered in the calculation of reinsurance contract assets and liabilities which is included in footnote (9).

10. Income Tax

A- Income tax provision

The movement on income tax provision is as follow:

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at beginning of the year	146,997	583,683	-	509,767
Income tax paid	(240,520)	(816,731)	(36,980)	(733,012)
Income tax expense for the year	-	815,697	183,977	806,928
Balance at end of the year	(93,523)	582,649	146,997	583,683

Income tax expense that appears in the statement of profit and loss represents:

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Income tax expense for the year	-	815,697	183,977	806,928
Total	-	815,697	183,977	806,928

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

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Accounting profit (company profit)	(482,996)	2,876,126	26,614	2,549,361
Policyholders and shareholders				
Nontaxable revenues	(3,085,570)	(36,820)	(2,235,864)	(33,762)
Nondeductible expenses	3,568,566	297,990	2,916,853	587,970
Taxable profit	-	3,137,296	707,603	3,103,569
Income tax of the year	-	815,697	183,977	806,928
Effective income tax rate	26%	26%	26%	26%

- The Company has settled its tax liability with Income Tax Department up to the year ended 2020, and based on the tax advisor opinion the income tax provision considered sufficient as of 31/12/2024.
- There is no deferred tax assets or liabilities related to the company as it calculates income tax based on taxable profit for the year.
- The income tax returns for the years 2021, 2022 and 2023 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- The Income and National Contribution tax provision for the year 2024 was calculated in accordance with the Income Tax Law.

11. Property and equipment – net

	<u>Buildings</u>	<u>Equipment & Furniture</u>	<u>Vehicles</u>	<u>Computer Devices</u>	<u>Total</u>
Cost					
Balance as at 1/1/2024	2,431,572	736,789	183,700	424,403	3,776,464
Additions	42,702	58,496	136,901	113,406	351,505
Disposals	-	-	(87,500)	-	(87,500)
Balance as at 31/12/2024	<u>2,474,274</u>	<u>795,285</u>	<u>233,101</u>	<u>537,809</u>	<u>4,040,469</u>
Accumulated depreciation					
Balance as at 1/1/2024	540,623	587,526	168,510	356,789	1,653,448
Depreciation	50,196	44,528	21,324	57,211	173,259
Disposals	-	-	(87,499)	-	(87,499)
Balance as at 31/12/2024	<u>590,819</u>	<u>632,054</u>	<u>102,335</u>	<u>414,000</u>	<u>1,739,208</u>
Net book value as at 31/12/2024	<u>1,883,455</u>	<u>163,231</u>	<u>130,766</u>	<u>123,809</u>	<u>2,301,261</u>
Cost					
Balance as at 1/1/2023	2,208,913	619,055	183,700	366,792	3,378,460
Additions	222,659	117,734	-	57,611	398,004
Balance as at 31/12/2023	<u>2,431,572</u>	<u>736,789</u>	<u>183,700</u>	<u>424,403</u>	<u>3,776,464</u>
Accumulated depreciation					
Balance as at 1/1/2023	495,054	567,608	165,285	316,381	1,544,328
Depreciation	45,569	19,918	3,225	40,408	109,120
Balance as at 31/12/2023	<u>540,623</u>	<u>587,526</u>	<u>168,510</u>	<u>356,789</u>	<u>1,653,448</u>
Net book value as at 31/12/2023	<u>1,890,949</u>	<u>149,263</u>	<u>15,190</u>	<u>67,614</u>	<u>2,123,016</u>

12. Intangible Assets - net

	<u>31 December 2024</u>	<u>31 December 2023</u>
	<u>Software</u>	<u>Software</u>
Balance at 1 January 2024	9,577	19,818
Additions	3,500	138,717
Amortization	(7,594)	(148,958)
Balance at 31 December 2024	<u>5,483</u>	<u>9,577</u>

13. Other Assets

	<u>31 December 2024</u>		<u>31 December 2023</u>	
	<u>Policyholders</u>	<u>Shareholders</u>	<u>Policyholders</u>	<u>Shareholders</u>
Prepaid expenses	-	73,266	-	62,717
Refundable deposit	-	15,531	-	13,001
Accrued revenues	354,833	90,269	-	-
Advance payments for updating and developing the company website	-	11,250	-	1,750
	<u>354,833</u>	<u>190,316</u>	<u>-</u>	<u>77,468</u>

14. Accounts Payable

	31 December 2024	31 December 2023
Other payables	26,564	26,745
Total	26,564	26,745

15. Other Provisions

	31 December 2024	31 December 2023
Employees vacation provision	229,625	231,020
Provision for end of service indemnity	381,060	325,012
Unallocated loss adjustment expense (ULAE)	617,748	505,814
Total	1,228,433	1,061,846

	Balance at beginning of the year	Addition during the year	Paid during the year	Balance at end of the year
Employees vacation provision	231,020	-	(1,395)	229,625
Provision for end of service indemnity	325,012	56,048	-	381,060
Unallocated loss adjustment expense (ULAE)	505,814	111,934	-	617,748
Total	1,061,846	167,982	(1,395)	1,228,433

16 . Other liabilities

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Collectors' commissions	-	-	3,965	-
Ministry of finance deposits	51,802	438	49,740	158
Other dues	-	8,143	-	8,236
Health insurance fund	-	84,000	-	112,644
Shareholders dues	-	8,587	-	10,274
Board of directors' remunerations	-	57,491	-	56,450
Central bank dues	29,811	-	28,076	-
Policyholders' Guarantee Fund withholdings	5,267	-	-	-
Unearned rent revenues	-	25,000	-	50,000
Social security withholdings	-	43,449	-	-
	86,880	227,108	81,781	237,762

17 . Deficiency Cover Reserve (Emergency Provision)

The accumulated amounts in this account represent what has been transferred from the policyholders' surplus and the policyholders' share of the profit from the sale of financial assets at fair value through other comprehensive income at a rate of 20% during the current period and previous years.

	31 December 2024	31 December 2023
Balance at beginning of the year	490,102	580,515
Add: Transfer to deficiency cover reserve	-	-
Less: Transfer from deficiency cover reserve to cover the deficit	(482,996)	(90,413)
Balance at end of the year	7,106	490,102

18 . Non-Demanded Surplus

	31 December 2024	31 December 2023
Balance at beginning of the year	17,793	56,180
Less: Distributions to charity	(13,771)	(38,387)
Balance at end of the year	4,022	17,793

19 . Accumulated Surplus (deficit)

	31 December 2024	31 December 2023
Balance at beginning of the year	-	66,950
Add: Deficit for the year for policyholders	(482,996)	(157,363)
Less: Transfer to deficiency cover reserve	-	-
Add: Transfer from deficiency cover reserve to cover the deficit	482,996	90,413
Balance at end of the year	-	-

20 . Al Qard Al Hasan granted by shareholders to cover policyholders' deficit

	31 December 2024	31 December 2023
Balance at beginning of the year	-	-
Less: The amount settled from the policyholders' surplus for the year	-	-
Add: The loan granted to cover policyholders' deficit	-	-
Balance at end of the year	-	-

21. Paid-in Capital

The Company's authorized, subscribed and paid-in capital is JOD (16,500,000) divided equally into (16,500,000) shares with a par value of JOD (1) each as at 31 December 2024, and (15,000,000) JOD/Share as at 31 December 2023.

22. Reserves

Statutory Reserve

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

Voluntary Reserve

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of net income before income tax. The voluntary reserve has been utilized to increase the share capital by amount of (1,500,000) JOD. This reserve is available for distribution to shareholders.

23. Cumulative Change in Fair Value

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

	31 December 2024	31 December 2023
<u>Shareholders</u>		
Balance at beginning of the year	(439,320)	(42,962)
Change in fair value during the year	(61,278)	(396,358)
Balance at end of the year	(500,598)	(439,320)
<u>Policyholders</u>		
Balance at beginning of the year	(146,440)	(14,321)
Change in fair value during the year	(20,426)	(132,119)
Balance at end of the year	(166,866)	(146,440)

The cumulative change in fair value as 31 December 2024 & 2023 amounted to JOD (667,464) and JOD (585,760) respectively.

24. Retained Earnings

	31 December 2024	31 December 2023
Balance at beginning of the year	3,101,279	3,079,718
Less: Paid dividends	(1,500,000)	(1,200,000)
Add: Profit for the year	2,060,429	1,742,433
Less: Transferred to reserves	(293,113)	(520,872)
Balance at end of the year	3,368,595	3,101,279

25. Proposed Dividends

The proposed dividends to shareholders for the current year amounted to cash dividends by (0%), equivalent to JOD (0). The percentage is subject to the approval of General Assembly of shareholders. Whereas the dividends paid to shareholders in 2023 amounted to a cash dividends of (10%), equivalent to JOD (1,500,000) and share dividends of (10%) equivalent to JOD (1,500,000).

26. Insurance Contracts Revenues

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other insurance		Takaful		Total	
	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Change in insurance contract liabilities against the remaining coverage	14,405,540	12,828,143	897,667	675,525	1,742,559	1,620,998	109,493	88,615	6,776,242	6,921,523	208,694	226,744	784,792	849,482	11,637,960	10,516,363	36,562,947	33,727,393
Policy issuance fees	415,190	395,284	22,175	21,260	42,836	40,673	2,671	2,234	146,299	141,847	9,385	3,545	20,259	25,862	118,527	109,558	777,342	740,263
Other revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Insurance Contracts Revenues	14,820,730	13,223,427	919,842	696,785	1,785,395	1,661,671	112,164	90,849	6,922,541	7,063,370	218,079	230,289	805,051	875,344	11,756,487	10,625,921	37,340,289	34,467,656

The Islamic Insurance Company PLC
Notes to the Financial Statements (Continued)
31 December 2024

27. Insurance Contracts Expenses

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other Insurance		Takaful		Total	
	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Incurred claims net of recoveries	14,922,502	11,381,119	192,990	(13,917)	248,374	651,519	16,591	(90,241)	7,024,031	7,185,729	100,325	59,814	72,650	8,004	3,526,574	5,518,447	26,104,037	24,700,474
Amortization of insurance acquisition cost	445,636	381,247	15,094	7,353	30,568	17,691	886	462	14,580	14,775	5,567	5,029	322	300	-	-	512,653	426,857
Loss of onerous contracts	1,462,741	612,983	-	-	-	-	-	-	360,226	477,586	-	-	-	-	-	-	1,822,967	1,090,569
Recovered amount from Onerous Contracts loss	(612,983)	(777,277)	-	-	-	-	-	-	(477,586)	(145,780)	-	-	-	-	-	-	(1,090,569)	(923,057)
Non-financial risk adjustment	505,763	472,819	25,565	5,259	205,896	244,057	13,235	19,444	123,049	126,510	18,556	21,110	11,085	3,213	195,794	229,188	1,098,943	1,121,600
Recovered amount from Non-financial risk adjustments	(472,819)	(308,389)	(5,259)	(21,898)	(244,057)	(44,597)	(19,444)	(9,157)	(126,510)	(79,977)	(21,110)	(11,230)	(3,213)	(983)	(229,188)	(395,514)	(1,121,600)	(871,745)
Employee Exp. (Shareholders' share against Takaful Operation Management-distributed)	1,312,859	1,243,962	271,309	239,648	233,229	174,665	15,027	9,697	1,143,777	1,252,378	20,543	24,518	76,415	54,494	384,412	317,745	3,457,571	3,317,107
Management Exp. (Shareholders' share against Takaful Operation Management - distributed)	343,952	425,906	60,201	25,008	51,506	38,988	3,369	2,379	301,506	246,430	4,940	7,493	18,456	10,161	100,491	169,562	884,421	925,927
Other technical expenses	409,121	320,406	8,463	3,412	14,359	6,806	870	-	27,910	98,616	1,040	-	3,904	335	170,141	32,401	635,808	461,976
Total insurance contracts expenses	18,316,772	13,752,776	568,363	244,865	539,875	1,089,129	30,534	(67,416)	8,390,983	9,176,267	129,861	106,734	179,619	75,524	4,148,224	5,871,829	32,304,231	30,249,708

28. Reinsurance Contracts held Expenses

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other insurance		Takaful		Total	
	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Change in reinsurance contract liabilities against the remaining coverage and issuance fees	(1,018,071)	(898,532)	(563,026)	(415,338)	(1,322,733)	(1,199,972)	(77,172)	(62,906)	(4,472,748)	(4,084,324)	(102,543)	(83,255)	(450,986)	(487,513)	(5,389,429)	(5,169,170)	(13,396,708)	(12,401,010)
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts expenses	(1,018,071)	(898,532)	(563,026)	(415,338)	(1,322,733)	(1,199,972)	(77,172)	(62,906)	(4,472,748)	(4,084,324)	(102,543)	(83,255)	(450,986)	(487,513)	(5,389,429)	(5,169,170)	(13,396,708)	(12,401,010)

29. Reinsurance Contracts held Revenues

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other insurance		Takaful		Total	
	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12	31 /12
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Recovered incurred claims from reinsurance	1,275,574	1,214,396	210,997	22,471	186,014	628,301	10,324	(73,116)	4,590,978	4,320,018	109,679	(107,477)	65,284	(186)	2,479,649	3,880,360	8,928,499	9,884,767
Loss of onerous contracts	-	-	-	-	-	-	-	-	112,842	99,854	-	-	-	-	-	-	112,842	99,854
Recovered amount from Onerous Contracts loss	-	-	-	-	-	-	-	-	(99,854)	(85,561)	-	-	-	-	-	-	(99,854)	(85,561)
Non-financial risk adjustment	104,892	66,946	24,843	4,702	202,071	237,734	13,161	19,121	86,100	75,906	7,249	7,940	8,776	1,041	123,470	139,398	570,562	552,788
Recovered amount from Non-financial risk adjustments	(66,946)	(56,773)	(4,702)	(20,861)	(237,734)	(44,597)	(19,121)	(9,157)	(75,906)	(76,700)	(7,940)	(8,462)	(1,041)	(203)	(139,398)	(231,925)	(552,788)	(448,678)
Other revenues	-	-	186,731	112,157	124,219	83,121	5,310	8,115	-	-	-	62,511	49,488	11,031	-	-	365,748	276,935
Total reinsurance contracts revenues	1,313,520	1,224,569	417,869	118,469	274,570	904,559	9,674	(55,037)	4,614,160	4,333,517	108,988	(45,488)	122,507	11,683	2,463,721	3,787,833	9,325,009	10,280,105

30. Finance Revenues (Expenses) From Insurance Contracts

	31 December 2024	31 December 2023
Finance revenues (expenses)	(464,438)	(540,329)
Total	(464,438)	(540,329)

The bottom-up approach was used to derive the discount rate for cash flows. Under this approach, the discount rate is determined as the risk-adjusted risk-free rate in US Dollar (EIOPA) plus 1%. The company used discount rate from (5.55% - 4.35%) for the year of 2024, compared to (6.23% - 4.65%) for the year of 2023.

31. Finance Revenues (Expenses) From Reinsurance Contracts

	31 December 2024	31 December 2023
Finance revenues (expenses)	282,459	207,820
Total	282,459	207,820

The bottom-up approach was used to derive the discount rate for cash flows. Under this approach, the discount rate is determined as the risk-adjusted risk-free rate in US Dollar (EIOPA) plus 1%. The company used discount rate from (5.55% - 4.35%) for the year of 2024, compared to (6.23% - 4.65%) for the year of 2023.

32. Investment Returns

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Profits from deposits	885,078	818,198	385,711	558,061
Gain from financial assets at fair value through profit or loss	52,000	156,000	51,251	153,752
Gain from financial assets at amortized cost	-	-	10,984	32,952
Total	937,078	974,198	447,946	744,765

33. Net Profits from Financial Assets and Investments

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Dividends Income	97,005	291,879	94,932	285,569
Rent revenues	-	33,000	0	33,000
Total	97,005	324,879	94,932	318,569

34. Shareholders' Share against Takaful Operation Management

A- This item consist of the following:

2024					2023				
Acquisition costs	Expenses attributed to contracts (Direct)	Expenses attributed to contracts (Indirect)	Expenses not attributed to contracts	Total	Acquisition costs	Expenses attributed to contracts (Direct)	Expenses attributed to contracts (Indirect)	Expenses not attributed to contracts	Total
1,587,292	2,156,055	598,645	2,030,591	6,372,583	847,908	2,641,150	753,976	2,150,493	6,393,527
<u>1,587,292</u>	<u>2,156,055</u>	<u>598,645</u>	<u>2,030,591</u>	<u>6,372,583</u>	<u>847,908</u>	<u>2,641,150</u>	<u>753,976</u>	<u>2,150,493</u>	<u>6,393,527</u>

The company allocates administrative expenses and direct employee-related costs to insurance contract groups and includes them in the profitability calculation of the contract through their direct relationship with insurance portfolios. In addition the company allocates administrative and general expenses, as well as indirect employee-related costs not associated with insurance contracts, based on a number of cost centers used for allocation. These include the total underwritten insurance premiums cost center for insurance portfolios, the paid claims and pending claims cost center, and the number of employees cost center.

B- Shareholders' Share against Takaful Operation Management

- The shareholders invest surplus fund from the policyholders account against known share from investment revenues as Mudaraba.
- Shareholders bear all administrative expenses and manage insurance operations on behalf of policyholders under an agency agreement (contract) based on a known Wakala fee.

The shareholders' share are as follow:

	31 December 2024	31 December 2023
Shareholders' share against Takaful Operation Management - allocated (Insurance Contracts Expenses)	4,341,992	4,243,034
Shareholders' share against Takaful Operation Management - not-allocated (Statement of Profit or Loss (Policyholders))	2,030,591	2,150,493
Total	6,372,583	6,393,527

35. Employees Expenses

	31 December 2024	31 December 2023
Salaries and bonuses	2,943,197	2,839,294
End of services indemnity	56,048	45,534
Company's contribution in social security	307,521	298,111
Medical expenses	189,340	185,253
Employee training and development	7,468	1,503
Travel and transportation	5,373	6,001
Employee vacation	(1,395)	12,150
Total	3,507,552	3,387,846

36. Related Party Transactions

There are no contracts, projects, or engagements that the company has entered into with board members, the general manager, any employee of the company, or their relatives, except for issuing their insurance policies, which falls within the company's main activities.

The total contributions value of the underwritten insurance policies by the Jordan Islamic Bank (a major shareholder) during the years 2024 and 2023 amounted to JOD (5,655,328) and JOD (5,157,357), respectively and the contributions value underwritten for the Takaful insurance fund by the Jordan Islamic Bank during the years 2024 and 2023 amounted to JOD (7,954,428) and JOD (7,449,523), respectively.

The remunerations of key management (salaries, bonuses, and other benefits) are as follows:

	31 December 2024	31 December 2023
Salaries and bonuses	450,093	432,349
Transportation expenses	1,260	1,260
Total	451,353	433,609

37. General and Administrative Expenses

	31 December 2024	31 December 2023
Rent	9,972	13,570
Stationery and printing	27,571	28,554
Advertisements	38,693	50,162
Water, electricity and heating	52,729	46,384
Maintenance	66,592	73,959
Postage and telecommunications	12,200	11,173
Hospitality	28,882	27,430
Lawyer and legal consultancy fees	107,164	111,064
Board of director transportation	98,112	81,198
Subscriptions	58,556	61,476
Governmental and other fees	75,014	52,260
Company classification expense	7,899	8,111
Virtual conference and meetings expense	38,664	29,939
Professional fees	30,500	28,500
Actuary expert fee	43,000	12,000
Media and Marketing consultancy fees	15,600	14,350
Cleaning	63,630	54,603
Insurance	6,512	5,919
Others	51,275	48,405
ISO certification expense	1,182	1,773
Expense for implementing (IFRS 17)	31,955	58,762
Total	865,702	819,592

38. Other Expenses

	31 December 2024	31 December 2023
Board of directors' remunerations	55,000	55,000
	55,000	55,000

39. Other Provisions

	31 December 2024	31 December 2023
Provision for expected credit loss – Cash at Al Baraka Bank - Lebanon	329,973	400,000
Unallocated loss adjustment expense (ULAE)	111,934	132,133
Total	441,907	532,133

40. Earnings Per Share

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

	31 December 2024	31 December 2023
Profit for the year after tax	2,060,429	1,742,433
Weighted average number of shares	16,500,000	16,500,000
Basic and diluted earnings per share	0.125	0.106

41. Cash and Cash Equivalents

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

	31 December 2024	31 December 2023
Cash on hand and at banks	1,848,606	2,883,968
Add: Deposits at banks mature within (3) months	1,015,045	2,405,930
Net Cash and Cash Equivalents	2,863,651	5,289,898

42. The fair value of financial assets and liabilities that is not measured at fair value in the financial statement

There are no significant differences between book value and fair value of financial assets and liabilities that is not measured at fair value.

43. Onerous Contracts

Motor TPL insurance contracts are underwritten at JIF and priced by the Government, such that the pricing of TPL insurance policies does not cover the technical and administrative expenses charged to those policies, these policies were therefore classified into a single group of contracts and assessed as having a high potential to become loss-making prior to acquisition.

44. Fair Value Levels:

The following table analyzes financial instruments recorded at fair value based on the valuation method, where the different levels are defined as follows:

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

Level 2: information other than the announced price included in the first level that is monitored for the asset or liability, whether directly (i.e. prices) or indirectly (i.e. derived from prices),

Level 3: Information about the asset or liability that is not based on that observed from the market (invisible information).

31/12/2024	Level One	Level Two	Level Three	Total
Financial assets at fair value through profit or loss	-	-	4,000,000	4,000,000
Financial assets at fair value through other comprehensive income	8,548,410	247,400	8,157	8,803,967
Total	8,548,410	247,400	4,008,157	12,803,967

31/12/2023	Level One	Level Two	Level Three	Total
Financial assets at fair value through profit or loss	-	-	4,000,000	4,000,000
Financial assets at fair value through other comprehensive income	8,850,426	27,088	8,157	8,885,671
Total	8,850,426	27,088	4,008,157	12,885,671

45. Risks management

First: Descriptive Disclosures

The risk management policy considered one of the most important policies which the company had set for mitigating risk surrounding its activities in order to safeguard the company's assets, shareholders equity and its financial position.

The company recognizes the importance of proactive risk management in achieving its strategic objectives. The company assumes responsibility for risk management to ensure the identification, assessment, and management of key risks. The risk management framework provides reasonable assurances for identifying and addressing significant risks.

The risk management process is designed to implement policies within the organizational hierarchy. It is viewed as an integrated, sequential process from the board of directors to the lowest management level. The primary responsibility for enterprise risk management lies with the board of directors. Accordingly, the board executes its responsibilities in overseeing the risk management policy by forming the necessary committees and delegating them to take on risk management responsibilities, preparing appropriate reports, and presenting them to the board.

Enterprise Risk Management (ERM) Process

The Enterprise Risk Management (ERM) process involves identifying uncertainties and risks that may adversely affect the company's ability to achieve its strategic objectives, evaluating these risks, managing them, and continuously reviewing risks. Periodic risk assessments are conducted in all areas in which the company operates. In addition to many other risks mentioned in the risk management policy, the following risks are considered highly significant to the company's operations, as follows:

Insurance Risks: Insurance risks represent the most significant risks faced by the company. Additionally, the company accepts risks associated with insurance and various activities arising from them, including various technical insurance coverages such as property insurance, vehicle insurance, marine insurance, and others. Based on this, insurance-related risks can be identified, including risks related to business mix, risks related to the development of insurance products, pricing risks, estimation risks of loss provisions, claims settlement risks, accumulation risks, credit risks, and others.

Investment Risks: The investments made by the company for both policy holders and shareholders are subject to regulatory constraints imposed by regulatory authorities and are based on the investment guidelines issued by the Central Bank of Jordan - Insurance Supervision Department. These guidelines require the distribution of investments across various asset classes. Moreover, there is a specific investment policy approved by the Board of Directors, outlining the investment mechanism, instruments, and methods. This policy serves as a reference for managing the company's investments. There are risks associated with investments for the cash surplus held by the company, including credit risks from the parties investing in it, market risks, and liquidity risks.

Operational and Other Risks: This category encompasses operational risks, legal and regulatory risks, governance risks, information technology risks, and others.

Second: Quantitative Disclosures

1 - Takaful Insurance Risks

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

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

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

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

2 - Claims Development

The schedules below show the actual claims (based on management's estimates at year- end) compared to the expectations for the past four years based on the year in which the accident occurred

Gross-Motors						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	799,037,289	7,092,447	8,868,263	16,680,679	7,474,835	839,153,513
After one year	100,335,879	6,784,916	7,796,847	16,680,679	-	131,598,320
After two years	100,475,812	6,674,740	7,796,847	-	-	114,947,399
After three years	100,239,740	6,674,740	-	-	-	106,914,480
After four years	101,499,022	-	-	-	-	101,499,022
Gross estimates of maximum undiscounting claims	101,499,022	6,674,740	7,796,847	16,680,679	7,474,835	140,126,122
Cumulative gross claims paid	99,309,685	5,980,007	6,348,139	13,314,516	3,996,171	128,948,518
Gross liabilities against years of accidents	2,189,337	694,733	1,448,707	3,366,163	3,478,664	11,177,604
Effect of discounting	(157,589)	(43,927)	(79,339)	(201,261)	(291,202)	(773,318)
Gross liabilities for incurred claims	2,031,748	650,806	1,369,368	3,164,902	3,187,462	10,404,286

Gross-Takaful						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	117,500,961	4,456,384	5,379,147	5,437,381	5,594,702	138,368,575
After one year	23,769,384	5,263,266	5,923,281	4,660,254	-	39,616,185
After two years	23,864,035	5,205,284	5,150,408	-	-	34,219,727
After three years	20,408,197	4,809,376	-	-	-	25,217,573
After four years	22,614,825	-	-	-	-	22,614,825
Gross estimates of maximum undiscounting claims	22,614,825	4,809,376	5,150,408	4,660,254	5,594,702	42,829,566
Cumulative gross claims paid	22,479,318	4,603,483	4,961,633	3,835,080	2,481,031	38,360,545
Gross liabilities against years of accidents	135,507	205,893	188,775	825,174	3,113,671	4,469,020
Effect of discounting	(4,076)	(6,193)	(5,678)	(32,448)	(86,027)	(134,422)
Gross liabilities for incurred claims	131,431	199,700	183,097	792,726	3,027,644	4,334,598

Gross-Medical						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	396,563,110	4,275,730	4,776,642	5,220,789	5,161,682	415,997,953
After one year	63,135,222	6,142,149	6,711,606	7,031,654	-	83,020,631
After two years	63,128,442	6,202,439	6,741,995	-	-	76,072,876
After three years	58,100,617	6,202,439	-	-	-	64,303,056
After four years	63,128,442	-	-	-	-	63,128,442
Gross estimates of maximum undiscounting claims	63,128,442	6,202,439	6,741,995	7,031,654	5,161,738	88,266,268
Cumulative gross claims paid	63,128,442	6,202,439	6,741,195	6,838,299	3,400,131	86,310,506
Gross liabilities against years of accidents	-	-	800	193,355	1,761,607	1,955,761
Effect of discounting	-	-	(28)	(2,817)	(26,201)	(29,046)
Gross liabilities for incurred claims	-	-	772	190,538	1,735,406	1,926,715

Gross-Marine						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	28,271,571	330,165	690,074	68,384	216,330	29,576,524
After one year	2,312,392	156,265	674,820	46,567	-	3,190,044
After two years	2,311,751	76,015	674,043	-	-	3,061,809
After three years	2,292,536	76,160	-	-	-	2,368,696
After four years	2,312,582	-	-	-	-	2,312,582
Gross estimates of maximum undiscounting claims	2,312,582	76,160	674,043	46,567	216,330	3,325,683
Cumulative gross claims paid	2,310,158	76,127	672,719	40,775	21,383	3,121,162
Gross liabilities against years of accidents	2,424	33	1,324	5,792	194,947	204,521
Effect of discounting	(35)	-	(19)	(2,168)	(690)	(2,912)
Gross liabilities for incurred claims	2,389	33	1,305	3,624	194,257	201,609

The Islamic Insurance Company PLC
Notes to the Financial Statements (Continued)
31 December 2024

Gross- Fire						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	71,999,996	67,884	1,622,860	363,354	159,237	74,213,331
After one year	10,347,529	46,009	2,027,815	237,318	-	12,658,671
After two years	10,338,879	45,641	2,178,812	-	-	12,563,332
After three years	10,084,501	46,855	-	-	-	10,131,356
After four years	10,336,629	-	-	-	-	10,336,629
Gross estimates of maximum undiscounting claims	10,336,629	46,855	2,178,812	237,318	159,237	12,958,851
Cumulative gross claims paid	10,321,847	44,658	674,390	199,178	9,895	11,249,968
Gross liabilities against years of accidents	14,782	2,197	1,504,422	38,140	149,343	1,708,883
Effect of discounting	(312)	-	(27,644)	(934)	(2,511)	(31,401)
Gross liabilities for incurred claims	14,470	2,197	1,476,778	37,206	146,832	1,677,482

Gross- Engineering						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	7,585,542	38,571	65,856	65,850	18,677	7,774,496
After one year	1,060,289	15,002	17,896	56,790	-	1,149,977
After two years	1,131,276	15,002	15,102	-	-	1,161,380
After three years	1,122,432	7,418	-	-	-	1,129,850
After four years	1,029,055	-	-	-	-	1,029,055
Gross estimates of maximum undiscounting claims	1,029,055	7,418	15,102	56,790	18,677	1,127,042
Cumulative gross claims paid	928,267	7,418	15,002	54,535	4,122	1,009,344
Gross liabilities against years of accidents	100,788	-	100	2,255	14,555	117,698
Effect of discounting	(2,046)	-	-	(46)	(295)	(2,387)
Gross liabilities for incurred claims	98,742	-	100	2,209	14,260	115,311

Gross- Others						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	7,672,876	22,455	81,625	118,243	124,597	8,019,796
After one year	1,130,917	48,477	122,211	216,366	-	1,517,971
After two years	1,131,070	50,338	116,196	-	-	1,297,604
After three years	1,158,695	64,662	-	-	-	1,223,357
After four years	1,030,963	-	-	-	-	1,030,963
Gross estimates of maximum undiscounting claims	1,030,963	64,662	116,196	216,366	124,597	1,552,785
Cumulative gross claims paid	981,023	50,655	113,381	155,857	10,098	1,311,014
Gross liabilities against years of accidents	49,940	14,007	2,815	60,509	114,500	241,771
Effect of discounting	(2,539)	(817)	(154)	(1,117)	(3,397)	(8,024)
Gross liabilities for incurred claims	47,401	13,190	2,661	59,392	111,103	233,747

The Islamic Insurance Company PLC
Notes to the Financial Statements (Continued)
31 December 2024

Net Motors						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	796,089,712	7,042,005	8,784,128	16,680,679	6,430,986	835,027,510
After one year	97,115,410	6,543,007	7,554,938	15,651,673	-	126,865,028
After two years	97,204,770	6,519,374	6,734,870	-	-	110,459,014
After three years	96,775,522	5,905,582	-	-	-	102,681,104
After four years	96,553,789	-	-	-	-	96,553,789
Net estimates of maximum undiscounting claims	96,553,789	5,905,582	6,734,870	15,651,673	6,430,986	131,276,901
Cumulative net claims paid	94,965,126	5,344,909	5,659,284	12,620,624	3,765,263	122,355,206
Net liabilities against years of accidents	1,588,663	560,673	1,075,585	3,031,049	2,665,723	8,921,694
Effect of discounting	(108,011)	(31,541)	(51,441)	(171,734)	(252,061)	(614,788)
Net liabilities for incurred claims	1,480,652	529,132	1,024,144	2,859,315	2,413,662	8,306,906

Net Takaful						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	104,953,982	2,395,587	3,522,947	3,571,670	1,889,872	116,334,058
After one year	10,145,515	1,909,245	3,478,014	1,693,004	-	17,225,778
After two years	10,166,864	3,839,321	4,998,294	-	-	19,004,479
After three years	8,143,855	4,690,227	-	-	-	12,834,082
After four years	13,406,946	-	-	-	-	13,406,946
Net estimates of maximum undiscounting claims	13,406,946	4,690,227	4,998,294	1,693,004	1,889,872	26,678,343
Cumulative net claims paid	13,346,777	4,599,063	4,906,148	1,367,583	807,963	25,027,534
Net liabilities against years of accidents	60,169	91,164	92,146	325,421	1,081,909	1,650,809
Effect of discounting	(1,810)	(2,742)	(2,772)	(13,207)	(29,124)	(49,655)
Net liabilities for incurred claims	58,359	88,422	89,374	312,214	1,052,785	1,601,154

Net Medical						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	355,494,299	2,471,445	2,866,232	3,142,748	2,252,934	366,227,658
After one year	19,366,981	2,518,913	3,730,435	3,005,387	-	28,621,716
After two years	19,272,597	3,165,198	2,696,940	-	-	25,134,735
After three years	17,245,449	2,497,685	-	-	-	19,743,134
After four years	19,272,597	-	-	-	-	19,272,597
Net estimates of maximum undiscounting claims	19,272,597	2,497,685	2,696,940	3,005,387	2,252,956	29,725,564
Cumulative net claims paid	19,272,597	2,497,685	2,696,460	2,870,312	1,020,040	28,357,094
Net liabilities against years of accidents	-	-	480	135,075	1,232,915	1,368,470
Effect of discounting	-	-	(11)	(817)	(7,893)	(8,721)
Net liabilities for incurred claims	-	-	469	134,258	1,225,022	1,359,749

Net Marine						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	26,344,243	307,621	663,491	68,384	3,663	27,387,402
After one year	324,095	121,350	674,820	16,676	-	1,136,941
After two years	323,454	76,015	84,496	-	-	483,965
After three years	318,781	38,722	-	-	-	357,503
After four years	271,990	-	-	-	-	271,990
Net estimates of maximum undiscounting claims	271,990	38,722	84,496	16,676	3,663	415,546
Cumulative net claims paid	270,974	38,722	84,083	15,983	-	409,762
Net liabilities against years of accidents	1,016	-	413	693	3,663	5,784
Effect of discounting	(14)	-	(6)	(2)	(61)	(83)
Net liabilities for incurred claims	1,002	-	407	691	3,602	5,701

The Islamic Insurance Company PLC
Notes to the Financial Statements (Continued)
31 December 2024

Net Fire						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	30,790,196	67,884	132,860	63,354	64,490	31,118,784
After one year	847,529	46,009	127,815	49,637	-	1,070,990
After two years	938,879	45,641	107,988	-	-	1,092,508
After three years	884,501	44,658	-	-	-	929,159
After four years	888,689	-	-	-	-	888,689
Net estimates of maximum undiscounting claims	888,689	44,658	107,988	49,637	64,490	1,155,462
Cumulative net claims paid	886,593	44,658	91,851	45,605	1,229	1,069,936
Net liabilities against years of accidents	2,096	-	16,137	4,032	63,261	85,526
Effect of discounting	(39)	-	(296)	(247)	(990)	(1,572)
Net liabilities for incurred claims	2,057	-	15,841	3,785	62,271	83,954

Net Engineering						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	7,585,542	13,571	15,856	5,850	11,359	7,632,178
After one year	560,289	15,002	17,896	5,136	-	598,323
After two years	631,276	15,002	15,007	-	-	661,285
After three years	858,808	7,418	-	-	-	866,226
After four years	649,837	-	-	-	-	649,837
Net estimates of maximum undiscounting claims	649,837	7,418	15,007	5,136	11,359	688,757
Cumulative net claims paid	649,548	7,418	15,002	5,023	-	676,991
Net liabilities against years of accidents	289	-	5	113	11,359	11,766
Effect of discounting	(6)	-	-	(3)	(230)	(239)
Net liabilities for incurred claims	283	-	5	110	11,129	11,527

Net Others						
The accident year	2020& before	2021	2022	2023	2024	Total
At the end of the year	7,430,413	22,403	77,168	118,243	42,383	7,690,610
After one year	864,495	28,794	102,528	102,917	-	1,098,734
After two years	853,559	48,435	76,438	-	-	978,432
After three years	880,877	43,273	-	-	-	924,150
After four years	724,552	-	-	-	-	724,552
Net estimates of maximum undiscounting claims	724,552	43,273	76,438	102,917	42,383	989,563
Cumulative net claims paid	687,521	29,266	73,748	83,306	8,151	881,992
Net liabilities against years of accidents	37,031	14,007	2,690	19,611	34,232	107,571
Effect of discounting	(1,786)	(817)	(147)	232	2,320	(198)
Net liabilities for incurred claims	35,245	13,190	2,543	19,843	36,552	107,373

3 - Insurance Risk Concentrations

Below are schedules demonstrate gross and net risk concentration based on insurance type:

Insurance portfolio	2024		2023	
	Gross Liabilities	Net Liabilities	Gross Liabilities	Net Liabilities
	(Thousands of Dinars)	(Thousands of Dinars)	(Thousands of Dinars)	(Thousands of Dinars)
Motors	18,128	15,541	13,690	12,267
Marine	264	212	2	25
Fire	1,851	60	1,706	(201)
Engineering	117	13	155	15
Others	193	37	65	56
Medical	1,979	(826)	2,294	975
Takaful	3,989	4,051	4,769	4,638
Total	26,522	19,089	22,683	17,775

Assets, liabilities, and off-balance sheet items are concentrated according to geographic and sectoral distribution as follows:

	2024					2023				
	Assets	Liabilities	Reinsurance Assets	Reinsurance Liabilities	Off-balance sheet items	Assets	Liabilities	Reinsurance Assets	Reinsurance Liabilities	Off-balance sheet items
A- According to geographical area:										
Inside Jordan	-	26,521,714	1,498,947	12,465	-	-	22,682,627	986,362	4,778	-
Other middle east countries	-	-	749,473	6,233	-	-	-	493,182	2,389	-
Europe	-	-	5,246,314	43,628	-	-	-	3,452,268	16,724	-
Asia *	-	-	-	-	-	-	-	-	-	-
Africa*	-	-	-	-	-	-	-	-	-	-
America	-	-	-	-	-	-	-	-	-	-
Other countries	-	-	-	-	-	-	-	-	-	-
Total	-	26,521,714	7,494,734	62,326	-	-	22,682,627	4,931,812	23,891	-

* Except Middle East countries

	2024			2023		
	Assets	Liabilities	Off-balance sheet items	Assets	Liabilities	Off-balance sheet items
B- According to sector						
Public sector	-	-	-	-	-	-
Private sector	-	-	-	-	-	-
Companies and institutions	-	21,217,371	-	-	18,146,102	-
Individuals	-	5,304,343	-	-	4,536,525	-
Total	-	26,521,714	-	-	22,682,627	-

4 - Reinsurance Risk

As other insurance Companies, and for the purpose of reducing the exposure to financial risks that may arise from major insurance claims, the Company, within the normal course of its operations, enters into reinsurance contracts with other parties.

In order to reduce its exposure to major losses arising from the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies it deals with while monitoring credit risks concentrations coming from geographic areas and activities or economic components similar to those companies. Moreover, the reinsurance policies issued do not exempt the Company from its obligations towards policy holders. As a result, the Company remains committed to the reinsured claims balance in case the reinsurers are unable to meet their obligations according to the reinsurance contracts.

5 - Sensitivity of Takaful Insurance risk

2024	Change rate	Profit / Loss		Impact on Policyholders' equity		Impact on shareholders' equity	
		Gross	Net	Gross	Net	Gross	Net
Death rate	5%+	-	-	(155,738)	(155,738)	23,621,972	23,621,972
Death rate	5%-	-	-	(155,738)	(155,738)	23,621,972	23,621,972
Morbidity	5%+	-	-	(155,738)	(155,738)	23,621,972	23,621,972
Morbidity	5%-	-	-	(155,738)	(155,738)	23,621,972	23,621,972
Longevity rate	5%+	-	-	(155,738)	(155,738)	23,621,972	23,621,972
Longevity rate	5%-	-	-	(155,738)	(155,738)	23,621,972	23,621,972
Expense	5%+	(47,883)	(47,883)	(203,621)	(203,621)	23,621,972	23,621,972
Expense	5%-	47,883	47,883	(107,855)	(107,855)	23,621,972	23,621,972
Lapse rate	5%+	(116,704)	(123,607)	(272,442)	(279,345)	23,621,972	23,621,972
Lapse rate	5%-	116,704	123,607	(39,034)	(32,131)	23,621,972	23,621,972
Total loss rate	5%+	(513,670)	(457,263)	(669,408)	(613,001)	23,621,972	23,621,972
Total loss rate	5%-	513,670	457,263	357,932	301,525	23,621,972	23,621,972

2023	Change rate	Profit / Loss		Impact on Policyholders' equity		Impact on shareholders' equity	
		Gross	Net	Gross	Net	Gross	Net
Death rate	5%+	-	-	361,456	361,455	23,122,821	23,122,821
Death rate	5%-	-	-	361,456	361,455	23,122,821	23,122,821
Morbidity	5%+	-	-	361,456	361,455	23,122,821	23,122,821
Morbidity	5%-	-	-	361,456	361,455	23,122,821	23,122,821
Longevity rate	5%+	-	-	361,456	361,455	23,122,821	23,122,821
Longevity rate	5%-	-	-	361,456	361,455	23,122,821	23,122,821
Expense	5%+	(38,109)	(38,109)	321,769	325,559	23,122,821	23,122,821
Expense	5%-	38,109	38,109	401,143	397,351	23,122,821	23,122,821
Lapse rate	5%+	(84,083)	(84,083)	277,373	277,372	23,122,821	23,122,821
Lapse rate	5%-	84,083	84,083	361,456	361,455	23,122,821	23,122,821
Total loss rate	5%+	(340,658)	(276,565)	(46,387)	(22,293)	23,122,821	23,122,821
Total loss rate	5%-	340,658	276,565	737,848	713,752	23,122,821	23,122,821

B- Financial Risks

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

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

Rate of return risk

The yield rate risk relates to the risks associated with changes in the return on fixed deposits held in banks.

There is no fixed yield rate on balances of fixed deposits at Islamic banks, as returns are tied to the results of the banks' investments based on Sharia-Compliant Principles and Rules of Islamic Finance. The realized yield at Islamic banks ranged between 3% to 5.5% annually during 2024.

In order to mitigate the risk of fluctuations in the yield rate on fixed deposits, such as a decrease in the deposit yield prompting the company to withdraw deposits and reduce its investments, which could have a negative impact on the company's future cash flows. The company maintains fixed deposits with multiple Islamic banking institutions that have good financial solvency and appropriate credit within the Kingdom and abroad. This is aimed at diversifying investments in bank deposits and reducing exposure to the risk of changes in the return rate on fixed deposits in the event of a rate change (return decrease) on fixed deposits with a specific bank.

The company also follows a policy of retaining deposits with Islamic banking institutions with a maturity date not exceeding one year, providing adequate liquidity for the company to meet short-term obligations.

The table below illustrates the sensitivity analysis of interest rates on the liabilities/assets of insurance contracts and reinsurance contracts, and how it affects profit or loss, as well as the rights of insurance policy holders and shareholders in the event of a change in the related risk variable that was reasonably possible at the financial statement date, while keeping all other influencing variables constant, as follows:

2024	Change rate	Impact on gross insurance contract liabilities	Impact on gross reinsurance contract assets	Impact on policyholders' equity	Impact on shareholders' equity
		Gross	Gross	Net	Net
Discount rate	0.5%+	(530,658)	301,312	(385,084)	23,621,972
Discount rate	0.5% -	(186,416)	195,505	(146,649)	23,621,972

Foreign Currencies Risk

The foreign currencies risks are the risks relating to the change in the value of the financial instruments due to the change in the foreign currencies exchange rates. Moreover, the Jordanian Dinar is considered the Company's functional currency. Additionally, the foreign currencies positions are monitored daily. Strategies are adopted to ensure that the positions of foreign currencies are maintained within the approved limits.

Most of the Company's assets and liabilities are funded in Jordanian Dinar or US Dollar. The exchange rate of the US Dollar to Jordanian Dinar is fixed at (0.710) and the probability of this risk is very minimal.

The following is the net position of the Company's major foreign currencies:

Currency type	Foreign Currency		Equivalent in Jordanian dinar	
	2024	2023	2024	2023
US Dollar	642,124	3,112,162	455,908	2,209,635
Yemeni Rial	2,500,000	2,500,000	8,157	8,157

Credit Risk

These are the risks that may arise from the failure of one party to a financial instrument to meet a certain obligation, causing the other party to incur a financial loss. In order to mitigate such risks, the company can:

1. The company retains balances and deposits with banking institutions that have appropriate credit ratings, such as the Jordan Islamic Bank, the International Arab Islamic Bank, and Al Baraka Bank in Bahrain, all of which are banking institutions with a good credit standing.
2. Scheduling some debts involves immediate repayment upon issuance of insurance documents, with the policy being cancelled if the remaining instalments are not paid, subject to the client's approval.
3. Monthly monitoring of customer debts, especially those exceeding three months, is conducted.
4. Requesting approval from the Jordan Islamic Bank for the repayment of pledged installments for the bank's clients.

Market Risks

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices such as interest rates, currency prices and stock prices.

The Islamic Insurance Company PLC
Notes to the Financial Statements (Continued)
31 December 2024

Financial risk sensitivity

The following sensitivity analysis show the impact on profit /loss and equity in event of change in the relevant risk factor that was reasonably possible at financial statement date.

Following is the sensitivity analysis table for both risk (10% decrease in market price, 5% decrease in deposit interest rate).

Statement of Profit or Loss (Policyholders and Shareholders) & Shareholders equity for the year ended 31 December 2024

	Base Year	Reducing deposit interest rate by 5%	Reducing market price by 10%
	2024	2024	2024
Revenues			
Insurance contracts revenues	37,340,289	37,340,289	37,340,289
Insurance contracts expenses	(32,304,231)	(32,304,231)	(32,304,231)
Insurance Contract service results	5,036,058	5,036,058	5,036,058
Reinsurance contracts held expenses	(13,396,708)	(13,396,708)	(13,396,708)
Reinsurance contracts held revenues	9,325,009	9,325,009	9,325,009
Reinsurance contracts service results	(4,071,699)	(4,071,699)	(4,071,699)
Net insurance Contract service results	964,359	964,359	964,359
Finance (expenses) revenues from insurance contracts	(464,438)	(464,438)	(464,438)
Finance revenues (expenses) from reinsurance contracts	282,459	282,459	282,459
Net insurance financing results	(181,979)	(181,979)	(181,979)
Policyholders' share of investment returns	937,078	890,224	937,078
Policyholders' share of net profits from financial assets and investments	97,005	97,005	87,305
Less: Shareholders' share against managing the investment portfolio	(258,521)	(246,807)	(256,096)
Total revenues	1,557,942	1,522,802	1,550,667
Shareholders' share against takaful operation management	2,030,591	2,030,591	2,030,591
Provision for expected credit losses (cheques under collection)	-	-	-
Provision for expected credit losses (deposits)	10,347	10,347	10,347
Total expenses	2,040,938	2,040,938	2,040,938
Policyholders' (deficit) before income tax	(482,996)	(518,136)	(490,271)
Income tax provision	-	-	-
Policyholders' surplus (deficit) after income tax	(482,996)	(518,136)	(490,271)
Shareholders' share against takaful operation management	6,372,583	6,372,583	6,372,583
Shareholders' share against managing the investment portfolio	258,521	246,807	256,096
Shareholders' share of investment returns	974,198	925,488	974,198
Shareholders' share of net profits from financial assets and investments	324,879	324,879	292,391
Total revenues	7,930,181	7,869,757	7,895,268
Employees expenses	3,507,552	3,507,552	3,507,552
Administrative and general expenses	865,702	865,702	865,702
Other expenses	55,000	55,000	55,000
Other provisions	441,907	441,907	441,907
Depreciation & amortization	188,874	188,874	188,874
Unneeded provision for expected credit losses (deposits)	(4,980)	(4,980)	(4,980)
Total expenses	5,054,055	5,054,055	5,054,055
Profit for the year before income tax	2,876,126	2,815,702	2,841,213
Income tax for the year	(815,697)	(799,987)	(806,620)
Profit for the year	2,060,429	2,015,716	2,034,593
Total Shareholder's Equity	23,621,972	23,577,259	23,596,136

Currency exchange risk

Currency exchange risk refer to the risk arising from the fluctuation in the value of financial instruments due to changes in exchange rates. The risks associated with financial instruments denominated in the US dollar are low due to the stability of the exchange rate of the Jordanian Dinar against the US dollar. It is worth noting that all insurance documents are in Jordanian Dinar, and agreements with reinsurers are also in Jordanian Dinar.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. To limit this risk, management has arranged diversified funding sources, manages assets and liabilities, and monitors liquidity on a daily basis and maintains sufficient amount of cash and cash equivalents and quoted securities.

The Company applies a suitable system to manage its short-term and long-term funding risk and maintains sufficient reserves through monitoring the expected cash flows and comparing the maturities of assets with to the maturities of liabilities and technical obligations.

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

2024								
	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Without due date	Total
Assets:								
Total assets	2,863,651	9,858,442	2,510,625	30,173,358	-	-	6,702,309	52,108,385
Liabilities:								
Insurance contract liabilities	1,326,086	6,630,429	7,956,514	2,652,171	4,773,909	3,182,606	-	26,521,714
Reinsurance contract liabilities	7,479	11,219	18,698	6,233	11,219	7,479	-	62,326
Accounts payable	26,564	-	-	-	-	-	-	26,564
Income tax provision	-	489,126	-	-	-	-	-	489,126
Other provisions	-	-	-	610,685	-	-	617,748	1,228,433
Other liabilities	62,798	109,896	47,098	94,196	-	-	-	313,988
Total Liabilities	1,422,926	7,240,669	8,022,310	3,363,285	4,785,127	3,190,085	617,748	28,642,151
Net	1,440,725	2,617,773	(5,511,685)	26,810,073	(4,785,127)	(3,190,085)	6,084,561	23,466,234

2023								
	Less than month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Without due date	Total
Assets:								
Total assets	4,959,850	6,565,645	330,048	29,940,415	-	-	6,533,650	48,329,608
Liabilities:								
Insurance contract liabilities	2,761,764	4,142,645	6,572,339	2,301,470	4,142,645	2,761,764	-	22,682,627
Reinsurance contract liabilities	2,389	4,778	9,556	7,167	-	-	-	23,891
Accounts payable	26,745	-	-	-	-	-	-	26,745
Income tax provision	-	730,680	-	-	-	-	-	730,680
Other provisions	-	-	-	556,032	-	-	505,814	1,061,846
Other liabilities	62,216	51,790	168,037	12,500	25,000	-	-	319,543
Total Liabilities	2,853,114	4,929,894	6,749,932	2,877,169	4,167,645	2,761,764	505,814	24,845,332
Net	2,106,736	1,635,751	(6,419,884)	27,063,246	(4,167,645)	(2,761,764)	6,027,836	23,484,276

C- Operational risks:

Include system failures and human error, whether intentional or unintentional. These risks can affect the company's reputation and result in financial losses. The company takes measures to avoid these risks, such as defining responsibilities and implementing necessary procedures to obtain information from the systems used in the company, in addition to raising awareness and training employees.

D- Legal Risk:

This type of risk arises from legal actions against the company. To mitigate these risks, the company has established an independent legal department to oversee the company's operations in compliance with the Insurance Business Regulation Law and the instructions of the Central Bank of Jordan's/Insurance Supervision Department.

46. Analysis of Main Sectors

A – Background information on the Company's business segments

For management purposes, the Company measures its insurance segments in accordance with the reports used by executive manager and the company's primary decision maker to include Takaful insurance and General insurance sector which comprise fire, accidents, marine, aviation medical, and motor insurance. These two sectors are the base used by the Company to disclose information related to key sectors, the mentioned sectors also includes the Company's investments and cash management. The activities between the business sectors are performed based on commercial basis.

B – Geographical distribution

The following disclosure demonstrates geographical distribution of the Company's operations; the Company mainly conducts its operations in Jordan.

The following table shows the distribution of total revenues, total assets and capital expenditures based on their pertaining geographical distribution:

	Inside Jordan		Outside Jordan		Total	
	2024	2023	2024	2023	2024	2023
Total revenues	39,673,449	36,073,868	-	-	39,673,449	36,073,868
Total assets	51,645,521	46,451,937	462,864	1,877,671	52,108,385	48,329,608
Capital expenditures	355,004	536,721	-	-	355,004	536,721

47. Capital Management

The subscribed and paid-up capital at the end of the year is (16.5) million dinars, distributed over (16.5) million shares with a nominal value of one Jordanian dinar per share. On March 21, 2007, the company's capital was increased from (3,600,000) dinars / shares as of December 31, 2005, by capitalizing (400) thousand dinars / shares from retained earnings and offering (4) million dinars / shares for public subscription. This was in accordance with the minimum capital requirement regulation for insurance companies issued by the Central Bank of Jordan / Insurance Supervision Department. On April 26, 2008, the company's capital was increased by capitalizing (2) million dinars / shares from the additional paid-in-capital, optional reserve, and retained earnings. On April 8, 2009, the company's capital was further increased by capitalizing (2) million dinars / shares from the optional reserve and retained earnings. Additionally, on April 4, 2017, the company's capital was raised by capitalizing (3) million dinars / shares from retained earnings. On July 23, 2024 the company's capital was increased by capitalizing (1.5) million dinars / shares from voluntary reserve. Consequently, the subscribed and paid-up capital became (16.5) million dinars / shares. In the opinion of the Board of Directors, the above-mentioned regulatory capital is considered sufficient.

	31 December 2024	31 December 2023
Core capital items		
Paid in Capital	16,500,000	15,000,000
Statutory reserve	4,248,059	3,954,946
Voluntary reserve	5,916	1,505,916
Retained earnings	3,368,595	3,101,279
Policyholders' equity	(155,738)	361,455
	31 December 2024	31 December 2023
Additional capital items		
Cumulative change in fair value	(500,598)	(439,320)
Solvency margin (According to the financial statements prepared in accordance with international financial reporting standard number 4 (IFRS 4))	246%	294%

48. Maturity Analysis of Assets and Liabilities:

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

2024	Up to one year	More than one year	Total
Assets			
Bank deposits	26,729,151	-	26,729,151
Financial assets at fair value through other comprehensive income	8,803,967	-	8,803,967
Financial assets at fair value through profit or loss	-	4,000,000	4,000,000
Investment properties	-	380,034	380,034
Cash on hand and at banks	1,848,606	-	1,848,606
Insurance contract assets - net	-	-	-
Reinsurance contract assets - net	7,494,734	-	7,494,734
Property and equipment - net	-	2,301,261	2,301,261
Intangible assets	-	5,483	5,483
Other assets	529,618	15,531	545,149
Total assets	45,406,076	6,702,309	52,108,385
Liabilities			
Insurance contract liabilities	18,565,200	7,956,514	26,521,714
Reinsurance contract liabilities	43,628	18,698	62,326
Accounts payable	26,564	-	26,564
Income tax provision	489,126	-	489,126
Other provisions	610,685	617,748	1,228,433
Other liabilities	313,988	-	313,988
Total Liabilities	20,049,191	8,592,960	28,642,151
Net	25,356,885	(1,890,651)	23,466,234

2023	Up to one year	More than one year	Total
Assets			
Bank deposits	25,030,041	-	25,030,041
Financial assets at fair value through other comprehensive income	8,885,671	-	8,885,671
Financial assets at fair value through profit or loss	-	4,000,000	4,000,000
Financial assets at amortized cost	-	-	-
Investment properties	-	388,055	388,055
Cash on hand and at banks	2,883,968	-	2,883,968
Insurance contract assets - net	-	-	-
Reinsurance contract assets - net	4,931,812	-	4,931,812
Property and equipment - net	-	2,123,016	2,123,016
Intangible assets	-	9,577	9,577
Other assets	64,467	13,001	77,468
Total assets	41,795,959	6,533,649	48,329,608
Liabilities			
Insurance contract liabilities	15,778,218	6,904,409	22,682,627
Reinsurance contract liabilities	23,891	-	23,891
Accounts payable	26,745	-	26,745
Income tax provision	730,680	-	730,680
Other provisions	556,032	505,814	1,061,846
Other liabilities	294,543	25,000	319,543
Total Liabilities	17,410,109	7,435,223	24,845,332
Net	24,385,850	(901,574)	23,484,276

49. Lawsuits against the Company

There are lawsuits filed against the Company mainly pertaining motor accidents, for which a full reserve has been taken against in the outstanding claims reserve amounting to JOD (4,043,304) compared to JOD (2,886,940) as at 31 December 2023.

50. Contingent Liabilities

There are no contingent liabilities that could arise after the date of financial statement.

51. Subsequent Events

No subsequent events have a material impact on the financial statement as at 31 December 2024.

52. Comparative Figures

Certain comparative figures for the year ended 31/12/2023 have been restated in accordance with the assumptions and accounting principles applied in measuring the assets and liabilities of insurance and reinsurance contracts during the year ended 31/12/2024.

53. Transaction that don't comply with the principle of Islamic sharia

There is no transaction don't comply with the principle of Islamic sharia

54 – Financial statements segmented by product type

A - Statement of financial position

2024	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	Total
Investments	2,977,294	496,216	1,157,837	165,405	3,308,105	661,621	330,810	7,443,236	16,540,524
Cash on hand and at banks	-	-	-	-	-	-	-	-	-
Insurance contract assets - net	-	-	-	-	-	-	-	-	-
Reinsurance contract assets - net	1,821,542	345,910	1,664,456	103,026	2,799,510	57,632	71,336	631,322	7,494,734
Other assets	63,870	10,645	24,838	3,548	70,967	14,193	7,097	159,675	354,833
Income tax provision	16,834	2,806	6,547	935	18,705	3,741	1,870	42,085	93,523
Amounts due from shareholders	583,341	97,223	226,855	32,408	648,157	129,631	64,816	1,458,352	3,240,783
Total assets	5,462,881	952,800	3,080,532	305,323	6,845,443	866,819	475,929	9,734,670	27,724,397
Insurance contract liabilities	18,128,355	263,969	1,851,066	117,485	1,978,924	92,611	100,621	3,988,683	26,521,714
Reinsurance contract liabilities	-	-	-	-	-	-	-	62,326	62,326
Cash on hand and at banks (overdrawn accounts)	217,659	36,276	84,645	12,092	241,843	48,369	24,184	544,147	1,209,215
Accounts payable	-	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-	-
Other liabilities	15,638	2,606	6,082	869	17,376	3,475	1,738	39,096	86,880
Total Liabilities	18,361,652	302,852	1,941,793	130,446	2,238,143	144,455	126,543	4,634,252	27,880,135

2023	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	Total
Investments	2,548,862	424,810	991,224	141,603	2,832,069	566,414	283,207	6,372,156	14,160,346
Cash on hand and at banks	262,533	43,755	102,096	14,585	291,703	58,341	29,170	656,331	1,458,514
Insurance contract assets - net	-	-	-	-	-	-	-	-	-
Reinsurance contract assets - net	1,423,836	-	1,907,651	139,641	1,319,814	7,448	1,669	131,753	4,931,812
Other assets	-	-	-	-	-	-	-	-	-
Amounts due from shareholders	494,294	82,382	192,226	27,461	549,216	109,843	54,922	1,235,736	2,746,079
Total assets	4,729,525	550,948	3,193,197	323,290	4,992,802	742,046	368,968	8,395,976	23,296,751
Insurance contract liabilities	13,690,495	1,548	1,706,451	154,920	2,294,363	61,625	3,737	4,769,488	22,682,627
Reinsurance contract liabilities	-	23,891	-	-	-	-	-	-	23,891
Accounts payable	-	-	-	-	-	-	-	-	-
Income tax provision	56,395	2,972	7,087	387	30,124	982	3,733	45,317	146,997
Other provisions	-	-	-	-	-	-	-	-	-
Other liabilities	31,375	1,653	3,943	216	16,759	546	2,077	25,212	81,781
Total Liabilities	13,778,265	30,064	1,717,480	155,523	2,341,246	63,154	9,547	4,840,017	22,935,296

B - Income Statement

2024	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	Total
Insurance contracts revenues	14,820,730	919,842	1,785,395	112,164	6,922,541	218,079	805,051	11,756,487	37,340,289
Insurance contracts expenses	18,316,772	568,363	539,875	30,534	8,390,983	129,861	179,619	4,148,224	32,304,231
Insurance contract service results	(3,496,042)	351,479	1,245,520	81,630	(1,468,442)	88,218	625,432	7,608,263	5,036,058
Reinsurance contracts held expenses	(1,018,071)	(563,026)	(1,322,733)	(77,172)	(4,472,748)	(102,543)	(450,986)	(5,389,429)	(13,396,708)
Reinsurance contracts held revenues	1,313,520	417,869	274,570	9,674	4,614,160	108,988	122,507	2,463,721	9,325,009
Reinsurance contracts service results	295,449	(145,157)	(1,048,163)	(67,498)	141,412	6,445	(328,479)	(2,925,708)	(4,071,699)
Net insurance contract service results	(3,200,593)	206,322	197,357	14,132	(1,327,030)	94,663	296,953	4,682,555	964,359
Finance (expenses) revenues from insurance contracts	(205,633)	(1,182)	(56,287)	(4,164)	(32,520)	(6,327)	(526)	(157,799)	(464,438)
Finance (expenses) revenues from reinsurance contracts	55,052	4,285	60,107	5,509	55,165	9,231	730	92,379	282,459
Net insurance financing results	(150,580)	3,103	3,820	1,345	22,645	2,904	203	(65,420)	(181,979)
Policyholders' share of investment returns	168,674	28,112	65,595	9,371	187,416	37,483	18,742	421,685	937,078
Policyholders' share of net Profits from financial assets and investments	17,461	2,910	6,790	970	19,401	3,880	1,940	43,652	97,005
Less: Shareholders' share against managing the investment portfolio	(46,535)	(7,756)	(18,096)	(2,585)	(51,704)	(10,341)	(5,170)	(116,333)	(258,521)
Total revenues	(3,211,573)	232,692	255,467	23,233	(1,149,272)	128,589	312,667	4,966,139	1,557,942
Shareholders' share against takaful operation management (not allocated)	(977,560)	164,472	(25,851)	(415)	344,091	(7,412)	(40,218)	(1,487,697)	(2,030,591)
Provision for expected credit losses (cheques under collection)	-	-	-	-	-	-	-	-	-
Provision for expected credit losses (deposits)	(1,862)	(310)	(724)	(103)	(2,069)	(414)	(207)	(4,656)	(10,347)
Total expenses	(979,423)	164,161	(26,576)	(518)	342,022	(7,826)	(40,425)	(1,492,353)	(2,040,938)
Policyholder's surplus(deficit) before income tax	(4,190,995)	396,853	228,891	22,715	(807,251)	120,763	272,242	3,473,786	(482,996)
Income tax for the year	-	-	-	-	-	-	-	-	-
Policyholder's surplus(deficit) After income tax	(4,190,995)	396,853	228,891	22,715	(807,251)	120,763	272,242	3,473,786	(482,996)

The Islamic Insurance Company PLC
Notes to the Financial Statements (Continued)
31 December 2024

2023	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	Total
Insurance contracts revenues	13,223,427	696,785	1,661,671	90,849	7,063,370	230,289	875,344	10,625,921	34,467,656
Insurance contracts expenses	13,752,776	244,865	1,089,129	(67,416)	9,176,267	106,734	75,524	5,871,829	30,249,708
Insurance contract service results	(529,349)	451,920	572,542	158,265	(2,112,897)	123,555	799,820	4,754,092	4,217,948
Reinsurance contracts held expenses	(898,532)	(415,338)	(1,199,972)	(62,906)	(4,084,324)	(83,255)	(487,513)	(5,169,170)	(12,401,010)
Reinsurance contracts held revenues	1,224,569	118,469	904,559	(55,037)	4,333,517	(45,488)	11,683	3,787,833	10,280,105
Reinsurance contracts service results	326,037	(296,869)	(295,413)	(117,943)	249,193	(128,743)	(475,830)	(1,381,337)	(2,120,905)
Net insurance contract service results	(203,312)	155,051	277,129	40,322	(1,863,704)	(5,188)	323,990	3,372,755	2,097,043
Finance (expenses) revenues from insurance contracts	(309,811)	(482)	(51,919)	(5,261)	(26,315)	(10,774)	(105)	(135,662)	(540,329)
Finance (expenses) revenues from reinsurance contracts	51,332	(3,087)	49,941	4,353	15,772	7,947	186	81,376	207,820
Net insurance financing results	(258,479)	(3,569)	(1,978)	(908)	(10,543)	(2,827)	81	(54,286)	(332,509)
Policyholders' share of investment returns	171,853	9,056	21,595	1,181	91,796	2,993	11,376	138,096	447,946
Policyholders' share of net Profits from financial assets and investments	43,178	765	3,415	(214)	28,836	439	132	18,381	94,932
Less: Shareholders' share against managing the investment portfolio	(53,759)	(2,455)	(6,253)	(242)	(30,158)	(858)	(2,877)	(39,118)	(135,720)
Total revenues	(300,518)	158,847	293,909	40,139	(1,783,773)	(5,441)	332,702	3,435,827	2,171,692
Shareholders' share against takaful operation management (not allocated)	(831,620)	127,086	(83,362)	(4,414)	219,605	(19,487)	(80,336)	(1,477,965)	(2,150,493)
Provision for expected credit losses (cheques under collection)	(367)	-	-	-	-	-	-	-	(367)
Provision for expected credit losses (deposits)	2,218	117	279	15	1,185	39	147	1,783	5,782
Total expenses	(829,769)	127,202	(83,083)	(4,399)	220,790	(19,448)	(80,189)	(1,476,182)	(2,145,078)
Policyholder's surplus(deficit) before income tax	(1,130,287)	286,050	210,826	35,741	(1,562,983)	(24,890)	252,513	1,959,645	26,614
Income tax for the year	-	(3,719)	(8,869)	(485)	-	(1229)	(4,672)	(165,002)	(183,977)
Policyholder's surplus(deficit) After income tax	(1,130,287)	282,331	201,956	35,256	(1,562,983)	(26,119)	247,841	1,794,643	(157,363)

The Islamic Insurance Company PLC
Notes to the Financial Statements (Continued)
31 December 2024

55 – Written Premiums Based on Insurance Type:

	Motors		Marine		Fire		Engineering		Medical		Responsibility insurance		Other insurance		Takaful		Total	
	31 /12 2024	31 /12 2023	31 /12 2024	31 /12 2023	31 /12 2024	31 /12 2023	31 /12 2024	31 /12 2023	31 /12 2024	31 /12 2023	31 /12 2024	31 /12 2023	31 /12 2024	31 /12 2023	31 /12 2024	31 /12 2023	31 /12 2024	31 /12 2023
Written Premiums:																		
Direct premiums	13,964,862	12,286,115	980,295	743,359	1,654,180	1,546,914	103,639	84,696	6,477,594	6,914,611	205,047	209,344	781,864	851,481	11,603,496	10,623,094	35,770,977	33,259,614
Facultative inward reinsurance	1,531,462	1,235,708	2,290	-	172,811	58,572	7,012	4,438	-	-	-	495	1,233	781	-	-	1,714,808	1,299,994
Total written premiums	15,496,324	13,521,823	982,585	743,359	1,826,991	1,605,486	110,651	89,134	6,477,594	6,914,611	205,047	209,839	783,097	852,262	11,603,496	10,623,094	37,485,785	34,559,608
Less:																		
Local reinsurers' share	(385,185)	(386,842)	(1,101)	(1,029)	(85,228)	(83,333)	(3,531)	(2,530)	-	-	-	-	-	(3,781)	-	-	(475,045)	(477,515)
Foreign reinsurers' share	(170,198)	(165,535)	(396,396)	(339,330)	(1,079,156)	(959,333)	(69,100)	(52,084)	(4,304,891)	(4,203,081)	(100,299)	(147,649)	(400,502)	(371,713)	(5,354,171)	(5,217,877)	(11,874,713)	(11,456,602)
Net written premiums:	14,940,941	12,969,446	585,088	403,000	662,607	562,820	38,020	34,520	2,172,703	2,711,530	104,748	62,190	382,595	476,768	6,249,325	5,405,217	25,136,027	22,625,491

56 – Amortization of Acquisition Costs for Insurance Contract Assets

31 December 2024	Issued insurance policy								Total
	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	
The number of years expected to amortize deferred acquisition costs									
One year	235,281	4,782	15,217	469	7,372	3,391	190	-	266,702
Two years	-	-	-	-	-	-	-	-	-
Total	235,281	4,782	15,217	469	7,372	3,391	190	-	266,702

31 December 2023	Issued insurance policy								Total
	Motors	Marine	Fire	Engineering	Medical	Responsibility insurance	Other insurance	Takaful	
The number of years expected to amortize deferred acquisition costs									
One year	194,913	385	9,280	355	-	3,784	183	-	208,900
Two years	-	-	-	-	-	-	-	-	-
Total	194,913	385	9,280	355	-	3,784	183	-	208,900

57 – Account Receivables Analysis

	31/12/2024			31/12/2023		
	Accounts receivables	Provision for expected credit losses	Net	Accounts receivables	Provision for expected credit losses	Net
	JOD			JOD		
Motors	1,439,874	(185,113)	1,254,761	1,216,497	(205,544)	1,010,953
Marine	192,962	(5,337)	187,625	166,355	(5,337)	161,018
Fire	309,932	(36,586)	273,346	486,486	(36,586)	449,900
Engineering	25,904	(1,419)	24,485	19,127	(1,419)	17,708
Medical	1,540,915	(355,879)	1,185,036	1,659,097	(355,512)	1,303,585
Responsibility Insurance	114,936	(4,174)	110,762	171,295	(4,174)	167,121
Other insurance	11,558	(548)	11,010	22,480	(548)	21,932
Takaful	786,343	(45,770)	740,573	379,491	(45,770)	333,721
Total	4,422,424	(634,826)	3,787,598	4,120,828	(654,890)	3,465,938