

GULF INSURANCE GROUP/ JORDAN

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

**GULF INSURANCE GROUP/ JORDAN
PUBLIC SHAREHOLDING COMPANY**

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GULF INSURANCE GROUP/JORDAN
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gulf Insurance Group/Jordan (Public Shareholding Company) (the "Company") and its subsidiaries (together the "Group") as at 31 December 2024, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as modified by the Central Bank of Jordan.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as of 31 December 2024.
- the consolidated statement of income for the year then ended.
- the consolidated statement of income - Life insurance for the year then ended.
- the consolidated statement of comprehensive income for the year then ended.
- the consolidated statement of changes in equity for the year then ended.
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities* for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF GULF INSURANCE GROUP/JORDAN
(PUBLIC SHAREHOLDING COMPANY)

FOR THE YEAR ENDED 31 DECEMBER 2024

Our audit approach

Overview

Key Audit Matter	- Measurement of Insurance contracts liabilities
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
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Measurement of Insurance Contract Liabilities

The liabilities of insurance contracts mentioned in Note (10) amounted to 70,995,479 JD as of 31 December 2024 (2023: 64,773,537 JD)

The measurement of insurance contract liabilities is considered a key audit matter as the group applies important provisions and makes several assumptions about measuring the present value of cash flows, risk adjustments, the measurement of onerous contracts, the discount rate, and the contractual service margin, in addition to using complex actuarial methods to estimate contractual cash flows, especially final claims projections and their development patterns.

We performed the following audit procedures when measuring the insurance contract liabilities in the consolidated financial statements of the group for the year ended 31 December 2024:

- We assessed the group's methodology for calculating insurance contract liabilities in accordance with IFRS 17 as modified by the Central Bank of Jordan.
 - We tested the accuracy and completeness of the data used to measure the insurance contract liabilities by tracing a sample of the data for the underlying contracts and reconciling the data to the accounting records.
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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF GULF INSURANCE GROUP/JORDAN
(PUBLIC SHAREHOLDING COMPANY)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Group recognizes insurance contract liabilities when the group has obligations at the consolidated financial statement date arising from past events related to insurance contracts, and the settlement of these obligations is probable and can be reliably measured. The amounts recognized as insurance contract liabilities represent the best estimate of the amounts required to settle the obligation as of the consolidated financial statement date, considering the risks and uncertainties associated with insurance contract liabilities.

When the liability is determined based on estimated cash flows to settle the current obligation, its book value represents the present value of these cash flows.

The accounting policy has been presented in accordance with IFRS 17 as modified by the Central Bank of Jordan, in Note (2) regarding these consolidated financial statements.

➤ We obtained from internal and independent external experts the estimate of incurred but not reported (IBNR) claims and the supporting estimates and assumptions.

➤ We assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements in accordance with IFRS 17 as modified by the Central Bank of Jordan.

➤ We tested the accuracy of the claims reserves by examining samples of claims reserves and comparing the estimated reserve amounts with appropriate documentation and amounts paid in subsequent periods.

➤ We performed analytical procedures on the liabilities accounts by business activity and recalculated the unearned revenue and issuance costs that form the liability for remaining coverage reserve for each business activity using data extracted from the group's systems.

➤ We assessed the competence and objectivity of the actuarial expert appointed by the group.

➤ We involved our internal specialists to assess the following aspects:

- The conceptual framework used in evaluating the group's methodology for calculating insurance contract liabilities in the context of its compliance with IFRS 17, as modified by the Central Bank of Jordan.
- The calculation methodology and the model used, including claims ratios and their development patterns.

The reasonableness of the assumptions used, such as loss ratios, claims development factors, and discount rates.



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF GULF INSURANCE GROUP/JORDAN
(PUBLIC SHAREHOLDING COMPANY)**

FOR THE YEAR ENDED 31 DECEMBER 2024

Other information

Management is responsible for the other information. The other information comprises all the other information included in the Group's annual report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF GULF INSURANCE GROUP/JORDAN
(PUBLIC SHAREHOLDING COMPANY)

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF GULF INSURANCE GROUP/JORDAN
(PUBLIC SHAREHOLDING COMPANY)

FOR THE YEAR ENDED 31 DECEMBER 2024

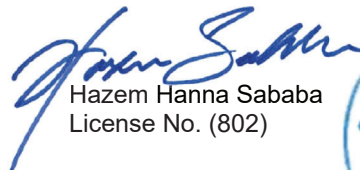
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Group maintains proper books of accounts which are, in agreement, with the consolidated financial statements. We recommend that the General Assembly of the Shareholders to approve these consolidated financial statements.

For and on behalf of PricewaterhouseCoopers "Jordan"


Hazem Hanna Sababa
License No. (802)

Amman, Jordan
24 February 2025



GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 JD	2023 JD
Assets			
Investments			
Deposits at banks	3	20,585,232	21,272,263
Financial assets at fair value through profit or loss	4	11,912,378	5,179,512
Financial assets at fair value through other comprehensive	5	6,568,578	5,682,672
Financial assets at amortized cost - net	6	60,801,553	57,755,525
Investment property	7	170,464	170,464
Right of use assets	8	501,027	203,491
Total Investments		100,539,232	90,263,927
Cash on hand and at banks	9	1,020,257	1,155,421
Insurance contract assets	10	2,558	-
Re-insurance contracts assets	10-11	12,128,180	6,176,683
Deferred tax assets	12	3,715,826	4,274,201
Property and equipment	13	7,882,439	7,425,908
Intangible assets	14	5,662,695	5,488,992
Other assets	15	5,813,449	5,048,642
Discontinued operations' assets		794,328	788,955
Total Assets		137,558,964	120,622,729
Liabilities and Equity			
Liabilities			
Insurance contracts liabilities	10	70,995,479	64,773,537
Re-insurance contracts liabilities	10-11	2,710,701	358,857
Accrued expenses		2,729,081	1,846,267
Lease liabilities	8	480,608	232,848
Income tax provision	12	816,371	212,697
Other provisions	16	3,025,526	2,887,598
Other liabilities	17	672,011	723,373
Discontinued operations' liabilities		223,444	244,216
Total Liabilities		81,653,221	71,279,393
Equity			
Authorized and paid-in capital	18	26,000,000	26,000,000
Statutory reserve	19	6,500,000	6,500,000
Fair value reserve	20	(927,315)	(1,509,165)
Change in actuarial assumption – end of service		(120,000)	(120,000)
Retained earnings	21	24,453,058	18,472,501
Equity		55,905,743	49,343,336
Total Liabilities and Equity		137,558,964	120,622,729

The attached notes 1 to 49 integral part of these consolidated financial statements

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 JD	2023 JD
Revenues			
Insurance contracts revenues	23	124,600,652	110,059,304
Insurance contracts expenses	24	(99,156,812)	(85,594,055)
Insurance contracts services results		25,443,840	24,465,249
Re-insurance contracts expenses	25	(61,554,192)	(47,338,624)
Re-insurance contracts recoveries	26	45,490,674	33,537,529
Re-insurance contracts services results		(16,063,518)	(13,801,095)
Net insurance and re-insurance contracts results		9,380,322	10,664,154
Finance (expense) - insurance contracts	27	(2,773,253)	(3,446,278)
Finance income – re-insurance contracts	28	353,496	777,896
Net insurance and re- insurance contracts results		6,960,565	7,995,772
Interest income	29	4,797,704	4,331,926
Gain (Loss) from financial assets and investments - net	30	1,991,050	(419,562)
Total revenues		13,749,319	11,908,136
Unallocated general and administrative expenses		2,134,626	1,922,005
Unallocated depreciation and amortization		-	83,533
Expected credit losses	3	200,000	200,000
(Gains) losses from sale of property and equipment		24,401	(24,237)
Total expenses		2,359,027	2,181,301
Profit for the year from continuing operations before income tax		11,390,292	9,726,835
Income tax expense	12	(1,308,758)	(199,943)
Profit for the year from continuing operations		10,081,534	9,526,892
Loss for the year after tax from discontinued operations		(4,549)	(38,237)
Profit for the year		10,076,985	9,488,655
Earnings per share from the profit of the year	33	0.388	0.365

The attached notes 1 to 49 integral parts of these consolidated financial statements

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF INCOME – LIFE INSURANCE
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 JD	2023 JD
Revenues			
Insurance contracts revenues	23	6,360,698	2,679,278
Insurance contracts expenses	24	(6,349,993)	(2,582,971)
Insurance contracts services results		<u>10,705</u>	<u>96,307</u>
Re-insurance contracts expenses	25	(4,742,511)	(1,439,036)
Re-insurance contracts recoveries	26	4,584,887	1,147,456
Re-insurance contracts services results		<u>(157,624)</u>	<u>(291,580)</u>
Net insurance and re-insurance contracts results		<u>(146,919)</u>	<u>(195,273)</u>
Finance (expense) - insurance contracts	27	(125,880)	(82,355)
Finance income – re-insurance contracts	28	23,430	121,141
Net insurance and re- insurance finance results		<u>(102,450)</u>	<u>38,786</u>
Net insurance and re- insurance contracts results		<u>(249,369)</u>	<u>(156,487)</u>
Interest income	29	213,590	141,717
Total revenues		<u>213,590</u>	<u>141,717</u>
 Loss for the year before income tax		 (35,779)	 (14,770)
Income tax expense	12	-	-
Loss for the year		<u>(35,779)</u>	<u>(14,770)</u>
 Earnings per share from the loss of the year	33	 (0.001)	 (0.001)

The attached notes 1 to 49 integral parts of these consolidated financial statements

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Note</u>	<u>2024</u> <u>JD</u>	<u>2023</u> <u>JD</u>
Profit for the year		10,076,985	9,488,655
Add other comprehensive income items:			
<i>Items that will not be reclassified to the consolidated income statement in subsequent periods:</i>			
Change in fair value of financial assets through other comprehensive income	5	385,422	439,607
Change in actuarial assumptions		-	(120,000)
Total comprehensive income for the year		<u>10,462,407</u>	<u>9,808,262</u>

The attached notes 1 to 49 integral part of these consolidated financial statements

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Authorized and paid-in capital	Statutory reserve	Change in actuarial assumption – end of service	Fair value reserve	Retained earnings*	Net Equity
	JD	JD	JD	JD	JD	JD
2024						
Balance as at 1 January	26,000,000	6,500,000	(120,000)	(1,509,165)	18,472,501	49,343,336
Profit after tax	-	-	-	-	10,076,985	10,076,985
Change in fair value through other comprehensive income	-	-	-	385,422	-	385,422
Total comprehensive income for the year	-	-	-	385,422	10,076,985	10,462,407
Loss from sale of financial assets through other comprehensive income	-	-	-	196,428	(196,428)	-
Dividends distribution (Note 21)	-	-	-	-	(3,900,000)	(3,900,000)
Balance at 31 December	<u>26,000,000</u>	<u>6,500,000</u>	<u>(120,000)</u>	<u>(927,315)</u>	<u>24,453,058</u>	<u>55,905,743</u>
2023						
Balance as at 1 January	26,000,000	6,500,000	-	(1,684,308)	12,619,382	43,435,074
Profit after tax	-	-	-	-	9,488,655	9,488,655
Change in fair value through other comprehensive income	-	-	-	439,607	-	439,607
Change in actuarial assumptions	-	-	(120,000)	-	-	(120,000)
Total comprehensive income for the year	-	-	(120,000)	439,607	9,488,655	9,808,262
Loss from sale of financial assets through other comprehensive income	-	-	-	(264,464)	(264,464)	-
Dividends distribution (Note 21)	-	-	-	-	(3,900,000)	(3,900,000)
Balance at 31 December	<u>26,000,000</u>	<u>6,500,000</u>	<u>(120,000)</u>	<u>(1,509,165)</u>	<u>18,472,501</u>	<u>49,343,336</u>

* Retained earnings include an amount of JD 3,715,827 as at 31 December 2024 (2023: JD 4,274,201) representing deferred tax assets that is restricted from use in accordance with the Jordan Securities Commission instructions. Furthermore, the amount of JD 1,047,315 as of 31 December 2024 (2023: JD 1,629,165) of the retained earnings is restricted from use which represents the negative balance of the fair value reserve. It is also not possible to dispose of an amount of JD 1,180,719 as of 31 December 2024 (2023: 746,799) which represents unrealized gains on financial assets at fair value through the income statement.

The attached notes 1 to 49 integral part of these consolidated financial statements

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		JD	JD
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year from continuing operations before tax		11,390,292	9,726,835
Loss from discontinued operations after tax		(4,549)	(38,237)
Adjustments:			
Depreciation and amortization		710,093	645,455
Interest income		(4,797,704)	(4,331,926)
Impairment loss on intangible assets		-	400,000
Depreciation of right-of-use assets		140,639	220,880
Lease contract financing costs		41,945	23,256
End-of-service benefit expense		611,763	722,877
Gains (losses) on disposal of property and equipment		24,401	(24,237)
Change in fair value of financial assets through other comprehensive income		196,428	(264,464)
Expected credit losses on financial assets at amortized cost		-	200,000
Expected credit losses on bank deposits		200,000	-
Expected Credit Losses		-	150,002
Expected Credit Losses on Reinsurance contracts assets		350,000	100,002
Unrealized (Gains) losses on financial assets at fair value through profit or loss		(1,180,719)	746,799
Dividends income from financial assets at fair value through other comprehensive income		(810,331)	(327,237)
Amortization of financial assets at amortized cost		(175,110)	-
changes in working capital:		6,697,148	7,950,005
Insurance contract assets		(2,558)	-
Re- reinsurance contract assets (Held)		(6,301,497)	1,615,229
Other assets		(764,760)	(710,765)
Insurance contract liabilities		6,221,942	1,158,651
Retained reinsurance contract liabilities (Held)		2,351,844	(399,899)
Other liabilities		(72,134)	(268,814)
Accrued expenses		882,814	56,949
Other provisions		(247,048)	69,085
Net cash flows from operating activities before payments for provisions and income tax		8,765,751	9,470,441
Paid from end-of-service provision		(226,787)	(250,357)
Income tax paid		(146,709)	(341,262)
Net cash flows from operating activities		8,392,255	8,878,822
CASH FLOW FROM INVESTING ACTIVITIES			
Deposits at banks maturing after three months		1,487,031	45,650,299
Purchase of property and equipment		(944,315)	(614,946)
Purchase of intangible assets		(431,128)	(357,052)
Proceeds from sale of property and equipment		10,715	26,594
Purchase of financial assets at fair value through profit or loss		(5,552,147)	(5,926,311)
Purchase of financial assets at amortized cost		(7,479,418)	(45,505,166)
Dividends Received		810,331	327,237
Interest income received		4,797,704	2,914,242
Purchase of financial assets at fair value through other comprehensive income		(984,459)	(802,272)
Proceeds from matured bonds at amortized cost		4,608,500	-
Proceeds from the sale of financial assets through other comprehensive income		287,547	1,383,854
Net cash flows used in investing activities		(3,389,639)	(2,903,521)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated loan		-	(1,500,000)
Paid distributed dividends		(3,900,000)	(3,900,000)
Lease payments		(232,360)	(207,679)
Net cash flow used in financing activities		(4,132,360)	(5,607,679)
Net increase (decrease) in cash and cash equivalents		870,256	367,622
Cash and cash equivalents at the beginning of the year		1,924,323	1,556,701
Cash and cash equivalents at the end of the year		2,794,579	1,924,323

The attached notes 1 to 49 integral part of these consolidated financial statements

(1) GENERAL

Gulf Insurance Group Company/Jordan Public Shareholding Company was established in 1996 and registered under No. (309), with a paid in capital of JD 2,000,000 divided into 2,000,000 shares with a par value of JD 1 each. The paid in capital increased several times; the last of which was during 2022, the authorized and paid in capital became JD 26,000,000 divided into 26,000,000 shares with a par value of JD 1 each.

The Group is engaged in insurance business against fire, accidents, marine and transportation, motor insurance, liability, aviation, medical insurance and life insurance through its main branch located at Jabal Amman 3rd circle in Amman, and other branches at Marca "licensing services center", Mecca Street, 8th Circle, Business Park, Abdali in Amman city, Aqaba branch in Aqaba City and in Irbid branch in Irbid city.

The General Assembly decided in its meeting held on 31 May 2022 to change the legal name of the company from (Arab Orient Insurance Company) to (Gulf Insurance Group Company / Jordan). Legal procedures were completed during the third quarter of 2022.

Gulf Insurance Group Company/ Jordan Public Shareholding Company is 89.91% owned by Gulf Insurance Company (parent Company) as of 31 December 2024. The Company's financial statements are consolidated with the parent Company.

The consolidated financial statements were approved by the Board of Directors in its meeting held on 24 February 2025.

(2) MATERIAL ACCOUNTING POLICY INFORMATION

(2-1) BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board as modified by the Central Bank of Jordan.

The main differences between the applicable IFRS Accounting Standards and the templates issued by the Central Bank of Jordan are as follows:

- The method of presenting the financial statements, where according to IAS (1) "Presentation of Financial Statements", the items of the statement of financial position are classified based on liquidity within one category only. While, according to the templates of the Central Bank of Jordan, the items of the statement of financial position are required to be presented within two categories "Assets" and "Investments".
- The Central Bank of Jordan templates include a separate statement of income for life insurance, whereas this presentation is not required in accordance with IAS (1).
- The method of calculating the expected credit loss provision, as any exposures to the Jordanian government or its guarantee are excluded, and no expected credit loss provision is calculated on these exposures, which does not comply with IFRS 9.
- Some items are classified and presented in the consolidated statement of financial position, consolidated income statement, consolidated statement of cash flows and related disclosures such as insurance contract assets, reinsurance contract assets, insurance contract liabilities, reinsurance contract liabilities, insurance contract revenues, insurance contract expenses, fair value levels, segment classification, risk-related disclosures, etc., and disclosed in accordance with the requirements of the Central Bank of Jordan and its circular instructions and guidelines, which may not include all the requirements of the IFRS Accounting Standards such as International Financial Reporting Standards No. 7, 8, 13 and 17.

GULF INSURANCE GROUP JORDAN
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

The consolidated financial statements have been prepared under the historical cost convention except for financial assets at fair value through income or other comprehensive income, details of which are disclosed in their accounting policies.

The Jordanian Dinar is the presentation currency of the consolidated financial statements, which is the functional currency of the Group.

The significant accounting policies adopted in the preparation of the consolidated financial statements, which have been disclosed, have been applied consistently for all the years presented unless otherwise stated.

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards as modified by the Central Bank of Jordan requires the use of certain critical accounting estimates and also requires management to use its own judgment in the process of applying the Company's accounting policies.

The consolidated statement of financial position is not presented using a current/non-current classification. However, the following balances are generally classified as current: cash and cash equivalents, financial assets at fair value through profit or loss, other assets, accrued expenses, other liabilities and income tax provision. The following balances are generally classified as non-current: financial assets at amortized cost, financial assets at fair value through other comprehensive income, property and equipment, right-of-use assets, investment properties, deferred tax assets and intangible assets. Mixed balances by nature, i.e. they include both current and non-current parts, include deposits with banks, insurance contract liabilities, reinsurance contract liabilities, reinsurance contract assets, insurance contract assets, lease contract liabilities and various provisions.

(2-2) Basis of Consolidation for the Consolidated Financial Statements

The financial statements of subsidiaries are consolidated from the date on which the Group gains control until such control ceases. The expenses and revenues of subsidiaries are consolidated in the consolidated income statement from the date on which the Group gains control over the subsidiaries until such control ceases.

The consolidated financial statements include the financial statements of Gulf Insurance Group/Jordan Public Shareholding Company Limited (the Company) and the following subsidiaries (together referred to as the Group) as at 31 December 2024.

Name of Company	Legal Status	Country	Ownership percentage
Badeyet al Khaleej First Company for Management Consulting *	Limited liability	Jordan	100%
The Arabian Gulf Horizons Company for Management Consulting **	Limited liability	Jordan	100%

* Badeyet Al Khaleej First Company for Management Consulting, a limited liability Company, was established and registered at the Ministry of Industry and Trade on 29 December 2020 with a paid in capital of JD 1,000 and is fully owned by the Gulf Insurance Group/ Jordan (Public Shareholding Company). The Company's main objectives are to acquire, sell and mortgage movable and immovable assets to achieve the Company's objectives.

** The Arabian Gulf Horizons Company for Management Consulting, a limited liability Company, was established and registered at the Ministry of Industry and Trade on 29 December 2020, with a paid in capital of JD 1,000 and is fully owned by the Gulf Insurance Group/ Jordan (Public Shareholding Company). The Company's main objectives are to acquire, sell and mortgage movable and immovable assets to achieve the Company's objectives.

The Group reassesses whether it controls the investee and whether facts or circumstances indicate changes to one or more of the three elements of control.

Profit and loss and each component of other comprehensive income are attributed to equity holders of the parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, the financial statements of subsidiaries are adjusted to bring their accounting policies into line with the Group's accounting policies. Assets, liabilities, equity, income, expenses, gains and losses relating to transactions between the Group and subsidiaries are eliminated.

The effect of a change in ownership in a subsidiary that does not result in a loss of control is recorded in equity. When the Group loses control over a subsidiary, the Group:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes non-controlling interests
- Derecognizes the foreign currency translation reserve recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of the investment retained in the subsidiary
- Recognizes the gain or loss resulting from the loss of control
- Reclassifies the share of the Company previously recorded in other comprehensive income to profit or loss or retained earnings if the Group has directly disposed of its assets or liabilities.

The financial statements of the Company and its subsidiaries are prepared for the same financial year and using consistent accounting policies.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

A. New and amended standards and interpretations issued and adopted by the company in the financial year beginning on 1 January 2024:

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16:	1 January
In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction	2024

Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	1 January
On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk	2024

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants	1 January
	2024

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The implementation of the above standards did not have a material impact on the consolidated financial statements of the Group.

b. The Company has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

Amendments to IAS 21 – Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Annual periods
beginning on or
after 1 January
2025

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities

1 January
2026

IFRS 18, ‘Presentation and Disclosure in Financial Statements’

On 9 April 2024, the IASB issued a new standard – IFRS 18, ‘Presentation and Disclosure in Financial Statements’ – in response to investors’ concerns about the comparability and transparency of entities’ performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how ‘operating profit or loss’ is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. This new standard replaces the previous IAS 1 and is specific on matters related to presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss to meet the matters mentioned above.

1 January
2027 (early
adoption is
permitted)

IFRS 19, ‘Subsidiaries without Public Accountability: Disclosures’

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

1 January 2027

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The management is still in the process of evaluating the impact of these new amendments on the Group’s consolidated financial statements, and it believes that there will be no significant impact on the consolidated financial statements when they are implemented.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current year starting 1 January 2024 or future reporting periods and on foreseeable future transactions.

2-4 Use of estimates and assumptions

Preparing the consolidated financial statements and applying accounting policies requires the Group's management to make estimates and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of potential obligations. These estimates and assumptions also affect revenues, expenses and provisions, as well as changes in fair value that appear in the income statement and within shareholders' equity. In particular, the Company's management is required to issue significant judgments and assumptions to estimate the amounts and timing of future cash flows. The estimates mentioned are necessarily based on multiple assumptions and factors that have varying degrees of judgment and uncertainty, and actual results may differ from the estimates due to changes resulting from the conditions and circumstances of those estimates in the future.

Our estimates in the consolidated financial statements are reasonable and detailed as follows:

2-4-1 Expected credit losses

The Group has applied the simplified method of International Financial Reporting Standard No. (9) (Financial Instruments) to record expected credit losses on debtors and checks under collection and calculate expected credit losses over the entire life of debtors and checks under collection. The Group has prepared a study based on historical experience of credit loss, considering future factors and the economic environment.

2-4-2 Impairment in the value of financial assets

The Group reviews the values recorded in the records of financial assets at the date of the consolidated financial statements to determine whether there are indicators of impairment in their value individually or as a group, and in the event such indicators, the recoverable value is estimated in order to determine the impairment loss.

The amount of impairment is determined as follows:

- Impairment of financial assets shown at amortized cost represents the difference between the value recorded in the records and the present value of the expected cash flows discounted at the original effective interest rate.

The impairment is recorded in the consolidated income statement and any surplus in the subsequent year resulting from the previous impairment of financial assets is recorded in the consolidated income statement.

2-4-3 Income Tax

The fiscal year is charged with its income tax expense in accordance with the regulations, laws and international financial reporting standards for accounting.

- Taxes due

Tax expenses due are calculated on the basis of taxable profits, and taxable profits differ from the profits declared in the consolidated income statement because the declared profits include non-taxable revenues or expenses that cannot be deducted in the fiscal year but in subsequent years or accumulated losses that are acceptable for tax or items that are not subject to or acceptable for deduction for tax purposes.

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

- Deferred Taxes

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

Taxes are calculated using the liability method in the consolidated statement of financial position and deferred taxes are calculated according to the tax rates expected to be applied when settling the tax liability or realizing the deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the consolidated financial statements and is reduced if it is expected that those tax assets will not be able to be utilized in part or in full or by settling the tax liability or no longer needed.

2-4-4 Property, equipment and intangible assets

The management periodically re-estimates the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of those assets and the estimates of expected future useful lives, and the impairment loss (if any) is recorded in the income statement.

The useful lives of property and equipment are reviewed at the end of each year. If the expected useful lives differ from the previously prepared estimates, the change in the estimate for subsequent years is recorded as a change in estimates.

Intangible assets are classified based on their estimated useful lives for a specific period or an indefinite period. Intangible assets with a specific useful life are amortized over this life and the amortization is recorded in the consolidated income statement. As for intangible assets with an indefinite useful life, their value is reviewed for impairment at the date of the financial statements and any impairment in their value is recorded in the consolidated income statement.

2-4-5 Right to use leased assets / operating lease obligations

Extension and termination options in leases

Extension and termination options are included in a number of leases. These provisions are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the Company and the lessor

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to extend, or not to terminate. Extension options (or periods following termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed in the event of a significant event or significant change in circumstances that affects this assessment and that is within the control of the lessee.

Discounting of lease payments

Lease payments are discounted using the incremental borrowing rate. Management has applied judgment and estimates to determine the incremental borrowing rate at the inception of the lease and has referred to interest rates prevailing in the Jordanian market to finance similar assets.

2-4-6 End of service provision

The Group establishes end of service provision in accordance with its internal policies in this regard. These estimates require significant judgment from management in calculating these provisions.

The assumptions used in determining the costs of employees' end of service obligations include discount rate, employee turnover rate, mortality rate and expected future salary increments. Any change in these assumptions will affect the amounts of end of service obligations. The Group determines the appropriate discount rate at the end of each year, and this discount rate must be used in determining the present value of the estimated and expected future cash outflows to settle the end of service obligations (Note 16).

2-4-7 Present value of future cash flows

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

Free cash flow is the current estimate of future cash flows within the contract limits for a group of contracts that the Group expects to collect from premiums, claims payments, benefits and expenses, adjusted to reflect the timing and uncertainty of those amounts.

Estimates of future cash flows:

- (a) are based on a probability-weighted average of the full range of possible outcomes.
- (b) are determined from the Group's perspective, provided that the estimates are consistent with observable market prices for market variables, and
- (c) reflect the conditions existing at the measurement date.

The adjustment for non-financial risks is estimated separately from other estimates. For contracts measured under the premium allocation approach, unless the contracts are onerous, an explicit risk adjustment for non-financial risks is estimated only to measure the liability for incurred claims.

Estimates of future cash flows are adjusted using current discount rates to reflect the time value of money and the financial risks associated with those cash flows, to the extent that they are not included in the cash flow estimates. Discount rates reflect the characteristics of the cash flows arising from groups of insurance contracts, including the timing, currency and liquidity of the cash flows. Determining a discount rate that reflects the cash flow characteristics and liquidity characteristics of the insurance contracts requires significant judgment and estimation.

The Group's non-performance risk is not included in the measurement of groups of insurance contracts issued.

When measuring reinsurance contracts held, probability-weighted estimates of the present value of future cash flows include potential credit losses and other disputes to the reinsurer to reflect the reinsurer's non-performance risk.

The Group estimates certain free cash flows at a portfolio level or higher and then allocates these estimates to groups of contracts. The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and those estimates for groups of insurance contracts.

-Liability adequacy test

The adequacy and appropriateness of insurance liabilities is assessed at each reporting date by calculating the present value of future cash flows for existing insurance contracts.

If the assessment shows that the present value of insurance liabilities is inadequate compared to the expected future cash flows, then the full amount of the deficiency is recognised in the consolidated statement of income.

2-4-8 Non-financial risk adjustments

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

The risk adjustment for non-financial risks is applied to the present value of estimated future cash flows and reflects the compensation that the group needs to bear the uncertainty about the amount and timing of cash flows from non-financial risks during the implementation of the group's insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risks represents the amount of risk transferred by the group to the reinsurer.

2-4-9 Lawsuits filed against the group

A provision is made for lawsuits filed against the group based on a legal study prepared by the group's lawyers, according to which the risks likely to occur in the future are identified, and these studies are reviewed periodically.

2-4-10 Fair value levels

The different levels of fair value for financial instruments recorded at fair value are defined based on the valuation method as follows:

Level (1): Quoted prices (unadjusted) for identical assets or liabilities in active markets;
Level (2): Information other than the quoted price included in Level (1) that is observable for the asset or liability, whether directly (such as 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 (unobservable information).

The difference between Level 2 and Level 3 for fair value measurements represents an assessment of whether the information or inputs can be observed and the significance of the unobservable information, which requires making judgments and careful analysis of the inputs used to measure the fair value, including considering all factors specific to the assets or liabilities.

2-5 Segment Information

A business segment represents a group of assets and operations that together provide products or services subject to risks and returns that are different from those of other business segments and that are measured according to reports used by the Group's chief executive officer and chief decision maker.

A geographical segment is associated with providing products or services in a specific economic environment that are subject to risks and returns that are different from those of business segments in other economic environments.

2-6 Goodwill

Goodwill is recorded at cost, which represents the excess of the cost of acquiring or purchasing a subsidiary or companies owned in partnership with other companies over the company's share in the net fair value of the contingent assets and liabilities of that company at the date of acquisition.

Goodwill is allocated to the cash-generating unit/units for the purposes of testing for impairment. A test of the value of goodwill is conducted at the date of each financial statement and the value of goodwill is reduced if there is an indication that the value of goodwill has declined in the event that the estimated recoverable value of the cash-generating unit/units to which the goodwill belongs is less than the value recorded in the books of the cash-generating unit/units and the impairment value is recorded in the income statement.

The impairment loss for goodwill is not reversed in the subsequent period. - In the event of selling the subsidiary or the company owned in partnership with other companies, the value of goodwill is taken into account when determining the amount of profit or loss from the sale.

2-7 Definition of Insurance Contract

A contract under which the insurance company accepts significant insurance risks from the insured, and agrees to compensate the insured/beneficiary in the event of a specific and uncertain future event (the subject of the insurance) that negatively affects the insured/beneficiary, whereby the insurance contract is recognized according to the following terms, whichever is earlier:

- Beginning of the coverage period of the contract.
- Due date of the first premium of the contract.
- Date of considering the insurance contract as an expected loss contract.

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

- Participation of the insured/beneficiaries in a share of the insurance contracts portfolio.
- The possibility of the company paying the insured/beneficiaries a large share of the fair value returns of the investments associated with the group of insurance contracts.
- There is a high probability that the amounts paid to the insured/beneficiaries will change due to a change in the fair value of the investments associated with the group of insurance contracts.

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

- Investment contracts that have a legal form similar to an insurance contract, but do not transfer significant insurance risks to the insurance company and include financial risks such as embedded derivatives or changes in the fair value of a financial instrument, or changes in interest rates, or changes in currency exchange rates, or credit ratings, so that they are classified as investment contracts according to International Financial Reporting Standard No. (9).
- Investment contracts that contain an optional participation feature, which are investment contracts with a legal form similar to an insurance contract, but do not transfer significant insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified according to International Financial Reporting Standard No. (17).
- Self-insurance (i.e. keeping the risks that could have been covered by the insurance contract within the company, i.e. there is no other party to the contract) such as the company issuing an insurance contract in the name of the company or a subsidiary or associate company, is classified according to International Financial Reporting Standard No. (15).

2-8 Reinsurance contracts held

These are contracts concluded with reinsurers to compensate the insurance company for claims arising from insurance contracts issued by it.

Reinsurance contracts held are recognized:

- The beginning of the coverage period of the reinsurance contract or upon initial recognition of the insurance contract issued by the company if the reinsurance contract is proportionate to the group of insurance contracts.
- From the beginning of the coverage period of the group of reinsurance contracts held for other cases.

2-9 Liabilities for remaining coverage

The amount that the company must record when recognizing insurance contracts that relate to subsequent financial periods as a result of valid insurance contracts.

2-10 Liabilities for claims incurred

It is the total value of the expected costs incurred by the company as a result of risks covered by the insurance contract that occurred before the end of the financial period and includes those claims reported and not reported, in addition to related expenses.

2-11 Contractual service margin

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

2-12 Initial recognition of insurance contracts / General measurement model

A group of insurance contracts is measured at initial recognition in accordance with the following:

1. Cash flows to satisfy obligations arising from the contracts, which include:
 - Estimates of future cash flows
 - Adjustments for the time value of money and financial risks associated with future cash flows, by not including those financial risks in the estimates of future cash flows.
 - Adjustments for non-financial risks
2. Contractual service margin

2-13 Subsequent measurement of insurance contracts / General measurement model

The company recognizes the carrying amount of any group of insurance contracts at the end of each period, which is the sum of the following:

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

2-14 Initial recognition of insurance contracts / Premium allocation approach

A group of insurance contracts is measured upon initial recognition according to the following:

- Insurance premiums received upon initial recognition.
- Less any costs paid to acquire the insurance contracts at that date.
- Plus or minus any amount arising from cash flows related to the costs of acquiring the insurance contracts.

2-15 Subsequent measurement/premium allocation approach

1. The Company shall, at the end of each subsequent period, record the carrying amount of the liability, taking into account the following adjustments to the liability balance:

- Add insurance premiums received for the period.
- Deduct cash flows for the acquisition of insurance contracts.
- Add any amounts related to the amortization of cash flows for the acquisition of insurance contracts recognized as an expense.
- Add contingent adjustments to the financing component.
- Deduct the amount recognized as insurance revenue for coverage provided in that period.
- Deduct any investment component paid or transferred for liabilities related to claims incurred

The Group applies the premium allocation approach to all insurance contracts it issues and reinsurance contracts it holds that have a coverage period of less than one year. For other contracts issued and held where the coverage period is more than one year, the Group performs a premium allocation approach eligibility test to confirm whether the premium allocation approach can be applied. Subject to passing the premium allocation approach eligibility test, the Group applied the premium allocation approach to the contracts issued and the reinsurance contracts that passed the test. In accordance with the last test conducted, the general measurement model was applied to the individual life portfolio.

2. Liabilities for claims incurred, which is calculated based on the best estimate of future cash flows to pay claims plus adjustments for non-financial risks, taking into account the application of a discount rate to claims.

2-16 Amendment of insurance contracts

The Company amends insurance contracts by treating the expected changes in future cash flows resulting from changes in the estimates of cash flows to meet the contracts unless the conditions for derecognition of insurance contracts apply.

2-17 Cancellation of recognition of insurance contracts

The company cancels the recognition of insurance contracts in the following cases:

- The contract expires. (The obligation specified in the insurance contract expires, is fulfilled or is cancelled)
- In the event that the insurance contract is modified and this modification does not meet the conditions for modification according to the requirements of the standard, the company cancels the contract and recognizes a new contract.

2-18 Expected Loss Insurance Contracts

The Company recognizes insurance contracts as expected loss contracts if the contract is expected to lose at the date of initial recognition and the loss component is measured by comparing the cash flows expected to meet the liabilities of the contract or group of contracts with the cash flows generated from this contract or group of contracts. The Company shall disclose the loss component if the value of the contractual service margin is equal to zero (applies only to the general measurement model).

2-19 Summary of measurement approaches

1. The Group classifies insurance and reinsurance contracts according to the following:

2-20 Level of aggregation

Insurance contract		Reinsurance contract	
Portfolio Name	Measurement approach	Portfolio Name	Measurement approach
Engineering	Premium Allocation Approach	Engineering (Facultative)	Premium Allocation Approach
General Accidents	Premium Allocation Approach	Engineering (Proportional)	Premium Allocation Approach
General Liability	Premium Allocation Approach	General Accidents (Facultative)	Premium Allocation Approach
Marine & Aviation	Premium Allocation Approach	General Accidents (Proportional)	Premium Allocation Approach
Motor Comprehensive	Premium Allocation Approach	Liability (Facultative)	Premium Allocation Approach
Motor Third Party Liability	Premium Allocation Approach	Marine & Aviation (Facultative)	Premium Allocation Approach
Property	Premium Allocation Approach	Marine & Aviation (Non-Proportional)	Premium Allocation Approach
Motor Pools (Buses & Borders)	Premium Allocation Approach	Marine & Aviation (Proportional)	Premium Allocation Approach
Aviation	Premium Allocation Approach	Marine AWRIS (Proportional)	Premium Allocation Approach
Medical Group	Premium Allocation Approach	Motor & Liability (Non-Proportional)	Premium Allocation Approach
Medical Individual	Premium Allocation Approach	Motor (Facultative)	Premium Allocation Approach
Group Life	Premium Allocation Approach	Motor Pools (Buses & Borders) Facultative	Premium Allocation Approach
Individual Endowment	General Measurement Model	Non-Marine (Non-Proportional)	Premium Allocation Approach
Individual Term	General Measurement Model	Property (Facultative)	Premium Allocation Approach
		Property (Proportional)	Premium Allocation Approach
		Aviation (FAC)	Premium Allocation Approach
		Medical Fronting (Prop)	Premium Allocation Approach
		Medical Group (Prop)	Premium Allocation Approach
		Medical Individual (Prop)	Premium Allocation Approach
		Group Life (Facultative)	Premium Allocation Approach
		Group Life (Proportional)	Premium Allocation Approach
		Individual Endowment	General Measurement Model
		Individual Term	General Measurement Model

The insurance contract portfolios are broken down into groups by underwriting year so as to aggregate portfolios of insurance contracts with similar risks that are managed together.

The level of aggregation for the Group is determined first by dividing the underwritten business into portfolios. The portfolios consist of groups of contracts with similar risks that are managed together.

The Group has adopted the full retrospective application method to move to IFRS 17 under the premium allocation method.

The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Accordingly, the contract portfolios are divided during each year of issue into three groups, as follows:

- Any contracts that are adverse at initial recognition.
- Any contracts that, at initial recognition, are not significantly likely to become adverse at a later date;
- Any contracts remaining in the portfolio.

2-21 Profitability level

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

- Contracts that are not likely to become expected to lose at initial recognition.
- Contracts that are expected to lose.
- Other contracts - if any-

The profitability of groups of contracts is assessed through actuarial valuation models that take into account existing and new business. The Group assumes that there are no unfair contracts in the portfolio at initial recognition unless facts and circumstances indicate otherwise. For non-fair contracts, the Group estimates, at initial recognition, that there is no significant possibility that they will become unfair at a later date by assessing the likelihood of changes in relevant facts and circumstances. The Group considers the facts and circumstances to determine whether a group of contracts is unfair based on the following:

- Pricing information
- Historical information
- Results of similar contracts that have been recognized
- Environmental factors, such as changes in market experience or regulations

2-22 Financial assets

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

- At amortized cost
- At fair value through income statement
- At fair value through other comprehensive income

• Financial assets at amortized cost

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

- The purpose of holding these assets in the context of the business model is to generate contractual cash flows.
- The cash flows under the contractual terms of these assets arise at specified dates and represent only payments of principal and interest calculated on the principal amount of the asset.

Financial assets are carried at amortized cost at acquisition cost plus acquisition expenses, the premium/discount (if any) is amortized using the effective interest method as a charge to interest or to interest expense and any resulting impairment allowance that results in all or part of the investment being irrecoverable is recognized in the income statement.

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

In rare cases, the standard allows these assets to be measured at fair value through the income statement if doing so eliminates or substantially reduces the measurement inconsistency (sometimes called an accounting mismatch) that arises from measuring assets or liabilities or recognizing gains and losses arising from them on different bases.

- **Financial assets at fair value through profit and loss**

- Other financial assets that do not meet the criteria for financial assets at amortized cost are measured as financial assets at fair value.
- Financial assets at fair value through the consolidated income statement represent investments in equity and debt instruments for trading purposes and are held for the purpose of generating profits from short-term market price fluctuations or trading margins.
- Financial assets are recorded at fair value through the income statement at fair value at acquisition (acquisition expenses are charged to the income statement at acquisition) and are revalued at the date of the financial statements at fair value. Subsequent changes in fair value are recorded in the consolidated income statement in the same period in which the change occurs, including changes in fair value resulting from translation differences of non-monetary assets denominated in foreign currencies. Dividends or returns are recorded in the income statement when realized (approved by the general assembly of shareholders).

Reclassification

Financial assets may be reclassified from amortized cost to financial assets at fair value through the income statement and vice versa only when an entity changes the business model on the basis of which it classified those assets as mentioned above, taking into account the following:

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

- **Financial assets at fair value through other comprehensive income**

- On initial recognition of investments in equity instruments that are not held for trading, an irrevocable election is made to present all changes in the fair value of these investments on an individual basis (on a share-by-share basis) in other comprehensive income and in no case at a later date can the amounts of these changes recognized in other comprehensive income be reclassified to profit or loss, while dividends received from these investments are recognized in net investment income, unless such dividends clearly represent a partial redemption of the entire investment.
- In the event of the sale of all or part of these assets, the gain or loss on sale is transferred from the balance of the net valuation reserve through other comprehensive income to retained profit or loss and not through the consolidated statement of income.

2-22 Investment Property

Property investments are shown at cost less accumulated depreciation (excluding land). Any impairment is recognized in the consolidated income statement. Operating income or expenses for these investments are recognized in the consolidated income statement.

Real estate investments are valued in accordance with decisions made by the insurance management and their fair value is disclosed in the statement of real estate investments

2-23 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Property and equipment (excluding land) are depreciated when ready for use on the straight-line method over their expected useful lives using the following percentages, and depreciation expense is recognized in the consolidated income statement:

	<u>%</u>
Buildings	2
Computers	20
Decorations	15-20
Tools and equipment	15
Furniture	10
Vehicles	15

Property and equipment are depreciated when they are ready for use for the purposes for which they are intended.

Property and equipment under construction for the Group's use is shown at cost less any impairment losses.

When the recoverable amount of any property and equipment is less than its net book value, it is written down to its recoverable amount and the amount of impairment is recognized in the consolidated income statement.

The useful lives of property and equipment are reviewed at the end of each year, and if the estimated useful lives differ from previously prepared estimates, the change in estimate is recognized in subsequent years as a change in estimate.

The gain or loss on disposal of property and equipment, which represents the difference between the amount realized on sale and the carrying amount of the asset, is recognized in the consolidated statement of income.

Property and equipment are disposed of when they are disposed of or when there are no longer any expected future benefits from their use or disposal.

2-24 Intangible assets

Intangible assets acquired through a merger are recognized at fair value at the date of acquisition. Intangible assets acquired through a method other than a merger are recognized at cost.

Intangible assets are classified on the basis of their estimated useful lives over a finite or indefinite period. Intangible assets with a finite life are amortized over that life and the amortization is recognized in the consolidated income statement. Intangible assets with indefinite lives are reviewed for impairment at the balance sheet date and any impairment is recognized in the consolidated income statement.

Any indications of impairment of intangible assets that do not have a definite useful life are reviewed at the date of the consolidated financial statements. The estimation of the useful lives of these assets is reviewed and any adjustments are made in subsequent periods.

Intangible assets with finite lives include computer software and the Group estimates the useful life of each item, which is amortized on a straight-line basis at 20% per annum.

2.25 Right-of-use assets

The Group recognizes right-of-use assets at the date the lease commences (i.e., the date on which the asset is capable of being used). A right-of-use asset is recognized at cost, net of accumulated depreciation and impairment losses, and the value is adjusted when the lease obligations are revalued.

The cost of a right-of-use asset includes the value of the recognized lease liability, initial direct costs incurred, and lease payments made on or before the commencement date of the lease, less any incentives received in relation to the lease. If the Group is not certain of obtaining ownership of the leased asset at the end of the lease term, the recognized right-of-use asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term. Right-of-use assets are subject to impairment testing.

2.26 Cash and cash equivalents

Cash and cash equivalents represent cash on hand, balances with banks and deposits with banks with maturities not exceeding three months, net of bank accounts payable and restricted balances.

2.27 Offsetting

Financial assets and financial liabilities are offset and the net amount shown in the consolidated statement of financial position only when legally enforceable rights exist and when they are settled on a net basis or the assets are realized and the liabilities are settled at the same time.

2-28 Date of recognition of financial assets

The purchase and sale of financial assets are recognized on the trade date (the date on which the Company commits to sell or buy the financial asset).

2-29 Fair value

Closing prices (purchase of assets/sale of liabilities) at the date of the financial statements in active markets represent the fair value of financial instruments that have market prices.

In the absence of quoted prices, active trading of certain financial instruments or market inactivity, their fair value is estimated by several methods, including

- Comparing it to the current market value of a substantially similar financial instrument.
- Analyzing future cash flows and discounting the expected cash flows by a ratio used in a similar instrument.
- Option pricing models.

The valuation methods aim to obtain a fair value that reflects market expectations and takes into account market factors and any expected risks or benefits when estimating the value of financial instruments, and in the case of financial instruments whose fair value cannot be reliably measured, they are shown at cost less any impairment.

2-30 Insurance contract liabilities

Insurance contract liabilities are recognized when the Company has a liability at the date of the consolidated financial statements arising from past events related to insurance contracts, and the settlement of the liability is probable and can be reliably measured.

The amounts recognized as insurance contract liabilities represent the best estimate of the amounts required to settle the obligation as at the date of the consolidated financial statements, taking into account the risks and uncertainties associated with insurance contract liabilities. Where liabilities are valued based on the estimated cash flows to settle the present obligation, their carrying amount represents the present value of those cash flows.

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

2.31 End of Service Provision

Provision for severance pay for employees is calculated in accordance with the Company's policy which is in compliance with the Jordanian Labor Law.

Annual indemnities incurred for employees who leave service are charged to the severance provision when paid, and a provision for the Company's liability for employee severance is recognized in the income statement.

The liability for these plans is determined by an actuary. Provision is made for the liability and pension costs based on the estimated incremental unit method. The estimated incremental unit method recognizes that each period of employee service increases the obligation and each unit is determined separately to arrive at the final obligation.

Service expenses for prior years are recognized as profit or loss on the earlier of the date the plan is amended or the date the related expense is recognized. Actuarial gains and losses are recognized in other comprehensive income on the the date they occur. Gains and losses on modifications or payments of retirement benefits are recognized as they occur. The early retirement obligation is recognized based on the present value of the estimated cash flows using an interest rate similar to that of government bonds.

2-32 Foreign currencies

Transactions in foreign currencies during the year are recognized at the exchange rates prevailing at the date of the transactions.

Balances of financial assets and financial liabilities are translated at the average foreign currency rates prevailing at the date of the consolidated financial statements and published by the Central Bank of Jordan.

Non-financial assets and non-financial liabilities denominated in foreign currencies and carried at fair value are translated at the date their fair value is determined.

Foreign currency translation gains and losses are recognized in the consolidated statement of income.

Translation differences for non-monetary foreign currency assets and liabilities are recognized as part of the change in fair value.

2-33 Revenue recognition

- Dividend and interest income

Dividend income from investments is recognized when a right arises for shareholders to receive payment of dividends when approved by the general meeting of shareholders.

Interest income is recognized on an accrual basis, based on accrued time periods, principal amounts and the interest rate earned.

2-34 Acquisition costs

Acquisition costs represent the costs incurred by the Company for underwriting a new or renewing a group of insurance contracts. The Company may either recognize the full acquisition costs directly when the insurance contract is recognized in the income statement, or the Company may recognize the acquisition costs by amortizing the costs incurred over the term of the insurance contract in the statement of financial position.

The Group identifies expenses that are directly attributable to the acquisition of insurance contracts (acquisition costs) and the fulfilment/maintenance (other allocated expenses) of such contracts and those expenses that are not directly attributable to the contracts (unallocated expenses). Acquisition costs, such as underwriting costs including other expenses excluding initial commission paid, are no longer recognized in the income statement when incurred and instead are spread over the life of the contract group based on the passage of time.

Other attributable expenses are allocated to the contract groups using an allocation mechanism that considers activity-based costing principles. The Group has identified costs directly attributable to contract groups, as well as costs where a court judgement has been applied to determine the share of expenses, as an accepted liability for reimbursement for that group.

2-35 Insurance contract expenses

The Company allocates general administrative expenses and direct personnel expenses to insurance contract groups and includes them in the calculation of contract profitability, while general administrative expenses and indirect and non-insurance contract related personnel expenses are allocated based on the cost center.

Non-directly attributable expenses and overheads are recognized in the consolidated income statement as they are incurred. The ratio of directly attributable and non-directly attributable costs will initially change the pattern in which expenses are recognized.

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(3) BANK DEPOSITS

	31 December 2024				31 December 2023
	Deposits maturing in 1 month	Deposits maturing in 1 -3 months	Deposits maturing in 3 months to one year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan:					
Jordan Kuwait Bank	-	1,000,000	1,568,719	2,568,719	3,218,563
Capital Bank of Jordan	-	-	5,000,000	5,000,000	3,228,072
Arab Banking Corporation Bank	-	-	2,848,436	2,848,436	2,848,436
Cairo Amman Bank	-	-	5,204,861	5,204,861	2,642,124
Housing Bank	-	-	3,263,216	3,263,216	3,085,068
Arab Bank	-	-	2,000,000	2,000,000	-
Invest Bank	-	-	-	-	3,250,000
Etihad Bank	-	-	-	-	3,100,000
	-	1,000,000	19,885,232	20,885,232	21,372,263
Provision for expected credit losses	-	(14,364)	(285,636)	(300,000)	(100,000)
	-	985,636	19,599,596	20,585,232	21,272,263

Interest rates on bank deposits balances range between 5.6% to 6.75% during 2024 compared to 6% to 6.8% during 2023.

Deposits pledged in favor of the Central Bank of Jordan Governor amounted to JD 814,140 as of 31 December 2024 (31 December 2023: JD 814,140).

There are restricted balances for withdrawal:

- Deposits pledged in favor of the Central Bank's portfolio - in addition to its function.
- Amounts withheld for current overdraft accounts and bank guarantees, totaling 1,454,174 JD (as of 31 December 2023: 1,438,907 JD).

The movement on the provision of expected credit losses for the year is as follows:

	2024	2023
	JD	JD
Beginning balance	100,000	100,000
Increase during the year	200,000	-
Ending balance	300,000	100,000

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(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023	2024	2023
	Number of shares	Number of Shares	JD	JD
<u>Inside Jordan:</u>				
Listed shares:				
Jordan Phosphate Mining Company	398,000	162,000	5,743,140	1,731,780
Arab Potash Company	94,260	57,100	2,507,316	1,492,024
National Petroleum Refinery Company	515,000	167,000	2,575,000	784,900
			<u>10,825,456</u>	<u>4,008,704</u>
<u>Outside Jordan:</u>				
Listed shares:				
Riyad Bank	102,400	102,400	552,503	551,425
Saudi National Bank	84,814	84,814	534,419	619,383
			<u>1,086,922</u>	<u>1,170,808</u>
Total financial assets at fair value through profit or loss			<u>11,912,378</u>	<u>5,179,512</u>

the movement of financial assets at fair value through profit or loss during the year is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	5,179,512	-
Purchase of financial assets at fair value through profit or loss	5,552,148	5,926,311
Change in the fair value of financial assets at fair value through profit or loss	1,180,718	(746,799)
Balance at the end of the year	<u>11,912,378</u>	<u>5,179,512</u>

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023	2024	2023
	Number of shares	Number of shares	JD	JD
<u>Inside Jordan:</u>				
Listed shares:				
Afaq for Energy	724,937	724,937	1,138,151	1,362,881
Afaq for Investment and Real Estate Development	1,541,500	1,541,500	1,032,805	816,995
Cairo Amman Bank	79,081	113,000	86,198	153,680
Jordan Kuwait Bank	1,241,546	1,009,530	3,575,652	2,594,492
			<u>5,832,806</u>	<u>4,928,048</u>
Unlisted shares:				
Saraya Aqaba Real Estate Development Company	500,000	500,000	117,484	154,880
Al-Motarabetah Investment Company	29,851	29,851	4,053	9,579
			<u>121,537</u>	<u>164,459</u>
<u>Outside Jordan:</u>				
Listed shares:				
Gulf Warehousing Company	-	685,000	-	414,555
SafaBank/ Palestine owned by Cairo Amman Bank	6,647	9,562	3,299	4,610
Agility global PLC	1,740,000	-	439,936	-
			<u>443,235</u>	<u>419,165</u>
Unlisted shares:				
Iraq International Insurance Company	548,136,473	548,136,473	171,000	171,000
Financial assets at fair value through other comprehensive income			<u>6,568,578</u>	<u>5,682,672</u>

the movement of financial assets at fair value through other comprehensive income during the year is as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	5,682,672	5,560,183
Purchase of financial assets at fair value through other comprehensive income	984,459	802,272
Sale of financial assets through other comprehensive income	(483,975)	(1,119,390)
Change in the fair value through other comprehensive income	<u>385,422</u>	<u>439,607</u>
Balance at the end of the year	<u><u>6,568,578</u></u>	<u><u>5,682,672</u></u>

The Group classified all investments in equity instruments that are not held for trading as financial assets at fair value through other comprehensive income for the years ended 31 December 2024 and 2023. The Group sold equity investments held at fair value through other comprehensive income with a fair value of 483,975 JD at the end of the year ended 31 December 2024 (31 December 2023: 1,119,390 JD), which no longer align with the Group's investment strategy. The losses amounted to 196,428 JD for the year ended 31 December 2024 and the gains amounted to 264,464 JD for the year ended 31 December 2023 which were transferred to retained earnings.

The movement on the change in fair value reserve is as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	(1,509,165)	(1,684,308)
Change in fair value of financial assets at fair value Through other comprehensive income	385,422	439,607
Losses (gains) on sale of financial assets at fair value Through other comprehensive income	196,428	(264,464)
Balance at the end of the year	<u><u>(927,315)</u></u>	<u><u>(1,509,165)</u></u>

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(6) FINANCIAL ASSETS AT AMORTIZED COST

	2024	2023	2024	2023
	Number of bonds	Number of bonds	JD	JD
Inside Jordan -				
Unlisted Bonds in financial market				
Arab Real Estate Development Company*	120	120	1,200,000	1,200,000
Listed bonds in financial markets				
Treasury Bond/ the Hashemite Kingdom of **Jordan2026	4,000	4,000	2,842,365	2,847,909
**Treasury Bond/ the Hashemite Kingdom of **Jordan2027	8,830	8,830	6,271,161	6,275,950
**Treasury Bond/ the Hashemite Kingdom of Jordan2028	13,800	9,800	9,884,601	7,012,580
**Treasury Bond/ the Hashemite Kingdom of Jordan2029	16,500	10,000	11,657,344	7,065,036
Total financial assets at amortized cost inside Jordan			31,855,471	24,401,475
	2024	2023	2024	2023
	Number of bonds	Number of bonds	JD	JD
Outside Jordan -				
Treasury Bonds / Arab Republic of Egypt***	-	4,000	-	2,745,080
Saudi International Bond****	12,000	12,000	8,311,282	8,254,873
Saudi Electricity Global****	5,000	5,000	3,602,795	3,616,755
Public Investment Fund / Saudi Arabia****	8,000	8,000	5,737,780	5,759,467
SA Global Sukuk Limited (Saudi Aramco) ****	3,000	3,000	2,039,252	1,982,558
Al Maamoura Diversified Global Holding*****	8,000	8,000	5,692,587	5,697,391
Abu Dhabi Commercial Bank*****	2,800	2,800	1,966,489	1,961,862
Abu Dhabi National Energy Company*****	1,000	1,000	699,568	693,592
Ooredoo International Finance-Qatar Telecom*****	3,500	3,500	2,395,329	2,370,157
First Abu Dhabi Bank*****	-	2,500	-	1,771,315
Total financial assets at amortized cost outside Jordan			30,445,082	34,853,050
			62,300,553	59,254,525
Provision for impairment of financial assets at amortized cost*			(1,499,000)	(1,499,000)
			60,801,553	57,755,525

* Following the decision of the General Assembly of the Bonds owners in its meeting held on 26 October 2011 the Housing Bank for Trade and Finance, as the trustee, initiated legal proceedings against Arab Real Estate Development Company (Arab Corp) and filed a lawsuit under number (3460/2011) at the First Instance Court of Amman to demand the rights of the Bonds owners, therefore Arab Real Estate Development Company Bonds are stated at cost less impairment loss for an amount of JD 1,199,000 during previous years.

** Maturity dates of Treasury Bonds / the Hashemite Kingdom of Jordan range between 29 January 2026 to 13 January 2029, bear interest rate between 5.75% to 7.75% and are repayable in equal semi - annual installments.

*** Maturity date of Treasury bonds/ Egypt is on 29 May 2024 and bear interest rate of 5.75% and are repayable in equal semi – annual installments.

**** Maturity date of Treasury bonds/ Kingdom of Saudi Arabia range between 17 June 2026 to 27

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September 2028 and bear interest rate between 1.6% to 5% and are repayable in equal semi – annual installments

**** Diversified Global Holding's Treasury/Maamoura bond matures on 7 November 2028 and carries an interest rate of 4.5% and is payable in two equal instalments per year.

***** Maturity date of Abu Dhabi Commercial Bank bonds is on 18 July 2028 and bear interest rate of 5.375% and are repayable in equal semi – annual installments

***** Maturity date of The Abu Dhabi National Energy Company bonds is on 22 June 2026 and bear interest rate of 4.375% and are repayable in equal semi – annual installments.

***** Maturity date of Ooredoo bonds/Qatar is on 31 January 2028 and bear interest rate of 3.875% and are repayable in equal semi – annual installments.

***** Maturity date of First Abu Dhabi Bank is on 22 January 2026 and bear interest rate of 3.875% and are repayable in equal semi – annual installments.

The movement on Financial Assets at Amortized Cost is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	59,254,525	12,879,213
Purchase of financial assets at amortized cost	7,479,418	45,505,166
Maturity of financial assets at amortized cost	(4,608,500)	-
Amortization	175,110	870,146
Balance at the end of the year	<u>62,300,553</u>	<u>59,254,525</u>

The movement on the provision for impairment on financial assets at amortized cost provision is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	1,499,000	1,299,000
Expected Credit Losses	-	200,000
Balance at the end of the year	<u>1,499,000</u>	<u>1,499,000</u>

The geographic distribution of financial assets at amortized cost for the years 2023 and 2024:

31 December 2024	Jordan	Gulf Countries	Europe	America	Africa	Asia
Bonds	31,855,471	30,445,082	-	-	-	-
31 December 2023	Jordan	Gulf Countries	Europe	America	Africa	Asia
Bonds	24,401,475	32,107,970	-	-	2,745,080	-

(7) INVESTMENT PROPERTY

This item consists of land which was acquired in exchange of a receivable balance from a client who was not able to make payment. The land was valued and recorded at its fair value in exchange for a portion of the receivable balance. There are no material differences between the book value and the fair value as at 31 December 2024 and 2023.

	<u>2024</u>	<u>2023</u>
	JD	JD
Land	<u>170,464</u>	<u>170,464</u>

(8) RIGHT OF USE ASSETS/lease liabilities

A- RIGHT OF USE ASSETS

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	203,491	401,387
Depreciation on right of use assets	(140,639)	(220,880)
Additions	<u>438,175</u>	<u>22,984</u>
Balance at the end of the year	<u>501,027</u>	<u>203,491</u>

B- LEASE CONTRACTS LIABILITIES

The table below shows the book value for lease contract liabilities and the movement during the year ended:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	232,848	394,287
Additions	438,175	22,984
Finance cost on lease liabilities	41,945	23,256
Paid during the year	<u>(232,360)</u>	<u>(207,679)</u>
Balance at the end of the year	<u>480,608</u>	<u>232,848</u>

* Lease contracts liabilities details are as follows:

<u>2024</u>			<u>2023</u>		
<u>Short term</u>	<u>Long term</u>	<u>Total</u>	<u>Short term</u>	<u>Long term</u>	<u>Total</u>
JD	JD	JD	JD	JD	JD
<u>117,670</u>	<u>362,938</u>	<u>480,608</u>	<u>137,038</u>	<u>95,810</u>	<u>232,848</u>

(9) CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
	JD	JD
Cash on hand	27,774	21,935
Bank balances	<u>992,483</u>	<u>1,133,486</u>
	<u>1,020,257</u>	<u>1,155,421</u>

(10) INSURANCE CONTRACTS ASSETS/LIABILITIES

(10-1) INSURANCE CONTRACTS ASSETS/LIABILITIES – PREMIUM ALLOCATION APPROACH-DISCLOSURE (100)

	Liability for remaining coverage				Liability for incurred claims				Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Non-onerous contracts	Non-onerous contracts	Onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment-non-financial	Risk adjustment-non-financial	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts liabilities – Beginning of the year	9,896,747	12,094,163	2,002,000	2,529,000	49,546,982	44,979,874	2,727,007	3,450,440	64,172,736	63,053,477
Insurance contracts assets – Beginning of the year	-	-	-	-	-	-	-	-	-	-
Net Insurance contracts liabilities (Assets) – Beginning of the year	9,896,747	12,094,163	2,002,000	2,529,000	49,546,982	44,979,874	2,727,007	3,450,440	64,172,736	63,053,477
Insurance contracts revenue	(124,577,484)	(110,041,472)	-	-	-	-	-	-	(124,577,484)	(110,041,472)
Insurance contracts expenses:										
Incurring claims and other directly attributable expenses	-	-	(1,991,137)	2,515,593	84,947,012	78,343,186	1,806,904	1,272,694	84,762,779	82,131,473
Changes that relate to past service-changes in FCF relating to LIC	-	-	-	-	(6,437,875)	(7,927,782)	(1,013,664)	(2,409,794)	(7,451,539)	(10,337,576)
Staff expenses	3,967,600	3,192,785	-	-	7,540,114	6,440,966	-	-	11,507,714	9,633,751
Acquisition expenses	3,378,016	3,549,686	-	-	-	-	-	-	3,378,016	3,549,686
Administrative expenses	-	-	-	-	3,953,610	3,605,358	-	-	3,953,610	3,605,358
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts	-	-	3,075,137	(3,042,593)	-	-	-	-	3,075,137	(3,042,593)
Insurance services results	(117,231,868)	(103,299,001)	1,084,000	(527,000)	90,002,861	80,461,728	793,240	(1,137,100)	(25,351,767)	(24,501,373)
Finance expenses from insurance contracts issued	-	-	-	-	2,691,124	2,958,442	-	413,667	2,691,124	3,372,109
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Components of investment	-	-	-	-	-	-	-	-	-	-
Net change recognized in the statement of income	(117,231,868)	(103,299,001)	1,084,000	(527,000)	92,693,985	83,420,170	793,240	(723,433)	(22,660,643)	(21,129,264)
Premiums received	124,981,836	107,697,156	-	-	-	-	-	-	124,981,836	107,697,156
Claims and other directly attributable expenses paid	-	-	-	-	(88,662,879)	-78,853,062	-	-	(88,662,879)	(78,853,062)
Insurance contracts acquisition cash flows	(7,578,186)	(6,595,571)	-	-	-	-	-	-	(7,578,186)	(6,595,571)
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cash flows	117,403,650	101,101,585	-	-	(88,662,879)	(78,853,062)	-	-	28,740,771	22,248,523
Insurance contracts liabilities – end of the year	10,070,969	9,896,747	3,086,000	2,002,000	53,578,088	49,546,982	3,520,365	2,727,007	70,255,422	64,172,736
Insurance contracts assets – end of the year	(2,440)	-	-	-	-	-	(118)	-	(2,558)	-
Insurance contracts liabilities – end of the year	10,068,529	9,896,747	3,086,000	2,002,000	53,578,088	49,546,982	3,520,247	2,727,007	70,252,864	64,172,736

(10-2) INSURANCE CONTRACTS ASSETS/LIABILITIES – GENERAL APPROACH – DISCLOSURE (100)

	Liability for remaining coverage				Liability for incurred claims				Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Non-onerous contracts	Non-onerous contracts	Onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment non-financial	Risk adjustment non-financial	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts liabilities – Beginning of the year	(37,691)	(164,941)	638,492	676,350	-	-	-	-	600,801	511,409
Insurance contracts assets – Beginning of the year	-	-	-	-	-	-	-	-	-	-
Insurance contracts liabilities (Assets) – Beginning of the year	(37,691)	(164,941)	638,492	676,350	-	-	-	-	600,801	511,409
Insurance revenue	(23,168)	(17,832)	-	-	-	-	-	-	(23,168)	(17,832)
Insurance contracts expenses:										
Incurred claims and other directly attributable expenses	-	-	(86,435)	-	30,000	95,216	-	-	(56,435)	95,216
Changes that relate to past service-changes in FCF relating to LIC	-	-	-	-	-	-	-	-	-	-
Staff expenses	-	-	-	-	-	-	-	-	-	-
Acquisition expenses	3,502	4,500	-	-	9	-	-	-	3,511	4,500
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts	-	-	(15,981)	(45,761)	-	-	-	-	(15,981)	(45,761)
Insurance services results	(19,666)	(13,332)	(102,416)	(45,761)	30,009	95,216	-	-	(92,073)	36,123
Finance expenses from insurance contracts issued	55,169	66,267	26,960	7,903	-	-	-	-	82,129	74,170
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Components of investment	-	-	-	-	-	-	-	-	-	-
Net change recognized in the statement of income	35,503	52,935	(75,456)	(37,858)	30,009	95,216	-	-	(9,944)	110,293
Premiums received	179,209	74,315	-	-	-	-	-	-	179,209	74,315
Claims and other directly attributable expenses paid	-	-	-	-	(30,000)	(95,216)	-	-	(30,000)	(95,216)
Insurance contracts acquisition cash flows	-	-	-	-	(9)	-	-	-	(9)	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cash flows	179,209	74,315	-	-	(30,009)	(95,216)	-	-	149,200	(20,901)
Insurance contracts liabilities – End of the year	177,021	(37,691)	563,036	638,492	-	-	-	-	740,057	600,801
Insurance contracts assets – End of the year	-	-	-	-	-	-	-	-	-	-
Insurance contracts liabilities (Assets) – End of the year	177,021	(37,691)	563,036	638,492	-	-	-	-	740,057	600,801

(10-3) INSURANCE CONTRACTS ASSETS/LIABILITIES- DISCLOSURE (101)

	2024	2023	2024	2023	2024	2023	2024	2023
	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non-financial	Risk adjustment - non-financial	CSM	CSM	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts liabilities – Beginning of the year	520,844	501,463	15,431	9,946	64,526	-	600,801	511,409
Insurance contracts assets – Beginning of the year	-	-	-	-	-	-	-	-
Insurance contracts liabilities – Beginning of the year	520,844	501,463	15,431	9,946	64,526	-	600,801	511,409
Changes related to current service:	-	-	-	-	-	-	-	-
Release of Contractual Service Margin (CSM)	-	-	-	-	(12,434)	-	(12,434)	-
Experience adjustments-relating to insurance services expenses	(70,469)	75,873	-	-	-	-	(70,469)	75,873
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	6,811	6,011	-	-	6,811	6,011
Changes relating to future service	(109,761)	-	-	-	109,761	-	-	-
Changes in estimate that results in onerous contract losses or reversal of such losses	(63,294)	(60,238)	-	-	63,294	60,238	-	-
Changes in estimates that adjust the (CSM)	58,995	80,973	14,739	(64,626)	(52,911)	(311)	20,823	16,036
Experience adjustments-arising from premiums received in the year that relate to future service	(20,037)	(125,079)	(16,766)	63,283	-	-	(36,803)	(61,796)
Changes relating to past service	-	-	-	-	-	-	-	-
Changes in liabilities versus incurred claims	-	-	-	-	-	-	-	-
Insurance services results	(204,566)	(28,471)	4,784	4,668	107,710	59,927	(92,072)	36,124
Finance expenses from insurance contracts issued	66,765	68,753	2,654	817	12,709	4,599	82,128	74,169
Impact of exchange rate movements	-	-	-	-	-	-	-	-
Total amounts recognized in the statement of income	(137,801)	40,282	7,438	5,485	120,419	64,526	(9,944)	110,293
Cash flows:	179,209	-	-	-	-	-	179,209	-
Incurred claims	(30,000)	-	-	-	-	-	(30,000)	-
Claims and other directly attributable expenses paid	(9)	(95,216)	-	-	-	-	(9)	(95,216)
Other expenses	-	74,315	-	-	-	-	-	74,315
Total Cash flows	149,200	(20,901)	-	-	-	-	149,200	(20,901)
Insurance contracts liabilities – end of the year	532,243	520,844	22,869	15,431	184,945	64,526	740,057	600,801
Insurance contracts assets – end of the year	-	-	-	-	-	-	-	-
Insurance contracts liabilities (Assets) – end of the year	532,243	520,844	22,869	15,431	184,945	64,526	740,057	600,801

CHECKS UNDER COLLECTION RELATED TO INSURANCE OPERATIONS

This item represents checks under collection related to insurance operations, which were taken into account in calculating the insurance contracts assets and liabilities.

	<u>2024</u> JD	<u>2023</u> JD
Checks under collection due within six months	5,652,592	5,481,895
Checks under collection due within more than six months up to one year	<u>650,498</u>	<u>720,408</u>
	6,303,090	6,202,303
Less: Provision for expected credit losses*	<u>(505,133)</u>	<u>(504,469)</u>
	<u>5,797,957</u>	<u>5,697,834</u>

* Movements on provision for expected credit losses during the year were as follows:

	<u>2024</u> JD	<u>2023</u> JD
Balance at the beginning of the year	504,469	504,469
Addition during the year	<u>664</u>	<u>-</u>
Balance at the end of the year	<u>505,133</u>	<u>504,469</u>

ACCOUNTS RECEIVABLE RELATED TO INSURANCE OPERATIONS

This item represents receivables related to insurance operations that were taken into account in the calculation of insurance contracts assets and liabilities.

	<u>2024</u> JD	<u>2023</u> JD
Policyholders *	40,929,525	35,905,464
Brokers & Agents receivables	2,246,766	2,290,264
Staff receivables	150,588	142,899
Other receivables	<u>,506814</u>	<u>634,253</u>
	44,141,385	38,972,880
Less: Provision for expected credit losses **	<u>(9,217,082)</u>	<u>(9,303,341)</u>
	<u>34,924,303</u>	<u>29,669,539</u>

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The details of the aging of receivables are as follows:

	Undue receivables	0-90 days	91-180 days	181-365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD
2024	21,677,154	7,129,446	3,643,288	1,839,360	635,055	34,924,303
2023	20,504,684	6,027,248	2,032,850	906,016	198,741	29,669,539

* Policy holders receivables includes scheduled payments in the amount of 21,677,154 JD as at 31 December 2024 (JD 20,504,684 as at 31 December 2023).

** Movement on the provision for expected credit losses during the year were as follows:

	2024	2023
Balance at the beginning of the year	9,303,341	9,271,339
Provision for expected credit losses for the year	350,000	50,000
Additions during the year	(436,259)	(17,998)
Balance at the end of the year	<u>9,217,082</u>	<u>9,303,341</u>

ACCOUNT PAYABLES RELATED TO INSURANCE OPERATIONS

This item represents the payables related to insurance operations that were taken into account in the calculation of insurance contracts assets and liabilities.

	2024 JD	2023 JD
Trade and Companies' payables	3,001,628	3,798,030
Medical network payables	1,817,411	2,264,277
Agents' payables	716,894	729,179
Garages' payables and vehicle's parts	339,798	456,299
Employees' payables	42,117	32,855
	<u>5,917,848</u>	<u>7,280,640</u>

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(11) RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – PREMIUM ALLOCATION APPROACH-DISCLOSURE (100)

	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Non-onerous contracts	Non-onerous contracts	Onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non- financial	Risk adjustment - non- financial	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Re-insurance contracts liabilities – Beginning of the year	(395,666)	(1,404,596)	-	-	44,679	674,646	1,732	86,647	(349,255)	(643,303)
Re-insurance contracts assets – Beginning of the year	(14,527,352)	(10,773,795)	-	-	19,673,279	17,691,933	1,030,756	1,073,778	6,176,683	7,991,916
Re-insurance contracts liabilities – Beginning of the year	(14,923,018)	(12,178,391)	-	-	19,717,958	18,366,579	1,032,488	1,160,425	5,827,428	7,348,613
Re-insurance expenses	(61,549,984)	(47,329,411)	-	-	-	-	-	-	(61,549,984)	(47,329,411)
Re-insurance revenues	-	-	-	-	44,165,931	44,047,196	791,265	540,690	44,957,196	44,587,886
Changes that relate to past service	-	-	-	-	1,150,245	(10,038,790)	(348,411)	(798,437)	801,834	(10,837,227)
Investment components	-	-	-	-	-	-	-	-	-	-
Re-insurance services results	(61,549,984)	(47,329,411)	-	-	45,316,176	34,008,406	442,854	(257,747)	(15,790,954)	(13,578,752)
Finance income from re-insurance contracts held	-	-	-	-	354,673	533,020	-	129,810	354,673	662,830
Other changes	-	-	-	-	(292,364)	(234,137)	-	-	(292,364)	(234,137)
Net change recognized in the statement of income	(61,549,984)	(47,329,411)	-	-	45,378,485	34,307,289	442,854	(127,937)	(15,728,645)	(13,150,059)
Cash from underwritten contracts paid to the reinsurer	58,785,678	44,584,784	-	-	-	-	-	-	58,785,678	44,584,784
Recoveries from re-insurance	-	-	-	-	(39,487,895)	(32,955,910)	-	-	(39,487,895)	(32,955,910)
Profit commission recovered from the reinsurer	-	-	-	-	-	-	-	-	-	-
Other recoverable amounts	-	-	-	-	-	-	-	-	-	-
Total cash flows	58,785,678	44,584,784	-	-	(39,487,895)	(32,955,910)	-	-	19,297,783	11,628,874
Re-insurance contracts liabilities – End of the year	(13,614,762)	(395,666)	-	-	10,460,331	44,679	443,730	1,732	(2,710,701)	(349,255)
Re-insurance contracts assets – End of the year	(4,072,562)	(14,527,352)	-	-	15,148,217	19,673,279	1,031,612	1,030,756	12,107,267	6,176,683
Re-insurance contracts liabilities (Assets) – End of the year	(17,687,324)	(14,923,018)	-	-	25,608,548	19,717,958	1,475,342	1,032,488	9,396,566	5,827,428

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(11-1)RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – GENERAL APPROACH-DISCLOSURE (100)

	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Non-onerous contracts	Non-onerous contracts	Onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non- financial	Risk adjustment - non- financial	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Re-insurance contracts liabilities – Beginning of the year	(9,602)	(115,453)	-	-	-	-	-	-	(9,602)	(115,453)
Re-insurance contracts assets - Beginning of the year										
Re-insurance contracts liabilities - Beginning of the year	(9,602)	(115,453)	-	-	-	-	-	-	(9,602)	(115,453)
Re-insurance expenses	(4,208)	(9,215)	-	-	-	-	-	-	(4,208)	(9,215)
Re-insurance revenues	-	-	-	-	24,009	21,009	-	-	24,009	21,009
Investment components	-	-	-	-	-	-	-	-	-	-
Re-insurance services results	(4,208)	(9,215)	-	-	24,009	21,009	-	-	19,801	11,794
Finance income from re-Insurance contracts held	(1,177)	-	-	-	-	-	-	-	(1,177)	-
The impact of movements in Exchange rates	-	115,066	-	-	-	-	-	-	-	115,066
Other changes	-	-	-	-	-	-	-	-	-	-
Net change recognized in the statement of income	(5,385)	105,851	-	-	24,009	21,009	-	-	18,624	126,860
Cash from underwritten contracts paid to the reinsurer	35,897	-	-	-	-	-	-	-	35,897	-
Recoveries from re-insurance	-	-	-	-	(24,009)	(21,009)	-	-	(24,009)	(21,009)
Profit commission recoverable from reinsurer	-	-	-	-	-	-	-	-	-	-
Other recoverable amounts	3	-	-	-	-	-	-	-	3	-
Total cash flows	35,900	-	-	-	(24,009)	(21,009)	-	-	11,891	(21,009)
Re-insurance contracts liabilities – end of the year	-	(9,602)	-	-	-	-	-	-	-	(9,602)
Re-insurance contracts assets - end of the year	20,913	-	-	-	-	-	-	-	20,913	-
Re-insurance contracts liabilities (Assets) - end of the year	20,913	(9,602)	-	-	-	-	-	-	20,913	(9,602)

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(11-2) RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – GENERAL APPROACH-DISCLOSURE (101)

	2024	2023	2024	2023	2024	2023	2024	2023
	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non-financial	Risk adjustment - non-financial	CSM	CSM	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Re-insurance contracts liabilities – Beginning of the year	(3)	295,812	-	-	(9,599)	(411,265)	(9,602)	(115,453)
Re-insurance contracts assets - Beginning of the year	(3)	-	-	-	-	-	(3)	-
Re-insurance contracts liabilities - Beginning of the year	(6)	295,812	-	-	(9,599)	(411,265)	(9,605)	(115,453)
Changes related to current service:	-	-	-	-	-	-	-	-
Release of Contractual Service Margin (CSM)	-	-	-	-	(4,208)	-	(4,208)	-
Experience adjustments	24,009	6,247	-	-	-	-	24,009	6,247
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	5,547	-	-	-	5,547
Changes relating to future service	-	-	-	-	-	-	-	-
Contracts initially recognized in year	-	8,415	-	-	-	(8,415)	-	-
Changes in estimates that adjust the (CSM)	(35,897)	(413,894)	-	(5,547)	35,897	419,441	-	-
Changes in estimate that results in onerous contract losses or reversal of such losses	-	-	-	-	-	-	-	-
Effect of reversal of recognition of the loss recovery component of contracts expected to be lost	-	-	-	-	-	-	-	-
Experience adjustments – arising from ceded premiums paid in the year that relate to future service	-	8,258	-	-	-	(8,258)	-	-
Changes relating to past service	-	-	-	-	-	-	-	-
Changes in recoverable amounts resulting from changes in liabilities for incurred claims	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	-	116,168	-	-	(1,177)	(1,102)	(1,177)	115,066
The impact of changes in non-performance risk (default risk) of reinsurers	-	-	-	-	-	-	-	-
The impact of movements in exchange rates	-	-	-	-	-	-	-	-
Net change recognized in the statement of income	(11,888)	(274,806)	-	-	30,512	401,666	18,624	126,860
Cash paid to reinsurers from underwritten contracts	35,897	-	-	-	-	-	35,897	-
Claims and other directly attributable expenses paid	(24,003)	(21,009)	-	-	-	-	(24,003)	(21,009)
Profit commission recovered from reinsurers	-	-	-	-	-	-	-	-
other recoverable amounts	-	-	-	-	-	-	-	-
Total Cash flows	11,894	(21,009)	-	-	-	-	11,894	(21,009)
Re-Insurance contracts liabilities – End of the year	-	-	-	-	-	(9,599)	-	(9,599)
Re-Insurance contracts assets – End of the year	-	(3)	-	-	20,913	-	20,913	(3)
Re-Insurance contracts liabilities (assets) – End of the year	-	(3)	-	-	20,913	(9,599)	20,913	(9,602)

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ACCOUNTS RECEIVABLE RELATED TO RE-INSURANCE OPERATIONS

This item represents receivables related to reinsurance operations that have been taken into account in the calculation of reinsurance contracts assets and liabilities.

	<u>2024</u>	<u>2023</u>
	JD	JD
Re-insurance contract assets (local)	2,330,784	2,078,243
Re-insurance contract assets (foreign)	938,877	485,599
	<u>3,269,661</u>	<u>2,563,842</u>
Less: Provision for expected credit losses *	(1,705,263)	(1,269,004)
	<u>1,564,398</u>	<u>1,294,838</u>

* Movements on provision for expected credit losses during the year:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	1,269,004	1,151,004
Provision for expected credit losses for the year	-	100,002
Transferred to provision for expected credit losses on accounts receivable	436,259	17,998
Balance at end of the year	<u>1,705,263</u>	<u>1,269,004</u>

The details of the aging of the reinsurance receivables are as follows:

	<u>Undue</u>	<u>0-90</u>	<u>91-180</u>	<u>181-365</u>	<u>More than</u>	<u>Total</u>
	<u>receivables</u>	<u>days</u>	<u>days</u>	<u>days</u>	<u>365 days</u>	<u>JD</u>
	JD	JD	JD	JD	JD	JD
2024	-	795,769	405,036	173,970	189,623	1,564,398
2023	19,118	513,301	164,759	597,660	-	1,294,838

ACCOUNT PAYABLES RELATED TO RE-INSURANCE OPERATIONS

This item represents payables related to reinsurance operations that were taken into account in the calculation of reinsurance contracts assets and liabilities.

	<u>2024</u> JD	<u>2023</u> JD
Foreign reinsurance Companies	30,465,628	27,005,017
Local insurance Companies	<u>178,198</u>	<u>234,096</u>
	<u>30,643,826</u>	<u>27,239,113</u>

(12) INCOME TAX

(12-1) Income tax provision

Movements on the income tax provision were as follows:

	<u>2024</u> JD	<u>2023</u> JD
Balance at the beginning of the year	212,697	216,755
Provision for the Year	330,823	-
Recoverable Tax Deposits	143,552	-
National contribution tax	223,612	216,895
Taxes on the investments outside Jordan	195,948	120,309
Income tax paid*	<u>(290,261)</u>	<u>(341,262)</u>
Balance at the end of the year	<u>816,371</u>	<u>212,697</u>

(12-2) The income tax expense appears in the consolidated statement of income

The income tax expense appears in the consolidated statement of income represents the following:

	<u>2024</u>	<u>2023</u>
Taxes on the investments outside Jordan	195,948	120,309
Income tax from 16/11 to 31/12/2024	330,823	-
National contribution tax	223,612	216,895
Addition (Amortization) Deferred tax assets	<u>558,375</u>	<u>(137,261)</u>
	<u>1,308,758</u>	<u>199,943</u>

(12-3) Summary of the reconciliation between accounting profit and taxable profit

A summary of the reconciliation between accounting profit and taxable profit is as follows:

	2024	2023
	JD	JD
Accounting profit	11,390,292	9,726,835
Non-taxable profits	(4,099,622)	(1,437,489)
Non-deductible expenses	3,889,937	2,436,062
Gain on sale of financial assets through other comprehensive income	-	119,346
Taxable profit	11,180,607	10,844,754
Income tax expense	330,823	-
National contribution tax	223,612	216,895
Effective income tax and national contribution rate	%4.87	2%
Statutory income tax rate	%26	2%

Gulf Insurance Group has been exempted from income tax as of 17 November 2021, for a period of three years due to the merger with Arab Life and Accident Insurance Company, in accordance with Cabinet Decision No. (12583) dated 19 November 2015, based on the provisions of Article (8/B) of the Investment Law No. 30 of 2014.

The income tax provision for the year ended 31 December 2024 and 2023 has been calculated in accordance with the Income Tax Law No. 38 of 2018, as amended. Under this law, the statutory tax rate is 24% and 2% national contribution tax. The income tax expense has been calculated from 16 November 2024 to 31 December 2024.

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

The sales tax position has been finally settled until 31 January 2021.

Income tax returns have been filed for the years 2022, 2023 and 2021 and the Income and Sales Tax Department has not audited the records as of the date of preparation of the consolidated financial statements. In the opinion of management and the Company's tax advisor, the provision for income tax is sufficient to meet any tax liabilities.

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(12-4) Deferred tax assets

	2024			2023		
	Balance at the beginning of the year JD	Additions JD	Released Amounts JD	Balance at the end of the year JD	Deferred Tax JD	Deferred Tax JD
Deferred tax assets:						
Provision for expected credit losses on accounts receivable and provision for doubtful debt for re- insurance receivable	3,321,298	-	-	3,321,298	863,537	863,537
Impairment loss on financial assets	1,199,000	-	-	1,199,000	311,740	311,740
Insurance contracts liabilities	8,879,708	-	2,466,726	6,412,982	1,667,375	2,308,724
Provision for end of service indemnity	3,039,231	611,763	292,633	3,358,361	873,174	790,200
	<u>16,439,237</u>	<u>611,763</u>	<u>2,759,359</u>	<u>14,291,641</u>	<u>3,715,826</u>	<u>4,274,201</u>

Movements on deferred tax assets were as follows:

	2024 JD	2023 JD
Balance at the beginning of the year	4,274,201	4,136,940
(Released) addition, net	<u>(558,375)</u>	<u>137,261</u>
Balance at the end of the year	<u>3,715,826</u>	<u>4,274,201</u>

- The tax rate used in calculating the deferred tax value is 26%, inclusive of the national contribution of 2%.

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(13) PROPERTY AND EQUIPMENT

	Land JD	Building JD	Computers JD	Decorations JD	Tools, equipment and furniture JD	Vehicles JD	Projects under progress* JD	Total JD
2024								
Cost								
Balance as of 1 January	3,532,896	3,716,205	1,798,582	1,915,750	2,257,054	384,104	210,583	13,815,174
Additions	140,875	31,552	138,262	308,724	135,815	70,532	118,555	944,315
Disposals	-	-	(180,908)	(280,714)	(760,826)	(78,879)	-	(1,301,327)
Balance as of 31 December	3,673,771	3,747,757	1,755,936	1,943,760	1,632,043	375,757	329,138	13,458,162
Accumulated depreciation								
Balance as of 1 January	-	1,166,321	1,455,184	1,620,652	1,933,499	213,610	-	6,389,266
Depreciation for the year**	-	74,692	149,918	107,888	83,841	36,389	-	452,728
Disposals	-	-	(175,431)	(260,319)	(755,396)	(75,125)	-	(1,266,271)
Balance as of 31 December	-	1,241,013	1,429,671	1,468,221	1,261,944	174,874	-	5,575,723
Net book value as of 31 December 2024	3,673,771	2,506,744	326,265	475,539	370,099	200,883	329,138	7,882,439

*The property and equipment include fully depreciated assets amounting to 4,519,470 JD as of 31 December 2024 (2023: 4,358,889 JD) and these assets are still in use to date.

	Land JD	Building JD	Computers JD	Decorations JD	Tools, equipment and furniture JD	Vehicles JD	Projects under progress* JD	Total JD
2023								
Cost								
Balance as of 1 January	3,532,896	3,716,205	1,668,805	1,835,051	2,216,924	329,104	-	13,298,985
Additions	-	-	147,095	84,100	68,168	105,000	210,583	614,946
Disposals	-	-	(17,318)	(3,401)	(28,038)	(50,000)	-	(98,757)
Balance as of 31 December	3,532,896	3,716,205	1,798,582	1,915,750	2,257,054	384,104	210,583	13,815,174
Accumulated depreciation								
Balance as of 1 January	-	1,091,997	1,320,926	1,514,194	1,883,408	230,010	-	6,040,535
Depreciation for the year**	-	74,324	150,864	109,337	77,007	33,599	-	445,131
Disposals	-	-	(16,606)	(2,879)	(26,916)	(49,999)	-	(96,400)
Balance as of 31 December	-	1,166,321	1,455,184	1,620,652	1,933,499	213,610	-	6,389,266
Net book value as of 31 December 2023	3,532,896	2,549,884	343,398	295,098	323,555	170,494	210,583	7,425,908

* This item represents the costs incurred for the expansion and improvement project of the second floor of the company's main building, as well as the costs incurred for purchasing computer hardware. The project is expected to be completed during the first quarter of 2025, with a total cost of 339,824 JD.

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(14) INTANGIBLE ASSETS

	Life insurance license	Programs and computer systems	Projects under progress*	Total
	JD	JD	JD	JD
2024				
Cost				
Balance as of 1 January	5,199,149	2,873,589	25,093	8,097,831
Additions	-	408,893	22,235	431,128
Disposals	-	(729,255)	-	(729,255)
Balance as of 31 December	5,199,149	2,553,227	47,328	7,799,704
Accumulated Amortization				
Balance as of 1 January	-	2,208,839	-	2,208,839
Amortization for the year**	-	257,365	-	257,365
Disposals	-	(729,195)	-	(729,195)
Balance as of 31 December	-	1,737,009	-	1,737,009
Less: impairment provision for the year***	(400,000)	-	-	(400,000)
Net Book Value as of 31 December 2024	4,799,149	816,218	47,328	5,662,695
2023				
Cost				
Balance as of 31 January	5,199,149	2,543,230	-	7,742,379
Additions	-	331,959	25,093	357,052
Disposals	-	(1,600)	-	(1,600)
Balance as of 31 December	5,199,149	2,873,589	25,093	8,097,831
Accumulated Amortization				
Balance as of 31 January	-	2,010,115	-	2,010,115
Amortization for the year**	-	200,324	-	200,324
Disposals	-	(1,600)	-	(1,600)
Balance as of 31 December	-	2,208,839	-	2,208,839
Less: impairment provision for the year***	(400,000)	-	-	(400,000)
Net book value as of 31 December 2023	4,799,149	664,750	25,093	5,488,992

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(15) OTHER ASSETS

	<u>2024</u>	<u>2023</u>
	JD	JD
Tax Receivables	2,334,260	2,100,406
Accrued interest revenue	1,935,820	1,770,805
Refundable deposits	586,823	466,802
Income tax paid on interest income	550,023	440,842
Prepaid expenses	399,379	262,645
Income tax deposits	4,343	4,342
Others	2,801	2,800
	<u>5,813,449</u>	<u>5,048,642</u>

(16) OTHER PROVISIONS

	<u>2024</u>	<u>2023</u>
	JD	JD
End of service provision *	3,017,689	2,632,713
Contingent liabilities provision **	-	249,884
Others	7,837	5,001
	<u>3,025,526</u>	<u>2,887,598</u>

*Movements on end of service provision during the year were as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	2,632,713	2,040,193
Provision for the year	611,763	722,877
Paid during the year	(226,787)	(250,357)
Actuarial losses resulted from changes in assumptions	-	120,000
Balance at the end of the year	<u>3,017,689</u>	<u>2,632,713</u>

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The actuarial assumptions used in determining the value of employees' end of service provision are as follows:

	<u>2024</u>	<u>2023</u>
Discount rate	%5	%5
Mortality rate	%0.080	%0.060
Annual salaries increments rate	%1	%1
Resignation rate	%7.50	%7.4

**Movements on contingent liability provision during the year were as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	249,884	180,425
Provision for the year	-	69,459
Paid during the year	<u>(249,884)</u>	<u>-</u>
Balance at the end of the year	<u>-</u>	<u>249,884</u>

(17) OTHER LIABILITIES

	<u>2024</u>	<u>2023</u>
	JD	JD
Social security deposits and governmental fees	127,065	330,112
Income tax withholdings	162,754	122,725
Stamps	116,544	140,552
Sales tax withholdings	83,372	43,453
Due to shareholders – subscription refunds	56,650	56,918
Others	<u>125,626</u>	<u>29,613</u>
	<u>672,011</u>	<u>723,373</u>

(18) AUTHORIZED AND PAID IN CAPITAL

The general assembly decided in its meeting held on 31 May 2022 to increase the authorized and paid-in capital from 25,438,252 divided into 25,438,252 shares with a par value of JD 1 each to become JD 26,000,000 through distributing of free shares to the Company's shareholders, from the special reserve balance within the shareholders' equity with an amount of JD 40,221 and from retained earnings balance with an amount of JD 521,527 as of 31 December 2021. Legal procedures have been completed during the third quarter of 2022.

The authorized and paid in capital is JD 26,000,000 divided into 26,000,000 shares at par value of JD 1 each as at 31 December 2024.

(19) LEGAL RESERVES

Statutory reserve

This amount represents appropriations at 10% of net income before income tax during this year and prior years, this reserve is not available for distribution to shareholders. The transfer of the statutory reserve should not be stopped before its balance reaches 25% of the authorized capital. However, with the approval of the company's general assembly, the transfer may continue until the balance of the statutory reserve reaches 100% of the Company's authorized capital.

(20) FAIR VALUE RESERVE

Movements on the fair value reserve were as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance as of 1 January	(1,509,165)	(1,684,308)
Change in fair value of financial assets through other comprehensive income	385,422	439,607
Realized gains (Losses) from sale of financial assets at fair value through other comprehensive income	<u>196,428</u>	<u>(264,464)</u>
Balance as of 31 December	<u>(927,315)</u>	<u>(1,509,165)</u>

(21) RETAINED EARNINGS

Movements on retained earnings during the year were as follows:

	<u>2024</u> JD	<u>2023</u> JD
Balance as of 1 January	18,472,501	12,619,383
Profit for the year	10,076,985	9,488,654
Less:		
Dividends*	(3,900,000)	(3,900,000)
Gain (losses) on sale of financial assets through other comprehensive income	(196,428)	264,464
Balance as of 31 December	<u>24,453,058</u>	<u>18,472,501</u>

*The General Assembly of the Company decided in its extraordinary meeting held on 15 August 2024 to distribute 15% of the capital as cash dividends to the shareholders equivalent to JD 3,900,000.

*The General Assembly of the Company decided in its extraordinary meeting held on 27 April 2023 to distribute 5% of the capital as cash dividends to the shareholders equivalent to JD 3,900,000.

(22) DIVIDENDS SUGGESTED TO BE DISTRIBUTED

The Board of Directors will submit in its meeting to be held during 2025 the recommendation to the General Assembly of the Group to distribute cash dividends of JD 5,200,000 to shareholders, which equals 20% of the company's capital as at 31 December 2024.

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(23) INSURANCE CONTRACTS REVENUES

	Vehicles	Fire	Engineering	liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024									
Change in Insurance Contract Liabilities - Against Remaining Coverage									
Expected Incurred Claims	-	-	-	-	-	-	-	7,346	7,346
Expected Incurred Expenses	-	-	-	-	-	-	-	7,426	7,426
Change in Non-Financial Risk Adjustments	-	-	-	-	-	-	-	(7,540)	(7,540)
Contractual Service Margin (CSM) due	-	-	-	-	-	-	-	12,434	12,434
Recovery of Acquisition Cash Flows	-	-	-	-	-	-	-	-	-
Insurance Contract Issuance Fees	365,085	169,377	51,072	20,100	58,466	2,588,562	175,964	115,750	3,544,376
Allocation of a portion of the premiums related to the recovery of cash flows for the acquisition of insurance	-	-	-	-	-	-	-	3,502	3,502
Other Revenues	28,520,792	13,670,147	1,936,169	1,595,709	2,367,112	62,687,382	4,034,017	6,221,780	121,033,108
Total Insurance contract revenue	28,885,877	13,839,524	1,987,241	1,615,809	2,425,578	65,275,944	4,209,981	6,360,698	124,600,652
2023									
Change in Insurance Contract Liabilities - Against Remaining Coverage									
Expected Incurred Claims	-	-	-	-	-	-	-	17,251	17,251
Expected Incurred Expenses	-	-	-	-	-	-	-	2,092	2,092
Change in Non-Financial Risk Adjustments	-	-	-	-	-	-	-	(6,011)	(6,011)
Contractual Service Margin (CSM) due	-	-	-	-	-	-	-	-	-
Recovery of Acquisition Cash Flows	-	-	-	-	-	-	-	-	-
Insurance Contract Issuance Fees	318,042	158,550	25,884	21,119	57,580	2,553,193	237,436	60,123	3,431,927
Allocation of a portion of the premiums related to the recovery of cash flows for the acquisition of insurance	-	-	-	-	-	-	-	4,500	4,500
Other Revenues	27,825,611	10,663,992	633,765	1,518,469	1,757,835	58,174,047	3,434,503	2,601,323	106,609,545
Total Insurance contract revenue	28,143,653	10,822,542	659,649	1,539,588	1,815,415	60,727,240	3,671,939	2,679,278	110,059,304

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(24) INSURANCE CONTRACTS EXPENSES

	Vehicles	Fire	Engineering	liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024									
Incurred insurance claims	(17,974,277)	(1,871,133)	(1,032,627)	(1,684,349)	(2,400,200)	(46,832,321)	(311,352)	(5,332,788)	(77,439,047)
Amortization of acquisition costs	(759,544)	(355,980)	(61,197)	(50,315)	(52,682)	(1,724,602)	(214,829)	(158,869)	(3,378,018)
Employee Expenses	(2,903,671)	(1,161,583)	(208,915)	(147,517)	(134,370)	(5,948,202)	(459,965)	(543,491)	(11,507,714)
Administrative expenses	(1,054,749)	(389,834)	(71,855)	(46,362)	(38,011)	(2,056,787)	(108,873)	(187,138)	(3,953,609)
Loss from onerous contracts	(3,075,137)	-	-	-	-	-	-	15,981	(3,059,156)
Recovered from loss from onerous Contracts	1,991,137	-	-	-	-	-	-	-	1,991,137
Risk adjustments - non-financial	(544,303)	(180,419)	(24,205)	(213,057)	(110,258)	(550,722)	(43,753)	(140,186)	(1,806,903)
Reversal of Non-Financial Risk Adjustments	-	-	-	-	-	-	-	-	-
Accident Exemptions	-	-	-	-	-	-	-	-	-
Transferred from Acquisition Costs / Acquisition Costs (as per the Company's method of recognition)	-	-	-	-	-	-	-	(3,502)	(3,502)
Total Insurance expenses	(24,320,544)	(3,958,949)	(1,398,799)	(2,141,600)	(2,735,521)	(57,112,634)	(1,138,772)	(6,349,993)	(99,156,812)

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	Vehicles	Fire	Engineering	liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2023									
Incurred insurance claims	(18,556,416)	(1,434,986)	(402,713)	(507,021)	(522,142)	(44,631,677)	(392,256)	(1,653,614)	(68,100,825)
Amortization of acquisition costs	(870,422)	(333,239)	(29,225)	(57,684)	(56,378)	(1,861,971)	(224,603)	(116,165)	(3,549,687)
Employee Expenses	(2,402,102)	(859,120)	(70,927)	(137,976)	(143,294)	(5,098,874)	(373,769)	(547,689)	(9,633,751)
Administrative expenses	(906,351)	(313,119)	(24,988)	(48,190)	(51,825)	(1,916,660)	(96,138)	(248,083)	(3,605,354)
Loss from onerous contracts	(2,515,594)	-	-	-	-	-	-	45,761	(2,469,833)
Recovered from loss from onerous contracts	3,042,593	-	-	-	-	-	-	-	3,042,593
Risk adjustments- non-financial	(467,444)	(141,888)	(21,463)	(21,429)	(33,935)	(506,839)	(21,019)	(58,681)	(1,272,698)
Reversal of Non-Financial Risk Adjustments	-	-	-	-	-	-	-	-	-
Accident Exemptions	-	-	-	-	-	-	-	-	-
Transferred from Acquisition Costs / Acquisition Costs (as per the Company's method of recognition)	-	-	-	-	-	-	-	(4,500)	(4,500)
Total Insurance expenses	(22,675,736)	(3,082,352)	(549,316)	(772,300)	(807,574)	(54,016,021)	(1,107,785)	(2,582,971)	(85,594,055)

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(25) REINSURANCE CONTRACT EXPENSES

	Vehicles	Fire	Engineering	liability	Marine	Medical	General accidents	Life	others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024										
Change in Re-Insurance Contract Liabilities - Against Remaining Coverage:										
Expected Incurred Claims	-	-	-	-	-	-	-	-	-	-
Expected Incurred Expenses	-	-	-	-	-	-	-	-	-	-
Change in Non-Financial Risk Adjustments	-	-	-	-	-	-	-	-	-	-
Contractual Service Margin (CSM) due	-	-	-	-	-	-	-	(4,208)	-	(4,208)
Recovery of Acquisition Cash Flows	-	-	-	-	-	-	-	-	-	-
Insurance Contract Issuance Fees	-	-	-	-	-	-	-	-	-	-
Allocation of a portion of the premiums related to the recovery of cash flows for the acquisition of insurance	-	-	-	-	-	-	-	-	-	-
Other Revenues	(1,851,335)	(10,172,522)	(1,356,312)	(1,203,320)	(1,113,861)	(38,205,821)	(2,086,986)	(4,738,303)	(821,524)	(61,549,984)
Total Re-Insurance contract Expenses	(1,851,335)	(10,172,522)	(1,356,312)	(1,203,320)	(1,113,861)	(38,205,821)	(2,086,986)	(4,742,511)	(821,524)	(61,554,192)

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	Vehicles	Fire	Engineering	liability	Marine	Medical	General accidents	Life	others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2023										
Change in Re-Insurance Contract Liabilities - Against Remaining Coverage:										
Expected Incurred Claims	-	-	-	-	-	-	-	(14,760)	-	(14,760)
Expected Incurred Expenses	-	-	-	-	-	-	-	-	-	-
Change in Non-Financial Risk Adjustments	-	-	-	-	-	-	-	5,547	-	5,547
Contractual Service Margin (CSM) due	-	-	-	-	-	-	-	-	-	-
Recovery of Acquisition Cash Flows	-	-	-	-	-	-	-	-	-	-
Insurance Contract Issuance Fees	-	-	-	-	-	-	-	-	-	-
Allocation of a portion of the premiums related to the recovery of cash flows for the acquisition of insurance	-	-	-	-	-	-	-	-	-	-
Other Revenues	(1,708,475)	(7,632,529)	(427,630)	(1,161,959)	(520,685)	(31,981,794)	(1,503,141)	(1,429,823)	(963,375)	(47,329,411)
Contract Total Re- Insurance Expenses	(1,708,475)	(7,632,529)	(427,630)	(1,161,959)	(520,685)	(31,981,794)	(1,503,141)	(1,439,036)	(963,375)	(47,338,624)

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(26) REINSURANCE CONTRACT RECOVERIES

	Vehicles	Fire	Engineering	liability	Marine	Medical	General accidents	Life	others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024										
Incurred insurance claims	(140,778)	1,454,473	869,371	1,177,867	2,043,826	35,458,905	235,936	4,683,438	-	45,783,038
Amortization of acquisition costs	-	-	-	-	-	-	-	-	-	-
Employee Expenses	-	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Loss from onerous contracts	-	-	-	-	-	-	-	-	-	-
Recoveries from loss from onerous Contracts	-	-	-	-	-	-	-	-	-	-
Risk adjustments - non-financial	67,691	(6,808)	(22,761)	(63,166)	(94,828)	(75,936)	1,995	(98,551)	-	(292,364)
Reversal of Non-Financial Risk Adjustments	-	-	-	-	-	-	-	-	-	-
Accident Exemptions	-	-	-	-	-	-	-	-	-	-
Transferred from Acquisition Costs / Acquisition Costs (as per the Company's method of recognition)	-	-	-	-	-	-	-	-	-	-
Total Re-Insurance contracts revenues	(73,087)	1,447,665	846,610	1,114,701	1,948,998	35,382,969	237,931	4,584,887	-	45,490,674

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	Vehicles	Fire	Engineering	liability	Marine	Medical	General accidents	Life	others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2023										
Incurred insurance claims	1,024,146	789,210	198,321	(64,788)	234,440	30,404,507	(7,118)	1,184,317	8,631	33,771,666
Amortization of acquisition costs	-	-	-	-	-	-	-	-	-	-
Employee Expenses	-	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Loss from onerous contracts	-	-	-	-	-	-	-	-	-	-
Recoveries from loss from onerous Contracts	-	-	-	-	-	-	-	-	-	-
Risk adjustments - non-financial	(34,856)	25,821	(6,414)	833	2,643	(199,804)	14,501	(36,861)	-	(234,137)
Reversal of Non-Financial Risk Adjustments	-	-	-	-	-	-	-	-	-	-
Accident Exemptions Transferred from	-	-	-	-	-	-	-	-	-	-
Acquisition Costs /										
Acquisition Costs (as per the Company's method of recognition)	-	-	-	-	-	-	-	-	-	-
Total Re-Insurance Revenues	989,290	815,031	191,907	(63,955)	237,083	30,204,703	7,383	1,147,456	8,631	33,537,529

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(27) FINANCE EXPENSE – INSURANCE CONTRACTS

	<u>2024</u> JD	<u>2023</u> JD
Finance expense	<u>(2,773,253)</u>	<u>(3,446,278)</u>

The Group used discount rates that ranged between 9.02% and 10.32% as at 31 December 2024 (31 December 2023: 10.43 % and 11.26%).

(28) FINANCE INCOME– RE-INSURANCE CONTRACTS

	<u>2024</u> JD	<u>2023</u> JD
Finance income	<u>353,496</u>	<u>777,896</u>

The Group used discount rates that ranged between 9.02% and 10.32% as at 31 December 2024 (31 December 2023: 10.43 % and 11.26%).

(29) INTEREST INCOME

	<u>2024</u> JD	<u>2023</u> JD
Interest on bank deposits	1,366,281	1,975,951
Interest on financial assets at amortized cost	<u>3,431,423</u>	<u>2,355,975</u>
	<u>4,797,704</u>	<u>4,331,926</u>

(30) NET (LOSS) GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

This item consists of the following:

	<u>2024</u> JD	<u>2023</u> JD
Dividends income from financial assets at fair value through other comprehensive income	810,331	327,237
Unrealized gains (losses) on financial assets at fair value through profit or loss	<u>1,180,719</u>	<u>(746,799)</u>
	<u>1,991,050</u>	<u>(419,562)</u>

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(31) EMPLOYEES EXPENSES

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries and Bonuses	10,223,601	8,380,868
Company's Social Security Contribution	1,019,839	877,951
Medical Expenses	648,206	556,389
End-of-Service Benefits	611,763	722,877
Travel and Transportation	221,039	162,248
Training and Development Expenses	34,011	21,935
	<u>12,758,459</u>	<u>10,722,268</u>

(32) GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2024</u>	<u>2023</u>
	JD	JD
Legal Fees and Expenses	765,530	842,985
Consultation and Technical Advisory Fees	645,171	477,547
Government Fees and Other Charges	536,147	369,642
Advertising and Publicity	418,602	319,136
Subscriptions	325,450	163,255
Stationery and Printing	245,360	217,665
Maintenance	243,940	252,687
Insurance Authority Fees	236,220	62,012
Postage, Communications, and Stamps	229,748	244,763
Tender Expenses	180,657	129,901
Rent	155,758	73,801
Depreciation Expense for Right-of-Use Assets	140,636	220,884
Bank Charges	139,849	237,021
Board of Directors' Transportation and Allowances	139,800	136,200
Water, Electricity, and Heating	122,811	106,118
Collection and Recovery Expenses	111,785	114,321
Hospitality Expenses	93,540	82,059
Professional Fees	80,000	106,156
Cleaning Expenses	74,464	75,720
Insurance Expenses	72,515	88,045
Interest Expense on lease liabilities	41,942	23,256
Donations	25,445	136,408
Board Committee Fees	15,600	13,400
Company Vehicle Expenses	15,181	9,992
Company Building Management Expenses	14,870	16,510
Other Expenses	327,937	336,133
	<u>5,398,958</u>	<u>4,855,617</u>

(33) EARNINGS PER SHARE FROM PROFIT FOR THE YEAR

The profit per share is calculated by dividing the profit for the year by the weighted average number of shares during the year as the following:

	<u>2024</u> JD	<u>2023</u> JD
Profit for the year (JD)	10,076,985	9,488,655
Weighted average number of shares (shares)	26,000,000	26,000,000
	<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share for the year	<u>0/388</u>	<u>0/365</u>
Basic and diluted earnings per share for the year from continuing activities	<u>0/388</u>	<u>0/366</u>

(34) CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flow consists of the following:

	<u>2024</u> JD	<u>2023</u> JD
Cash on hand and at banks	1,020,257	1,155,421
Add: Deposits at banks	20,885,232	21,272,263
Less: Deposits at banks with original maturity date more than three months	(19,071,092)	(20,458,123)
Less: Restricted deposits to the favor of the Governor of the Central Bank of Jordan	(814,140)	(814,140)
Add: Cash related to discontinued operations' assets	774,322	768,902
Net cash and cash equivalents at the end of the year	<u>2,794,579</u>	<u>1,924,323</u>

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(35) RELATED PARTY TRANSACTIONS AND BALANCES

The Group entered into transactions with major shareholders, board members and directors within the normal activities of the Company using insurance premium and commercial commission. All related parties' balances are considered performing and no provision has been taken against them as at 31 December 2024.

Below is a summary of related parties balances and transactions during the year:

	Related parties			Total	Total
	Major shareholders	Board of Directors Members	Afak Gulf Arab and Badia Gulf First Management Consulting	2024	2023
	JD	JD	JD	JD	JD
<u>Consolidated statement of financial position items:</u>					
Insurance contracts liabilities	-	134,205	-	134,205	100,237
	Related parties			Total	Total
	Major shareholders	Board of Directors Members	Afak Gulf Arab and Badia Gulf First Management Consulting	2024	2023
	JD	JD	JD	JD	JD
<u>Consolidated Statement of comprehensive income Items:</u>					
Insurance revenues	-	3,722,435	-	3,722,435	3,214,900
Transportation for members of the Board of Directors	-	139,800	-	139,800	136,200
Bonuses for members of the Board of Directors	-	60,600	-	60,600	58,400
Consultation fees	121,793	-	-	121,793	51,224
Paid Acquisition costs	-	-	-	-	-

Group's top executive management (salaries, bonuses, and other benefits) are as follows:

	2024	2023
	JD	JD
Salaries and bonuses	1,439,293	1,411,905
Travel expenses	9,450	8,800
Contribution to Short-Term Benefits	60,006	95,023
Contribution to long -Term Benefits	1,218,447	884,027
	<u>2,727,196</u>	<u>2,399,755</u>

***DISCONTINUED OPERATIONS**

The Board of Directors of Arab Life and Accidents Insurance Company (the merged Company) decided on a previous date, to close Palestine's branches and, therefore, Palestine's branches' assets were classified as discontinued operations' assets and its obligations as liabilities related to discontinued operations' assets as at 31 December 2023. In additions, the results of these branches were presented in the consolidated statement of income within discontinued operations for the year ended 31 December 2023.

(36) THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES NOT PRESENTED AT FAIR VALUE IN THE FINANCIAL STATEMENTS

There are no material differences between the carrying value and the fair value of financial assets and liabilities as of 31 December 2024 and 2023.

(37) ONEROUS CONTRACTS

The Group recognizes insurance contracts as onerous if, at initial recognition, the contract is expected to be loss-making. The loss component is measured by comparing the expected cash outflows required to fulfill the contractual obligations with the expected cash inflows from the contract or group of contracts. The Group discloses the loss component when the Contractual Service Margin (CSM) is zero, which applies only under the General Measurement Model (GMM) or the Variable Fee Approach (VFA).

(38) RISK MANAGEMENT Explanatory Disclosures:

Risk management is the evaluation of the risk process of measurement and development of strategies to manage it. These strategies include the transfer of risks to another party, avoiding and mitigating their adverse effect on the Group, in addition to accepting the related consequences partially or wholly, Risk management can be divided into four sections:

First: Material risks such as (natural catastrophes, fires, accidents, and other external risks not relating to the Group's operations).

Second: Legal risks resulting from legal claims or any risks arising from the laws and regulations issued by the Insurance Commission and the related non-compliance.

Third: Risks arising from financial matters such as (interest rate, credit risk, foreign currencies risks, and market risk).

Fourth: Intangible risks that are difficult to identify such as knowledge risk that occurs upon the application of inadequate knowledge by employees, Moreover, relationships risks occur when there is inefficient cooperation with clients. All these risks reduce the employee's productivity in knowledge and lessen the effectiveness of expenditures, profit, service, quality, reputation, and the quality of gains.

Management of risks adopted by the Group relies on prioritizing so that risks with huge losses and high probability are treated first while risks with lower losses and lesser probability are treated later on.

Risk Management Policy

First: Planning and Preparation

The work scope plan and criteria for adopting and evaluating risks at the Group have been set through creating the Institutional Development and Quality Department that monitors this performance.

Second: Identification of Risks

Risks represent events that create problems upon their occurrence. Therefore, these problems should be identified at their origin, When the problem or its origin is identified, the related accident may lead to new risks that can be treated prior to their occurrence. There are many ways to identify risks such as identification based on objectives as each of the Group's sections has certain objectives it endeavors to achieve. Any event that threatens the achievement of these objectives is considered a risk. Based on this, risks are studied and pursued. Moreover, there is a type of risk identification based on a comprehensive classification of all probable sources of risk. Still another type of risk identification is common risks especially for similar companies.

Third: Risk Treatment Method

The Group deals with probable risks by means of the following methods:

- Transfer: This represents the process of transferring the risk to another party through contracts or financial protection.
- Avoidance: This is an active process to ward off risk through avoiding works that lead to risks. Avoidance is the best preventive method against risk. This may deprive the Group from conducting certain activities profitable for the Group.
- Reduction: This is the process of decreasing the loss arising from the occurrence of risk.
- Acceptance: There should be a policy to accept unavoidable risks as acceptance of small risks is an effective strategy.

Fourth: Plan

An easy and clear plan has been set to deal with risks through a pricing policy that relies on historical statistics to avoid the occurrence of risks from any insurance branch so that the premium covers the probable cumulative risks.

Fifth: Execution

The Group's technical departments execute the plan so that the risk effects are mitigated. Moreover, all avoidable risks are avoided.

Sixth: Plan Review and Evaluation

The Risks Department follows up on the Group's development and constantly and continuously develops and upgrades the plan in effect.

Risk Management Arrangements

Determinants

Top priority is given to the Risks Department, this affects the Group's productivity and profitability, Moreover, the Risks Department distinguishes between actual risk and doubt, priorities are given to risks with huge losses and high probability so as to avoid them.

Risks Management Responsibilities

- Upgrading the risk data base constantly and continuously.
- Predicting any probable risk.
- Cooperating with executive management to treat risks and mitigate risk.
- Preparing plans and risk reports continuously to avoid the probable risk or reduce the probability of its occurrence.

Risk Treatment Strategy

- Determining the Group's objectives.
- Clarifying strategies for the Group's objectives.
- Distinguishing risk.
- Assessing risk.
- Identifying methods to avoid and treat risk.

Second: Quantitative Disclosures:

A - Insurance Risk

1. Insurance Risk

Risks of any insurance policy represent the probability of occurrence of the insured accident and the uncertainty of the related claim amount due to the nature of the insurance policy whereby the risks are volatile and unexpected in connection with insurance policies of a certain insurance class. As regards the application of the probability theory on pricing and the reserve, the primary risks facing the Group 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 Group is engaged in insurance business against fire, accidents, marine and transportation, and motor insurance, public liability, aviation and medical insurance through its main branch located in Jabal Amman, 3rd circle in Amman and its branches in Marka "licensing services center", 8th circle, Al Abdali and Abdali- Boulevard in Amman, Aqaba branch in Aqaba city and Irbid Branch in Irbid city.

Through its personnel consisting of professionals and administrative staff, the Group provides the best service to its clients, Moreover, a plan has been set to protect it against probable risks whether natural or unnatural. This requires that the necessary provisions as well as the necessary technical equipment be made available to maintain the Group's continuity and viability, hence, the necessity to set the risk management strategy.

Steps involved in determining assumptions These steps rely on the internal data derived from the quarterly claims reports and the sorting of the executed insurance policies as of the consolidated statement of financial position date to identify the outstanding insurance policies, The effective results for the year's accidents are selected for each type of insurance based on the evaluation of the most appropriate mechanism for observing the historical development.

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 vehicles insurance claims were reported and on the year in which underwriting of the other general insurance types was executed as follows:

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Motor Insurance:

Gross :

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	30,461,340	21,497,082	18,944,804	19,549,760	14,878,117	98,578,324	203,909,427
After one year	-	24,048,553	19,735,075	20,666,459	18,150,725	116,233,291	198,834,103
After two years	-	-	20,868,454	21,371,943	19,056,400	126,291,722	187,588,519
After three years	-	-	-	22,003,833	19,331,822	131,136,993	172,472,648
After four years	-	-	-	-	19,273,360	132,935,074	152,208,434
After five years	-	-	-	-	-	128,637,961	128,637,961
Total accumulated claims paid	13,606,300	17,710,452	16,946,692	18,763,225	17,458,183	124,716,615	209,201,467
Total liabilities	30,461,340	24,048,553	20,868,454	22,003,833	19,273,360	128,637,961	245,293,501
Discounting effect	-	-	-	-	-	-	3,052,960
Total liabilities for incurred claims	16,855,039	6,338,101	3,921,761	3,240,608	1,815,176	3,921,346	36,092,034

Net

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	29,337,603	20,253,334	17,790,551	18,523,093	13,938,170	95,100,022	194,942,773
After one year	-	23,085,832	18,595,724	19,672,261	17,165,020	112,791,252	191,310,089
After two years	-	-	19,666,241	20,365,306	18,040,744	122,266,113	180,338,404
After three years	-	-	-	20,999,110	18,339,792	126,764,954	166,103,856
After four years	-	-	-	-	18,278,407	128,254,898	146,533,305
After five years	-	-	-	-	-	123,734,289	123,734,289
Total accumulated claims paid	13,220,537	17,184,490	16,044,462	17,912,870	16,490,202	120,252,398	201,104,959
Total liabilities	29,337,603	23,085,832	19,666,241	20,999,110	18,278,407	123,734,289	235,101,482
Discounting effect	-	-	-	-	-	-	2,946,923
Total liabilities for incurred claims	16,117,066	5,901,342	3,621,779	3,086,240	1,788,205	3,481,891	33,996,523

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Marine & Aviation:

Gross:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	1,036,827	614,347	587,357	250,092	359,380	1,822,806	4,670,809
After one year	-	698,546	583,863	309,261	398,501	2,092,620	4,082,791
After two years	-	-	588,297	309,261	392,887	2,091,363	3,381,808
After three years	-	-	-	309,264	392,887	2,090,734	2,792,885
After four years	-	-	-	-	394,014	2,080,932	2,474,946
After five years	-	-	-	-	-	3,748,919	3,748,919
Total accumulated claims paid	193,913	688,306	571,204	309,243	385,887	1,427,135	3,575,688
Total liabilities	1,036,827	698,546	588,297	309,264	394,014	3,748,919	6,775,867
Discounting effect	-	-	-	-	-	-	44,053
Total liabilities for incurred claims	842,914	10,240	17,092	21	8,127	2,321,784	3,200,179

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Net:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	599,147	231,611	245,154	134,350	153,520	438,701	1,802,483
After one year	-	268,421	279,800	167,722	171,700	607,868	1,495,511
After two years	-	-	282,397	167,722	171,007	613,816	1,234,942
After three years	-	-	-	167,724	171,007	613,502	952,233
After four years	-	-	-	-	171,754	608,600	780,354
After five years	-	-	-	-	-	712,143	712,143
Total accumulated claims paid	84,104	262,770	273,531	167,713	167,507	530,789	1,486,414
Total liabilities	599,147	268,421	282,397	167,724	171,754	712,143	2,201,586
Discounting effect	-	-	-	-	-	-	12,307
Total liabilities for incurred claims	515,043	5,651	8,866	11	4,247	181,354	715,172

Fire & Property

Gross:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	2,008,233	1,136,566	3,175,216	980,350	4,309,684	20,142,337	31,752,386
After one year	-	1,656,649	3,339,166	958,547	3,813,311	17,106,108	26,873,781
After two years	-	-	3,431,050	946,803	3,454,392	17,427,969	25,260,214
After three years	-	-	-	1,168,010	3,341,027	17,424,444	21,933,481
After four years	-	-	-	-	3,353,170	17,512,542	20,865,712
After five years	-	-	-	-	-	17,273,619	17,273,619
Total accumulated claims paid	592,957	1,118,890	3,297,759	755,488	3,267,961	16,333,235	25,366,290
Total liabilities	2,008,233	1,656,649	3,431,050	1,168,010	3,353,170	17,273,619	28,890,731
Discounting effect	-	-	-	-	-	-	75,913
Total liabilities for incurred claims	1,415,276	537,759	133,291	412,522	85,209	940,384	3,524,441

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Net:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	451,154	368,032	911,839	315,389	1,508,419	2,157,508	5,712,341
After one year	-	601,088	968,677	319,447	1,059,932	1,882,936	4,832,080
After two years	-	-	988,028	313,769	701,943	1,903,744	3,907,484
After three years	-	-	-	430,379	679,352	1,894,956	3,004,687
After four years	-	-	-	-	685,290	2,039,903	2,725,193
After five years	-	-	-	-	-	2,032,975	2,032,975
Total accumulated claims paid	137,535	332,654	925,927	263,303	660,019	1,884,463	4,203,901
Total liabilities	451,154	601,088	988,028	430,379	685,290	2,032,975	5,188,914
Discounting effect	-	-	-	-	-	-	35,083
Total liabilities for incurred claims	313,619	268,434	62,101	167,076	25,271	148,512	985,013

liability:

Gross:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	2,251,059	423,139	303,911	81,814	586,909	5,584,451	9,231,283
After one year	-	481,054	798,301	485,509	1,270,926	7,080,970	10,116,760
After two years	-	-	915,593	517,125	1,285,296	7,494,239	10,212,253
After three years	-	-	-	532,636	1,283,547	8,026,842	9,843,025
After four years	-	-	-	-	1,904,981	9,132,039	11,037,020
After five years	-	-	-	-	-	9,320,915	9,320,915
Total accumulated claims paid	278,199	401,665	494,605	412,112	1,285,195	8,016,908	10,888,684
Total liabilities	2,251,059	481,054	915,593	532,636	1,904,981	9,320,915	15,406,238
Discounting effect	-	-	-	-	-	-	92,488
Total liabilities for incurred claims	1,972,860	79,389	420,988	120,524	619,786	1,304,007	4,517,554

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Net:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	1,017,720	324,794	136,524	(42,863)	311,936	1,791,231	3,539,342
After one year	-	378,586	600,385	385,677	395,815	1,969,292	3,729,755
After two years	-	-	730,317	405,540	418,765	1,757,594	3,312,216
After three years	-	-	-	418,394	417,017	1,830,198	2,665,609
After four years	-	-	-	-	495,462	1,889,854	2,385,316
After five years	-	-	-	-	-	2,376,466	2,376,466
Total accumulated claims paid	231,574	325,218	383,100	350,064	435,678	2,004,560	3,730,194
Total liabilities	1,017,720	378,586	730,317	418,394	495,462	2,376,466	5,416,945
Discounting effect	-	-	-	-	-	-	33,379
Total liabilities for incurred claims	786,146	53,368	347,217	68,330	59,784	371,906	1,686,751

Medical:

Gross:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	51,608,477	43,221,079	41,326,029	37,982,075	31,789,137	192,856,872	398,783,669
After one year	-	44,754,108	43,067,489	39,684,611	33,173,473	221,116,353	381,796,034
After two years	-	-	43,039,566	39,687,767	33,192,614	221,215,249	337,135,196
After three years	-	-	-	39,692,468	33,191,944	221,215,242	294,099,654
After four years	-	-	-	-	33,191,953	221,233,637	254,425,590
After five years	-	-	-	-	-	221,235,488	221,235,488
Total accumulated claims paid	41,964,386	44,760,741	43,021,803	39,635,003	33,191,953	221,215,255	423,789,141
Total liabilities	51,608,477	44,754,108	43,039,566	39,692,468	33,191,953	221,235,488	433,522,060
Discounting effect	-	-	-	-	-	-	103,088
Total liabilities for incurred claims	9,644,091	(6,633)	17,763	57,465	-	20,233	9,732,919

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Net:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	6,153,904	13,957,642	16,090,366	14,462,030	11,245,298	65,823,604	127,732,844
After one year	-	14,444,344	16,852,253	15,235,276	11,863,068	75,721,575	134,116,516
After two years	-	-	16,841,890	15,236,555	11,881,472	75,743,134	119,703,051
After three years	-	-	-	15,235,538	11,881,238	75,743,132	102,859,908
After four years	-	-	-	-	11,881,241	75,749,570	87,630,811
After five years	-	-	-	-	-	75,749,279	75,749,279
Total accumulated claims paid	10,565,780	14,444,938	16,836,496	15,218,087	11,881,241	75,743,135	144,689,677
Total liabilities	6,153,904	14,444,344	16,841,890	15,235,538	11,881,241	75,749,279	140,306,196
Discounting effect	-	-	-	-	-	-	(40,810)
Total liabilities for incurred claims	(4,411,876)	(594)	5,394	17,451	-	6,144	(4,383,481)

Others:

Gross:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	324,465	330,433	251,959	369,001	1,857,034	4,116,492	7,249,384
After one year	-	1,274,581	303,148	395,827	1,205,941	4,359,987	7,539,484
After two years	-	-	303,168	395,827	1,204,403	4,190,868	6,094,266
After three years	-	-	-	415,328	1,204,403	4,003,835	5,623,566
After four years	-	-	-	-	1,204,818	4,037,919	5,242,737
After five years	-	-	-	-	-	4,181,643	4,181,643
Total accumulated claims paid	139,727	727,501	240,593	275,435	1,201,903	3,789,622	6,374,781
Total liabilities	324,465	1,274,581	303,168	415,328	1,204,818	4,181,643	7,704,003
Discounting effect	-	-	-	-	-	-	20,142
Total liabilities for incurred claims	184,738	547,080	62,575	139,893	2,915	392,021	1,329,222

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Net:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	32,917	129,353	92,479	57,329	557,689	634,148	1,503,915
After one year	-	269,712	117,896	79,040	576,083	572,737	1,615,468
After two years	-	-	117,906	79,040	575,627	506,443	1,279,016
After three years	-	-	-	91,141	575,627	533,116	1,199,884
After four years	-	-	-	-	575,836	538,335	1,114,171
After five years	-	-	-	-	-	676,722	676,722
Total accumulated claims paid	32,491	228,620	101,704	30,829	575,070	549,348	1,518,062
Total liabilities	32,917	269,712	117,906	91,141	575,836	676,722	1,764,234
Discounting effect	-	-	-	-	-	-	7,562
Total liabilities for incurred claims	426	41,092	16,202	60,312	766	127,374	246,172

Life:

Gross:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	5,798,689	1,208,222	299,842	30,000	-	-	7,336,753
After one year	-	1,648,269	383,575	33,629	-	-	2,065,473
After two years	-	-	379,615	33,629	-	18,723	431,967
After three years	-	-	-	33,629	-	(491)	33,138
After four years	-	-	-	-	-	31,385	31,385
After five years	-	-	-	-	-	65,407	65,407
Total accumulated claims paid	3,942,169	1,465,286	379,395	33,629	-	64,194	5,884,673
Total liabilities	5,798,689	1,648,269	379,615	33,629	-	65,407	7,925,609
Discounting effect	-	-	-	-	-	-	33,736
Total liabilities for incurred claims	1,856,520	182,983	220	-	-	1,213	2,040,936

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Net:

	2024	2023	2022	2021	2020	2019 and before	Total
	JD	JD	JD	JD	JD	JD	JD
Estimated total maximum undiscounted claims*							
The accident year	279,530	330,979	104,628	11,392	-	-	726,529
After one year	-	353,300	193,313	11,573	-	-	558,186
After two years	-	-	189,353	11,573	-	1,872	202,798
After three years	-	-	-	11,573	-	(17,342)	(5,769)
After four years	-	-	-	-	-	(7,783)	(7,783)
After five years	-	-	-	-	-	16,130	16,130
Total accumulated claims paid	607,937	329,612	189,132	11,573	-	14,916	1,153,170
Total liabilities	279,530	353,300	189,353	11,573	-	16,130	849,886
Discounting effect	-	-	-	-	-	-	960
Total liabilities for incurred claims	(328,407)	23,688	221	-	-	1,214	(303,284)

3. INSURANCE RISK CONCENTRATIONS

Below are schedules presenting risk concentration based on insurance types and the geographical distribution:

Insurance liabilities are concentrated based on insurance type as follows:

<u>Insurance type</u>	2024		2023	
	Net JD	Gross JD	Net JD	Gross JD
Motor	29,749,392	31,629,824	29,477,602	32,236,283
Marine	604,362	3,132,927	273,353	955,096
Fire and properties	997,428	3,378,703	667,833	2,240,604
Social liability	1,300,938	2,890,872	926,977	1,325,630
Medical	1,882,043	6,415,266	2,028,778	5,840,991
Life	318,921	1,697,107	115,357	659,349
Others	461,800	2,752,680	608,306	2,381,820
Total	35,314,884	51,897,379	34,098,206	45,639,773

The Group covers all its activities by proportional and non- proportional reinsurance treaties, facultative and excess of loss treaties, in addition to treaties that cover the Group's retention under the name of catastrophe risk treaties.

Assets, liabilities and off consolidated statement of financial position items are concentrated based on geographical distribution and sectors as follows:

	2024			
	Assets JD	Liabilities JD	Re-insurance assets JD	Re-insurance liabilities JD
A- According to geographical area				
Inside Jordan	109,697,571	58,329,844	8,657,786	83,634
Other Middle East Countries	27,675,801	1,686,471	1,736,781	171,622
Europe	100,461	20,276,246	938,404	2,301,032
Asia *	30,123	5,972	281,377	678
Africa *	100	45,904	935	5,209
United states of America	54,908	1,308,784	512,897	148,526
Total	137,558,964	81,653,221	12,128,180	2,710,701
	2023			
	Assets JD	Liabilities JD	Re-insurance assets JD	Re-insurance liabilities JD
A- According to geographical area				
Inside Jordan	90,738,588	51,663,237	4,646,417	260,099
Other Middle East Countries	27,535,480	2,903,262	1,409,999	14,617
Europe	111,607	15,501,560	5,715	78,043
Asia *	68,985	5,116	3,533	26
Africa *	2,168,069	44,218	111,019	223
United states of America	-	1,162,000	-	5,849
Total	120,622,729	71,279,393	6,176,683	358,857

* Excluding Middle East countries.

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	2024			2023		
	Assets	Liabilities	Off-Consolidated Statement of Financial Position	Assets	Liabilities	Off-Consolidated Statement of Financial Position
	JD	JD	JD	JD	JD	JD
B- According to Sector						
Public sector	37,118,951	6,300,975	3,182,502	27,083,991	1,411,311	2,831,762
Private Sector:						
Companies and corporations	96,182,175	69,881,319	1,709,648	90,969,238	65,056,743	1,198,940
Individuals	4,257,838	5,470,927	-	2,569,500	4,811,339	-
Total	137,558,964	81,653,221	4,892,150	120,622,729	71,279,393	4,030,702

4- Reinsurance Risk

As is the case with insurance companies, in order to reduce its exposure to major losses that may arise from major insurance claims, the Group, within the normal course of its business, enters into reinsurance agreements with other parties.

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

In order to reduce its exposure to major losses that may arise from major insurance claims, the Group, within the normal course of its business, enters into reinsurance agreements with other parties.

The Group applies the treaty and facultative reinsurance agreements terms upon underwriting for all types of insurance regardless of the size.

The Group completes the reinsurance coverage for each risk assigned to it before the issuance of the insurance policy in case of insurance policies exceeding the relative agreement's limits.

If the Group decides to assign more than 30% of any insurance contract, it provides facultative reinsurance cover by at least 60% of that of contract to a reinsurance Company that is classified as first and second class in accordance with the instructions of the solvency margin.

The Group reinsures on a facultative basis 100% of risks excluded from treaties to a reinsurance company (companies) classified as 1st or 2nd class according to the solvency margin instructions.

The Group follows up on the treaty and facultative reinsurance Companies monthly to ensure that the classification is not downgraded below 1st and 2nd class.

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(5) INSURANCE RISK SENSITIVITY

The table below shows the effect of the possible reasonable change in underwriting premium rates on the consolidated statement of income and equity keeping all other affecting variables fixed.

<u>2024</u>	Change %	CSM		Effect on the current year pre-tax profit		Effect on equity*	
		Gross	Net	Gross	Net	Gross	Net
		JD	JD	JD	JD	JD	JD
Mortality rate	5	(4,224)	(4,225)	(668)	(669)	(668)	(669)
Disability	5	(1,415)	(1,415)	15	15	15	15
Age expectancy	5	-	-	-	-	-	-
Expenses	5	(1,268)	(1,268)	(266)	(266)	(266)	(266)
Expiration rate	5	(1,033)	(1,054)	2,109	2,089	2,109	2,089

<u>2024</u>	Change %	CSM		Effect on the current year pre-tax profit		Effect on equity*	
		Gross	Net	Gross	Net	Gross	Net
		JD	JD	JD	JD	JD	JD
Mortality rate	(5)	3,416	3,417	214	214	214	214
Disability	(5)	1,417	1,417	(16)	(16)	(16)	(16)
Age expectancy	(5)	-	-	-	-	-	-
Expenses	(5)	1,276	1,277	267	267	267	267
Expiration rate	(5)	1,058	1,078	(2,115)	(2,095)	(2,115)	(2,095)

<u>2023</u>	Change %	CSM		Effect on the current year pre-tax profit		Effect on equity*	
		Gross	Net	Gross	Net	Gross	Net
		JD	JD	JD	JD	JD	JD
Mortality rate	5	(3,226)	(2,746)	(5,515)	(829)	(5,404)	(812)
Disability	5	(968)	(824)	(1,654)	(249)	(1,621)	(244)
Age expectancy	5	(645)	(549)	(1,103)	(166)	(1,081)	(162)
Expenses	5	(323)	(275)	(551)	(83)	(540)	(81)
Expiration rate	5	(484)	(412)	(827)	(124)	(811)	(122)

<u>2023</u>	Change %	CSM		Effect on the current year pre-tax profit		Effect on equity*	
		Gross	Net	Gross	Net	Gross	Net
		JD	JD	JD	JD	JD	JD
Mortality rate	(5)	3,226	2,746	5,515	829	5,404	812
Disability	(5)	968	824	1,654	249	1,621	244
Age expectancy	(5)	645	549	1,103	166	1,081	162
Expenses	(5)	323	275	551	83	540	81
Expiration rate	(5)	484	412	827	124	811	122

*Please note that there is no longevity assumption and there is no effect of the loss rate assumption as there are no incurred claims..

B- FINANCIAL RISKS

The risks that the group face revolve around the possibility of insufficient return on investments to fund the obligations arising from insurance contracts and investments.

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

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

1- Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices such as interest rates, currency prices and stock prices. These risks are monitored according to specific policies and procedures and through specialized committees and business units, Market risk and its related controls are measured through sensitivity analysis.

- Interest Rate Risk

Interest rate risks relate to long term bank deposits, development bonds, and other deposits, Moreover, the Group always aims to mitigate these risks through monitoring the changes in interest rates in the market. Interest rate risks relate to fixed deposits at banks and overdraft accounts, as of 31 December 2024. The interest rate on bank deposits range between 5.6% to 6.75% annually on JD deposits.

The following table illustrates the sensitivity of exposure to interest rate at the date of the financial statements, Moreover, the analysis below has been prepared assuming that the amount of deposits outstanding at the consolidated statement of financial position date was outstanding for the whole financial year, An increase / decrease of 0.5% (half percent) is used representing the Group's assessment of the probable and acceptable change of interest rates.

	<u>+ 0.5%</u>		<u>- 0.5%</u>	
	<u>For the Year Ended 31 December</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Increase (decrease) in profit for the year	104,426	106,361	(104,426)	(106,361)
Shareholders' equity	<u>104,426</u>	<u>106,361</u>	<u>(104,426)</u>	<u>(106,361)</u>

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The table below shows the sensitivity of exposure to interest rates on the sovereign bonds of Egypt, the Government of the Hashemite Kingdom of Jordan, Kingdom of Saudi Arabia, Qatar bonds, United Arab of Emirates bonds and other bonds as at 31 December 2024. Sovereign bonds of Egypt and the Government of the Hashemite Kingdom of Jordan as of 31 December 2023, Moreover, the analysis below has been prepared assuming that the amount of bonds outstanding of financial position date was outstanding for the whole financial year. An increase/ decrease of 0.5% (half percent) is used representing the Group's assessment of the probable and acceptable change of interest rates.

	+ 0,5%		- 0,5%	
	For the Year Ended 31 December			
	2024	2023	2024	2023
	JD	JD	JD	JD
Increase (decrease) in profit for the year	311,503	296,273	(311,503)	(296,273)
Shareholders' equity	311,503	296,273	(311,503)	(296,273)

- Foreign Currencies Risks

Foreign currencies risks are the risks resulting from the fluctuations in the value of the financial instruments due to the changes in the exchange rates of foreign currencies. Most of the Group's assets and liabilities are funded in JD or US Dollar. The exchange rate of the US Dollar to JD is fixed at 0.709 and the probability of this risk is very minimal, Consequently, the Group does not hedge for the foreign currencies risk due to the following reasons:

- The US Dollar exchange rate is fixed within a range from 0.708 to 0.710 selling and buying by the Central Bank of Jordan.
- All of the Group's accounts with the various parties including reinsurers are in Jordanian Dinar.
- There are no other foreign currencies denominated accounts. However, the Group monitors the fluctuation in the foreign currency exchange rate continuously.

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 Group's functional currency. The Board of Directors sets the limits for the financial position of each currency at the Group. 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.

2- Insurance Risk

This risk arises from the other parties' inability to meet their obligations. These risks arise from the following:

- Reinsurers.
- Policyholders.
- Insurance agents.

To mitigate insurance risks, the Group performs the following:

- Sets credit limits for agents and brokers.
- Controls accounts receivable.
- Sets reinsurance policies at other financially solvent parties.
- Maintains the Group's cash balances at local and international banks.

The Group's management believes that the foreign currencies risks and their impact on the consolidated financial statements are immaterial.

3- Liquidity Risk

The Management applies a suitable system to manage its short- and long-term funding risk and maintains sufficient reserves through monitoring the expected cash flows and comparing the maturity of assets with the maturity of financial and technical liabilities on the other hand.

Liquidity risk is the risk that the Group will not be able to meet its obligations associated as they fall due. To limit this risk, management arranges diversified funding sources, manages assets and liabilities, and monitors liquidity daily and maintains sufficient amount of cash and cash equivalents and these traded instruments.

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The table below summarizes the maturity profile of financial liabilities (based on the remaining maturity period from the date of the consolidated financial statements).

	Less than month JD	1 month to 3 months JD	3-6 months JD	6 months to 1 year JD	1-3 years JD	Without maturity JD	Total JD
2024 -							
Liabilities							
Insurance contracts liabilities	5,141,953	10,283,906	15,425,859	30,851,728	9,292,033		70,995,479
Re-insurance contracts liabilities	192,022	384,044	576,066	1,152,134	406,435	-	2,710,701
Accrued expenses	-	2,054,560	-	-	674,521	-	2,729,081
Income tax provision	-	-	-	-	816,371	-	816,371
Lease contracts liabilities	71,219	8,642	22,503	15,306	362,938	-	480,608
Other provisions	-	-	-	-	-	3,025,526	3,025,526
Other liabilities	435,700	129,014	-	-	107,297	-	672,011
Liabilities related to discontinued operations' assets	-	-	-	-	-	223,444	223,444
Total	5,840,894	12,860,166	16,024,428	32,019,168	11,659,595	3,248,970	81,653,221
Total Assets	3,420,351	7,530,744	9,383,694	18,750,003	61,406,245	37,067,927	137,558,964
	Less than month JD	1 month to 3 months JD	3-6 months JD	6 months to 1 year JD	1-3 years JD	Without maturity JD	Total JD
2023 -							
Liabilities							
Insurance contracts liabilities	8,258,626	19,270,127	16,517,252	11,011,501	7,772,824	1,943,207	64,773,537
Re-insurance contracts liabilities	8,074	18,840	16,149	10,766	244,023	61,005	358,857
Accrued expenses	206,222	1,263,050	142,597	-	-	234,398	1,846,267
Income tax provision	84,211	-	128,486	-	-	-	212,697
Lease contracts liabilities	60,998	17,747	23,941	34,352	95,810	-	232,848
Other provisions	349,814	-	-	-	-	2,537,784	2,887,598
Other liabilities	584,430	39,872	42,153	-	-	56,918	723,373
Liabilities related to discontinued operations' assets	-	-	-	-	-	244,216	244,216
Total	9,552,375	20,609,636	16,870,578	11,056,619	8,112,657	5,077,528	71,279,393
Total Assets	7,862,784	4,171,257	10,281,838	14,678,928	60,725,083	22,902,839	120,622,729

4- Operational Risks

Operational risks relate to systems downtime or may result from any intentional or unintentional human error. These risks may affect the Group's reputation as they may lead to financial losses. These risks may be avoided through segregating duties, setting the necessary procedures to obtain any information from the Group's systems, and making aware and training the Group's personnel.

5- Legal Risks

These risks relate to the lawsuits against the Group. In order to avoid these risks, the Group set up an independent legal department to follow up on the Group's operations in a manner that complies with the Insurance Law and the Insurance Commission's Regulations.

6- Share Price Risk

The following table shows the sensitivity of the consolidated statement of income (for financial assets at fair value through the profit or loss) and the cumulative change in fair value (for financial assets through other comprehensive income) because of reasonably possible changes in share prices, while remaining all other variables are fixed.

The change in the stock exchange index as at the consolidated financial statements date was +5% or - 5%, The following is the impact of the change on the Group's shareholders' equity:

	Change in Index	Impact on Shareholders' equity JD	Impact on the consolidated statement of income JD
2024-			
Stock Exchange	5% Increase	313,802	595,619
Stock Exchange	5% Decrease	(313,802)	(595,619)
2023-			
Stock Exchange	5% Increase	267,361	258,976
Stock Exchange	5% Decrease	(267,361)	(258,976)

(39) ANALYSIS OF MAIN SECTORS

- Background for the Group business sectors

For administrative purposes as explained in insurance contract revenues (note 23) and insurance contract expenses (note 24) the Group is organized to include the general insurance sector and includes (motor insurance, marine and transportation insurance, fire and other property damage insurance, liability insurance, medical insurance, life insurance, and others). This sector forms the basis used by the Group to show information related to key sectors. The above segment also includes investments and cash management for the company's own account . Transactions between business sectors are carried out based on estimated market prices and on the same terms as those dealing with third parties.

- Geographic concentration of risk

This disclosure illustrates the geographic distribution of the Group's operations, the Group mainly operates in Jordan, which represents domestic operations, Also, the Group exercises international activities through its allies in the Middle East, Europe, Asia, America and the Near East, which represent international business,

The following table represents the distribution of revenues and assets of the Group and capital expenditure by geographic region:

	Inside the Kingdom		Outside the Kingdom		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total assets	109,697,571	90,738,586	27,861,393	29,884,143	137,558,964	120,622,729
Insurance contracts revenues	124,600,652	82,792,238	-	27,267,066	124,600,652	110,059,304
Capital expenditures	1,158,384	971,998	-	-	1,158,384	971,998

(40) CAPITAL MANAGEMENT

The Group's objectives as to the management of capital are as follows:

- To adhere to the Group's minimum capital issued by the Insurance Law. Moreover, the Group's minimum capital prior to the enforcement of the law according to which it was licensed to practice general insurance in all of its branches, jointly and severally, is Four million Jordanian Dinar.
- To secure the continuity of the Group, and consequently, the Group's ability to provide the shareholders with good returns on capital.
- To make available the proper return to shareholders through pricing insurance policies in a manner compatible with the risks associated with those policies.
- To comply with the Insurance Commission instructions associated with the solvency margin.

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- The below table shows the summary of the Group's capital and the minimum required capital:

	2024	2023
	JD	JD
Paid in Capital	26,000,000	26,000,000
Minimum Capital According to the Insurance Law	16,000,000	16,000,000

The following table shows the amount contributed to capital by the Group and the net solvency margin ratio as of 31 December 2024 and 31 December 2023:

	2024	2023
	JD	JD
	2024	2023
Core capital:		
Paid-in capital	26,000,000	26,000,000
Statutory reserve	6,500,000	6,500,000
Special reserve	-	-
Profit for the year net of deductions	10,501,894	9,152,671
Retained earnings	19,033,459	13,974,018
Paid distributed dividends	(5,200,000)	(3,900,000)
Loss from Change in actuarial assumptions	(120,000)	(120,000)
Total core capital	<u>56,715,353</u>	<u>51,606,689</u>
Supplementary capital:		
Cumulative change in fair value	(927,315)	(1,509,165)
Subordinated loan – over 5 years	-	-
Total Supplementary Capital	<u>(927,315)</u>	<u>(1,509,165)</u>
Total regulatory capital (a)	<u>55,788,038</u>	<u>50,097,524</u>
Total required capital (b)	<u>34,369,080</u>	<u>31,352,302</u>
Solvency margin (a) / (b)	<u>162.3%</u>	<u>159.8%</u>

In the opinion of the Group's management, the regulatory capital is compatible with and adequate to the size of capital and nature of risks to which the Group is exposed.

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(41) MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	Within 1 year JD	More than 1 year JD	Total JD
2024 -			
Assets-			
Banks deposits	20,585,232	-	20,585,232
Financial assets at fair value through other comprehensive income	-	6,568,578	6,568,578
Financial assets at fair value through profit or loss	-	11,912,378	11,912,378
Financial assets at amortized cost	-	60,801,553	60,801,553
Insurance contracts assets	2,558	-	2,558
Investment property	-	170,464	170,464
Cash and cash equivalent	1,020,257	-	1,020,257
Re-insurance assets	11,938,557	189,623	12,128,180
Deferred tax assets	-	3,715,826	3,715,826
Property and equipment	-	7,882,439	7,882,439
Intangible assets	-	5,662,695	5,662,695
Right of use assets	374,837	126,190	501,027
Other assets	5,163,351	650,098	5,813,449
Discontinued operations' assets	-	794,328	794,328
Total Assets	39,084,792	98,474,172	137,558,964
Liabilities-			
Insurance contracts liabilities	61,703,446	9,292,033	70,995,479
Accrued expenses	2,054,560	674,521	2,729,081
Re-insurance contracts liabilities	2,304,266	406,435	2,710,701
Lease contracts liabilities	117,670	362,938	480,608
Other provisions	-	3,025,526	3,025,526
Income tax provision	-	816,371	816,371
Other liabilities	564,714	107,297	672,011
Liabilities related to discontinued operations' assets	-	223,444	223,444
Total Liabilities	66,744,656	14,908,565	81,653,221
Net	(27,659,864)	83,565,607	55,905,743

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	Within 1 year JD	More than 1 year JD	Total JD
2023			
Assets-			
Banks deposits	21,272,263	-	21,272,263
Financial assets at fair value through other comprehensive income	-	5,682,672	5,682,672
Financial assets at fair value through profit or loss	5,179,512	-	5,179,512
Financial assets at amortized cost	4,516,395	53,239,130	57,755,525
Investment property	-	170,464	170,464
Cash and cash equivalents	1,155,421	-	1,155,421
Re-insurance assets	5,250,180	926,503	6,176,683
Deferred tax assets	-	4,274,201	4,274,201
Property and equipment	-	7,425,908	7,425,908
Intangible assets	-	5,488,992	5,488,992
Right of use assets	71,731	131,760	203,491
Other assets	5,048,642	-	5,048,642
Discontinued operations' assets	-	788,955	788,955
Total Assets	42,494,144	78,128,585	120,622,729
Liabilities-			
Insurance contracts liabilities	55,057,506	9,716,031	64,773,537
Accrued expenses	1,846,267	-	1,846,267
Re-insurance contracts liabilities	53,828	305,029	358,857
Lease contracts liabilities	137,038	95,810	232,848
Other provisions	2,887,598	-	2,887,598
Income tax provision	212,697	-	212,697
Other liabilities	723,373	-	723,373
Liabilities related to discontinued operations' assets	-	244,216	244,216
Total Liabilities	60,918,307	10,361,086	71,279,393
Net	(18,424,163)	67,767,499	49,343,336

(42) LAWSUITS

The Group appears as defendant in several lawsuits. The Group booked a sufficient provision to meet any obligations towards these lawsuits, In the opinion of the Group's management and its legal consultant, the provision for a total amount of JD 8,793,663 as of 31 December 2024 (31 December 2023: JD 4,966,961) is sufficient to meet any obligations towards these lawsuits. Total amount of cases raised by the Group against others is JD 13,011,000 as at 31 December 2024 (31 December 2023: JD 13,056,379). These lawsuits are considered part of the group's normal business activities.

(43) CONTINGENT LIABILITIES

At 31 December 2024, the Group has letters of guarantees in the amount of JD 4,892,150 (2023: JD 3,951,550) against cash margins of JD 489,215 are recorded (2023: JD 395,155).

(44)) Financial Data Distribution by product type

(44-1) Statement of Financial Position Items:

The following is a breakdown of the Group's assets and liabilities by product type:

	Motors		Marine		Fire and property damages		liability		Medical		Life		Other		Total	
	2024 JD	2023 JD	2024 JD	2023 JD	2024 JD	2023 JD	2024 JD	2023 JD	2024 JD	2023 JD	2024 JD	2023 JD	2024 JD	2023 JD	2024 JD	2023 JD
Assets																
Insurance contracts assets	-	-	-	-	-	-	-	-	114	-	-	-	2,444	-	2,558	-
Re Insurance contracts assets	1,521,709	2,243,080	2,013,439	373,784	984,442	1,824,610	1,241,016	104,156	4,286,344	118,781	20,914	25,466	2,060,316	1,486,806	12,128,180	6,176,683
Accounts receivable	8,832,850	7,766,375	622,708	479,745	3,322,028	2,985,115	443,025	431,477	18,251,852	16,391,464	1,633,150	253,844	1,818,690	1,361,519	34,924,303	29,669,539
Financial assets	20,051,667	-	1,413,625	4,573,708	7,541,416	7,135,177	1,005,722	513,464	41,433,973	51,071,637	3,707,454	-	4,128,652	5,323,723	79,282,509	68,617,709
Investments property	170,464	170,464	-	-	-	-	-	-	-	-	-	-	-	-	170,464	170,464
Other assets	-	-	-	336,517	-	524,980	-	37,779	-	3,757,666	-	-	-	391,700	-	5,048,642
Total assets	30,576,690	10,179,919	4,049,772	5,763,754	11,847,886	12,469,882	2,689,763	1,086,876	63,972,283	71,339,548	5,361,518	25,466	8,010,102	8,563,748	126,508,014	109,683,037
Liabilities																
Insurance contracts liabilities	41,878,493	39,221,044	2,526,222	638,811	5,583,858	6,444,821	3,315,260	1,715,663	12,177,693	12,177,693	1,294,492	1,294,492	3,802,782	3,281,013	70,995,479	64,773,537
Re-insurance contracts Liabilities	-	-	596,755	328,293	88,560	-	-	-	-	-	30,564	30,564	27,768	-	2,710,701	358,857
Other provisions	-	-	-	192,473	-	300,265	-	21,608	2,149,217	2,149,217	-	-	-	224,035	-	2,887,598
Other liabilities	-	-	-	48,216	-	75,220	-	5,413	538,401	538,401	-	-	-	56,123	-	723,373
Total liabilities	41,878,493	39,221,044	3,122,977	1,207,793	5,672,418	6,820,306	3,315,260	1,742,684	14,865,311	14,865,311	1,325,056	1,325,056	3,830,550	3,561,171	73,706,180	68,743,365

(44-2) Income Statement items:

The breakdown of the Group's consolidated income statement items by product type is as follows:

	Motors		Marine		Fire and property damages		liability		Medical		Life		Other Sectors		Total	
	2024 JD	2023	2024 JD	2023 JD	2024 JD	2023	2024 JD	2023 JD	2024 JD	2023 JD	2024 JD	2023 JD	2024 JD	2023	2024 JD	2023
Operating Activities																
Revenues:																
Insurance contracts revenues	28,885,877	28,143,652	2,425,578	1,815,415	13,839,524	10,822,542	1,615,809	1,539,588	65,275,944	60,727,24	6,360,698	2,679,278	6,197,222	4,331,589	124,600,652	110,059,304
Less: insurance contracts expenses	(24,320,542)	(22,675,737)	(2,735,522)	(807,573)	(3,958,949)	(3,082,352)	(2,141,600)	(772,301)	(57,112,634)	54,016,021	(6,349,993)	(2,582,971)	(2,537,572)	(1,657,100)	(99,156,812)	(85,594,055)
Insurance contracts services results	4,565,335	5,467,915	(309,944)	1,007,842	9,880,575	7,740,190	(525,791)	767,287	8,163,310	6,711,219	10,705	96,307	3,659,650	2,674,489	25,443,840	24,465,249
Re-insurance contracts results	(1,851,335)	(1,708,475)	(1,226,276)	(652,019)	(10,881,631)	(7,632,529)	(1,203,320)	(1,161,959)	(38,205,821)	(31,981,794)	(4,742,511)	(1,439,036)	(3,443,298)	(2,762,812)	(61,554,192)	(47,338,624)
Re-insurance contracts recoveries	(73,087)	989,290	1,948,998	237,084	1,447,665	815,031	1,114,701	(63,956)	35,382,969	30,204,703	4,584,887	1,147,456	1,084,541	207,921	45,490,674	33,537,529
Re-insurance contracts services results	(1,924,422)	(719,185)	722,722	(414,935)	(9,433,966)	(6,817,498)	(88,619)	(1,225,915)	(2,822,852)	(1,777,091)	(157,624)	(291,580)	(2,358,757)	(2,554,891)	(16,063,518)	(13,801,095)
Net insurance and re-insurance contracts results	2,640,913	4,748,730	412,778	592,907	446,609	922,692	(614,410)	(458,628)	5,340,458	4,934,128	(146,919)	(195,273)	1,300,893	119,598	9,380,322	10,664,154
Finance (expense) income – insurance contracts	(2,344,591)	(2,817,875)	(25,179)	(60,322)	(114434)	(274,407)	(53,208)	(56,789)	-	-	(125,880)	(82,355)	(109,961)	(154,530)	(2,773,253)	(3,446,278)
Finance income (expense) – re-insurance contracts	78,849	181,841	19,169	40,751	125,932	226,262	19,971	29,783	-	-	23,430	121,141	86,145	178,118	353,496	777,896
Net insurance and re-insurance contracts results	375,171	2,112,696	406,768	573,336	458,107	874,547	(647,647)	(485,634)	5,340,458	4,934,128	(249,369)	(156,487)	1,277,077	143,186	6,960,565	7,995,772

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(45) WRITTEN PREMIUMS BY INSURANCE BRANCH

	Motor		Marine		Fire and damages property		Liability		Medical		Life		other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums																
	30,365,470	27,103,645	2,261,663	1,613,852	11,128,144	10,612,968	1,499,890	1,648,792	65,213,505	58,991,503	6,111,024	2,182,777	6,457,373	4,588,380		106,741,91
Direct premiums															123,037,069	7
Indirect premiums	1,871,931	1,490,229	13,337	13,942	1,085,309	340,591	7,521	338	-	-	268,158	354,528	212,055	125,426	3,458,311	2,325,054
Total written premiums	32,237,401	28,593,874	2,275,000	1,627,794	12,213,453	10,953,559	1,507,411	1,649,130	65,213,505	58,991,503	6,379,182	2,537,305	6,669,428	4,713,806		109,066,97
															126,495,380	1
Less:																
Re-insurance premiums - local	1,787,726	1,621,670	34,178	23,999	306,840	311,718	21,255	21,801	-	-	605,840	331,445	60,405	69,929	2,816,244	2,380,562
Re-insurance premiums - foreign	100,739	104,323	1,865,538	1,255,089	10,867,097	9,700,542	1,274,215	1,397,173	49,158,433	41,598,457	4,175,313	1,107,785	5,270,732	3,347,569	72,712,067	58,510,938
Net re-insurance premiums	30,348,936	26,867,881	375,284	348,706	1,039,516	941,299	211,941	230,156	16,055,072	17,393,046	1,598,029	1,098,075	1,338,291	1,296,308	50,967,069	48,175,471

(46) EXPECTED RECOGNITION IN THE CSM OF THE GENERAL APPROACH MODEL

<u>2024</u>	<u>Issued insurance contracts</u>		<u>Reinsurance contracts</u>	
	<u>Life</u>	<u>Total</u>	<u>Life</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Expected years of CSM recognition				
One year	41,139	41,139	(8,356)	(8,356)
Two years	35,126	35,126	(2,024)	(2,024)
3 years	21,028	21,028	(1,882)	(1,882)
4 years	18,956	18,956	(1,566)	(1,566)
5 years	15,635	15,635	(1,164)	(1,164)
6 to 10 years	42,732	42,732	(4,942)	(4,942)
More than 10 years	10,329	10,329	(979)	(979)
Total	184,945	184,945	(20,913)	(20,913)

<u>2023</u>	<u>Issued insurance contracts</u>		<u>Reinsurance contracts</u>	
	<u>Life</u>	<u>Total</u>	<u>Life</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Expected years of CSM recognition				
One year	(68)	(68)	5,813	5,813
Two years	17,269	17,269	884	884
3 years	7,009	7,009	377	377
4 years	6,830	6,830	378	378
5 years	6,120	6,120	385	385
6 to 10 years	23,960	23,960	1,750	1,750
More than 10 years	3,406	3,406	12	12
Total	64,526	64,526	9,599	9,599

(47) AMORTIZATION OF ACQUISITION EXPENSES FOR INSURANCE CONTRACTS ASSETS

	<u>2024</u>						
	<u>Motor</u>	<u>Fire and damages property</u>	<u>Liability</u>	<u>Marine</u>	<u>Medical</u>	<u>life</u>	<u>Others</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Expected years for the amortization of acquisition expenses for insurance contracts assets							
					3,750,208		
One year	1,651,653	774,091	109,412	114,559	.	345,467	576,478
Two years	-	-	-	-	-	-	23,749
Total	1,651,653	774,091	109,412	114,559	3,750,208	345,467	600,227
	<u>2023</u>						
	<u>Motor</u>	<u>Fire and damages property</u>	<u>Liability</u>	<u>Marine</u>	<u>Medical</u>	<u>life</u>	<u>Others</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Expected years for the amortization of acquisition expenses for insurance contracts assets							
One year	647,612	258,227	60,841	8,142	1,188,453	18,790	226,549
Two years	-	-	-	-	-	-	8,165
Total	647,612	258,227	60,841	8,142	1,188,453	18,790	234,714

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(48) ANALYSIS OF ACCOUNTS RECEIVABLE

	2024			2023		
	Accounts receivable	Provision for expected credit losses	Total	Accounts receivable	Provision for expected credit losses	Total
	JD	JD	JD	JD	JD	JD
Motor	12,270,049	3,437,199	8,832,850	11,183,524	3,417,149	7,766,375
Liability	522,426	79,401	443,025	509,331	77,854	431,477
Marine	731,904	109,196	622,708	589,411	109,666	479,745
Engineering	928,904	91,134	837,770	353,092	92,950	260,142
Fire	3,986,937	664,909	3,322,028	3,644,363	659,248	2,985,115
Life	1,633,150	-	1,633,150	253,844	-	253,844
Medical	22,632,935	4,381,083	18,251,852	20,887,506	4,496,042	16,391,464
Others	1,435,080	454,160	980,920	1,551,809	450,432	1,101,377
Total	44,141,385	9,217,082	34,924,303	38,972,880	9,303,341	29,669,539

(49) FAIR VALUE HIERARCHY

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

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Information not included in level (1) quoted prices monitored for the asset or liability, either directly (e.g, prices) or indirectly (i.e., derived from prices);
- Level 3: information on the asset or liability not based on those observed from the market (unobservable inputs)

	Level (1) JD	Level (2) JD	Level (3) JD	Total JD
2024				
Financial assets at fair value through other comprehensive income	6,276,041	-	292,537	6,568,578
Financial assets at fair value through profit or loss	11,912,378	-	-	11,912,378
	<u>18,188,419</u>	<u>-</u>	<u>292,537</u>	<u>18,480,956</u>
2023				
Financial assets at fair value through other comprehensive income	5,347,213	-	335,459	5,682,672
Financial assets at fair value through profit or loss	5,179,512	-	-	5,179,512
	<u>10,526,725</u>	<u>-</u>	<u>335,459</u>	<u>10,862,184</u>