

Middle East Insurance Company
(Public Limited Shareholding Company)

Amman – The Hashemite Kingdom of Jordan

**Financial Statements and the Independent Auditor's
Report**

For the Year Ended December 31, 2024

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

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Independent Auditor's Report

To, The Shareholders
Middle East Insurance Company
(Public Limited Shareholding Company)
Amman - the Hashemite Kingdom of Jordan

Opinion

We have audited the financial statements of **Middle East Insurance ("the Company")** which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the other comprehensive income, statement of changes in shareholders' equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

Basis for Opinion

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

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS). Additionally, the management is responsible for internal control systems that it deems necessary to prepare financial statements free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern and for making appropriate disclosures regarding matters related to going concern and the use of the going concern basis unless management intends to liquidate the company or cease its operations, or there is no realistic alternative to do so.

The governance bodies are responsible for overseeing the process of preparing the financial reports in the company.

Key Audit Matters (Basic)

The key audit matters are those matters that, in our professional judgment, have received the greatest attention in our audit of the financial statements for the current year. These matters have been considered in the context of our audit of the financial statements as a whole, and when forming our opinion, rather than for the purpose of expressing a separate opinion on these matters.

Key Audit Matters (Basic) (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p>Assessment of incurred liabilities and Loss component.</p> <p>The estimation of liabilities related to incurred claims and the loss component involves a high degree of judgment. This requires estimating the present value of future cash flows and adjusting for non-financial risks (which are part of the incurred claims liabilities) and the loss component (which is part of the remaining coverage liabilities). Non-financial risk adjustments are applied to the estimated present value of future cash flows and reflect the compensation required by the company for bearing uncertainty about the amount and timing of cash flows from non-financial risks when settling its obligations under insurance contracts. The present value of future cash flows depends on the best estimate of the ultimate cost of all incurred claims, whether reported or not settled as of the reporting date. The loss component is recognized at any time during the coverage period if facts and circumstances indicate that a group of contracts is onerous. This loss component is remeasured at each reporting date as the difference between the cash flow amounts at specified settlement under the general measurement model related to future service and the carrying amount of the remaining coverage liabilities excluding the loss component.</p> <p>The Company engages an external actuarial expert, the "appointed actuarial expert," to assist in estimating these liabilities. The expert uses a range of methodologies to determine these liabilities based on a number of explicit or implicit assumptions regarding the expected settlement amount and settlement patterns of claims.</p> <p>As of December 31, 2024, the estimated present value of future cash flows and the risk adjustment for non-financial risks amount to 54 million Jordanian Dinars, as disclosed in Note 13 of the financial statements.</p> <p>We have considered this as a key audit due to the uncertainty inherent in the estimation and subjective judgments involved in assessing estimates of the present value of future cash flows and adjusting for risks other than financial risks arising from insurance contracts.</p> <p>Refer to Note (5) for details on significant accounting policies, as well as key accounting judgments and estimates related to insurance contract liabilities.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Understanding, evaluating, and testing key controls about claims processing operations and provisions determination. - Assessing the competence, capabilities, and objectivity of the appointed actuarial expert based on their professional qualifications, experience, and independence. - Conducting objective tests, on a sample basis, on recorded amounts of notified and paid claims, including comparing the outstanding claims amount with appropriate source documents to assess the adequacy of reserves. - Verifying the completeness of data used as inputs in actuarial assessments and testing, on a sample basis, the accuracy of core claims data used by the appointed actuarial expert in estimating the present value of future cash flows, adjusting non-financial risks, and assessing loss components by comparing them to accounting records and other records. - Engaging our own actuarial specialists to evaluate the company's actuarial practices, adequacy of reserves held, and obtaining confirmation regarding the report issued by the appointed actuarial expert. Our actuarial specialists performed the following: <ul style="list-style-type: none"> 1- Assessing whether the company's actuarial methodologies are generally consistent with accepted actuarial practices. 2- Evaluating the appropriateness of key actuarial accounting methods and assumptions used and conducting sensitivity analysis. 3- Providing independent forecasts of the present value of future cash flows, adjusting non-financial risks and loss components for significant lines of business for comparison with amounts recorded by management. 4- Assessing the adequacy and suitability of relevant disclosures in the financial statements.

Information Enclosed in the Company 2024 Annual Report

Other information consists of information contained in the Company Annual Report for the year 2024 other than the financial statements and the auditor's report. The management is responsible for other information and it is expected that the Company annual report for the year 2024 will be provided to us later to the date of our report on the financial statements. Our opinion does not include other information and we do not make any assurance about other information.

It is our responsibility to read other information when obtained, whether other information is materially inconsistent with the financial statements or from our knowledge during the audit of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements 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 guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on those financial statements.

As part of an audit in accordance with International Standards on Auditing ("ISAs"), we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

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

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

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

We recommend the governing bodies to report those matters which were of significant importance during the audit of the financial statements for the current year, considering them as key audit matters. We elucidate these matters in our report unless regulations and laws prohibit public disclosure, or in extremely rare circumstances, we deem it inappropriate to report due to the negative implications of disclosure, which reasonably align with the public interest in such reporting.

Report on Other Legal and Regulatory Requirements:

Middle East Insurance Public Limited Shareholding Company has proper accounting records for the year ended December 31, 2024 which are, in all material aspects, consistent with the accompanying financial statements, accordingly, we recommend the general authority on approving these financial statements.

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

Date: 27 February 2025

Amman – Jordan



Middle East Insurance Company
 (Public Limited Shareholding Company)
Statement of Financial position
As of December 31, 2024
 (Jordanian Dinars)

	Note	2024	2023
Assets			
Deposits at banks, net	6	19,869,152	23,759,310
Financial assets at fair value through profit or loss statement	7	7,079,608	7,745,386
Financial assets at fair value through other comprehensive income	8	13,746,207	15,427,244
Financial assets at amortized cost	9	8,856,724	2,000,380
Investment properties	10	21,738,750	22,099,047
Right of use assets	11	155,464	-
Total investments		<u>71,445,905</u>	<u>71,031,367</u>
Cash on hand and at banks	12	3,402,648	4,413,511
Reinsurance contract assets held, net (Premium allocation approach)	18	17,963,778	18,249,922
Reinsurance contract assets held, net (General measurement model)	22	164,644	329,532
Deferred tax assets	21	490,912	527,914
Property and equipment, net	23	4,427,143	4,546,228
Intangible assets, net	24	5,950	17,050
Other assets	25	2,156,538	2,543,918
Total Assets		<u>100,057,518</u>	<u>101,659,442</u>
Liabilities and Shareholders' Equity			
Liabilities			
Insurance contract liabilities (General measurement model)	14	4,875,027	4,231,714
Insurance contract liabilities (Premium allocation approach)	13	54,123,809	52,644,757
Total insurance contract liabilities		<u>58,998,836</u>	<u>56,876,471</u>
Accrued expense		115,395	103,263
Provision for income tax	21	408,470	866,093
Deferred tax liabilities	21	313,307	488,686
Other provisions	27	98,944	545,042
Other liabilities	28	3,860,206	4,320,600
Right-of-use assets liability		144,523	184
Total liabilities		<u>63,939,681</u>	<u>63,200,339</u>
Shareholders' Equity			
Authorized and paid-up share capital	29	22,050,000	22,050,000
Statutory reserve	30	5,512,500	5,512,500
Voluntary reserve		2,000,000	2,000,000
Accumulated change in fair value	31	(910,457)	(1,502,526)
Retained earnings	32	7,465,794	10,399,129
Total Shareholders' Equity		<u>36,117,837</u>	<u>38,459,103</u>
Total Liabilities and Shareholders' Equity		<u>100,057,518</u>	<u>101,659,442</u>

The accompanying notes from 1 to 62 are an integral part of these financial statements

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

	Notes	2024	2023
<u>Revenues:</u>			
Insurance contract revenues	36	52,651,806	48,806,014
Insurance contract expenses	37	(36,095,562)	(31,344,079)
Insurance contract service result		16,556,244	17,461,935
Reinsurance contracts results	39	(27,208,444)	(25,416,261)
Reinsurance contracts recovery	38	11,316,039	9,410,236
Reinsurance contract service result		(15,892,405)	(16,006,025)
Net insurance operations results		663,839	1,455,910
Finance revenues/ (expenses) - insurance contracts	40	(808,009)	(38,150)
Finance revenues/ (expenses) – reinsurance contracts	41	99,231	13,640
Net financing results of insurance operations		(708,778)	(24,510)
Interest income	42	1,538,694	1,408,543
Profit from financial assets and investments	43	686,775	638,033
Other revenues	44	(56,775)	94,671
Net investment revenue		2,168,694	2,141,247
Net results of insurance and investment (Total revenues)		2,123,755	3,572,647
Salaries, wages and benefits of employees		(590,308)	(674,040)
General and administrative expenses		(172,120)	(262,475)
Depreciation and amortization		(361,796)	(239,419)
Depreciation of investment properties		(38,867)	(361,795)
End of service benefits provision		(50,000)	-
Expected credit losses provision		(13,162)	(88,739)
Other Expenses	47	(221,400)	(169,844)
Total expenses		(1,447,653)	(1,796,312)
Net profit for the year before income tax		676,102	1,776,335
Income tax expense	21	(116,247)	(825,982)
National contribution fees		(38,553)	(83,954)
Net profit for the year after income tax		521,302	866,399
Earnings per share from net profit for the year	48	0.023	0.039

The accompanying notes from 1 to 62 are integral part of these financial statements

Middle East Insurance Company
 (Public Limited Shareholding Company)
Statements of Profit or Loss - Life Insurance
For the year ended December 31, 2024
 (Jordanian Dinars)

	Notes	2024	2023
<u>Revenues:</u>			
Insurance contract revenues	34	7,582,958	6,310,256
Insurance contract expenses	35	(5,782,233)	(4,033,451)
Insurance contract service result		1,800,725	2,276,805
Reinsurance contracts results		(4,670,337)	-
Reinsurance contracts recovery		2,420,299	-
Reinsurance contract service result		(2,250,038)	-
Net insurance operations results		(449,313)	2,276,805
Finance revenues/ (expenses) - insurance contracts	36	-	(38,150)
Finance revenues/ (expenses) – reinsurance contracts	37	-	13,640
Net financing results of insurance operations		-	(24,510)
Interest income	38	-	1,408,543
Profit from financial assets and investments	39	462,780	638,033
Other revenues	40	81,185	94,671
Net investment revenue		543,956	2,141,274
Net results of insurance and investment (Total revenues)		94,652	4,393,542
Employee Expenses and General & Administrative Expenses		-	936,515
Expected credit losses provision for Financial Assets and Investments		-	88,739
Financing Expenses – Lease Contracts		-	-
Other Expenses	47	-	771,058
Total Expenses		-	1,796,312
Net profit for the year before income tax		94,652	2,597,230
Income tax expense	21	-	(825,982)
National contribution fees		-	(83,954)
Net profit for the year after income tax		94,652	1,687,294
Earnings per share from net profit for the year	42	0.011	0.210

The accompanying notes from 1 to 62 are integral part of these financial statements

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

	Note	2024	2023
Net profit for the year		521,302	866,399
Add: Other comprehensive income items:			
Change in fair value reserve	31	592,069	(658,748)
Total comprehensive income for the year		1,113,371	207,651

The accompanying notes from 1 to 62 are an integral part of these financial statements

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

	Share Capital	Statutory Reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total
<u>2023</u>						
The balance as of December 31, 2022	22,050,000	5,512,500	2,000,000	(843,778)	12,240,570	40,959,292
Net profit / (loss) for the year	-	-	-	-	866,399	866,399
Change in fair value reserve	-	-	-	(658,748)	-	(658,748)
Other comprehensive income for the year	-	-	-	(658,748)	866,399	207,651
Dividends	-	-	-	-	(3,307,500)	(3,307,500)
Prior year adjustment	-	-	-	-	599,660	599,660
Balance as of December 31, 2023	22,050,000	5,512,500	2,000,000	(1,502,526)	10,399,129	38,459,103
<u>2024</u>						
Balance as of December 31, 2023	22,050,000	5,512,500	2,000,000	(1,502,526)	10,399,129	38,459,103
Net profit for the year	-	-	-	-	521,302	521,302
Losses on the sale of financial assets at fair value through other comprehensive income	-	-	-	1,446,338	(1,847,633)	(401,295)
Change in fair value reserve	-	-	-	(854,269)	-	(854,269)
Other comprehensive income for the year	-	-	-	592,069	(1,847,633)	(1,255,564)
Dividends	-	-	-	-	(1,543,500)	(1,543,500)
Prior year adjustment	-	-	-	-	(63,504)	(63,504)
Balance as of December 31, 2024	22,050,000	5,512,500	2,000,000	(910,457)	7,465,794	36,117,837

The accompanying notes from 1 to 62 are an integral part of these financial statements

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

	2024	2023
Cash flow from Operating Activities:		
Net profit for the year before income tax	676,102	1,776,335
Adjustments to reconcile net before income tax to net cash flow		
Provided by operating activities:		
Net cash flow use in operating activities:		
Depreciation and amortization	400,663	601,214
Expected credit losses provision	13,162	88,739
Net change in fair value of financial assets through profit or loss statement	(686,775)	(638,033)
Interest income	(1,538,694)	(1,408,543)
Cash flows from operating activities before changes in working capital	(1,135,542)	419,712
Changes in working capital		
Reinsurance contract assets held, net (Premium allocation approach)	299,306	2,998,595
Reinsurance contract assets held, net (General measurement model)	164,888	10,605
Other assets	387,380	(577,036)
Insurance contract liabilities (General measurement model)	643,313	434,449
Insurance contract liabilities (Premium allocation approach)	1,479,052	(264,313)
Accrued expense	12,132	23,904
Other liabilities and other provisions	(906,492)	334,715
Cash flows provided by operating activities before income tax	944,037	3,380,631
Income tax paid	(457,623)	(474,781)
Net cash flows provided by operating activities	486,414	2,905,850
Cash flow from Investing Activities		
Bank deposits	3,890,158	1,227,227
Financial assets at fair value through profit or loss statement	1,352,553	892,217
Financial assets at fair value through other comprehensive income	42,468	69,705
Financial assets at amortized cost	(6,856,344)	(2,000,380)
Property and equipment, net	(30,802)	(30,802)
(Purchase)/Sale intangible assets	-	-
Net sale and purchase of investment properties	(34,843)	(4,826)
Net cash flows (used in) / provided by investing activities	(1,636,810)	153,141
Cash flow from financing activities		
Dividends from retained earnings	(1,543,500)	(3,307,500)
Lease payment	144,339	(45,085)
Interest received	1,538,694	1,408,543
Cash flows provided by/ (used in) financing activities	139,533	(1,944,042)
Net (decrease)/ increase in cash and cash equivalent	(1,010,863)	1,114,949
Cash and cash equivalent at beginning of the year	4,413,511	3,298,562
Cash and cash equivalent at the end of the year	3,402,648	4,413,511

The accompanying notes from 1 to 62 are an integral part of these financial statements

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2024

1. Legal Status and Activities

The Middle East Insurance Company was established in 1962 under the Jordanian Corporate Law and its amendments under No. (9) as a Public Joint-Stock Limited Company. As a Several amendments were made to the capital, the latest was during 2008, so that the authorized and paid-up capital amounted to JD 22,050,000, divided into 22,050,000 shares, with a nominal value of JD 1 per share.

The company's address is Jabal Amman - Zahran Street, Building No. (14), P.O. Box (1802), Amman 11118, Jordan.

The Company aims to practice all types of insurance, including the field of life insurance.

The financial statements were approved by the Board of Directors' decision held on 26 February 2025, Subject to approval by the general assembly of shareholders.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the standards issued by the International Accounting Standards Board ("IASB") and in accordance with the applicable local laws and according to the forms set by the Central Bank of Jordan ("CBJ").

The financial statements have been prepared according to the historical cost principle, with the exception of financial assets at fair value through statement of profit or loss or other comprehensive income, details of which appear in their accounting policies.

The Jordanian Dinar is the currency of showing the financial statements, which represents the main currency of the Company.

The most important accounting policies used in the preparation of the financial statements, which are disclosed in Note (5), have been applied on a consistent basis for all the years presented, unless otherwise stated.

The preparation of the financial statements in accordance with International Financial Reporting Standards ("IFRS") requires the use of significant and specific accounting estimates, and also requires management to use its own estimates in the process of applying the Company's accounting policies. Items in which significant estimates were used are disclosed in Note No. (4).

3. Application of international accounting standards for preparing new and amended financial reports

The accounting policies used in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended January 31, 2023, except that the company has applied the following amendments as of January 1, 2024. These standards did not have a significant impact on the amounts or disclosures presented in the current or prior financial period's information, but they may affect the accounting treatments of future transactions and arrangements, if any:

A. New and amended accounting standards applicable for the current period:

1. Lease liabilities in sale and leaseback transactions:

- IFRS 16 – Leases

2. Presentation of financial statements and classification of liabilities:

- Amendments to IAS 1 regarding the classification of liabilities as current or non-current.
- Amendments to IAS 1 regarding non-current liabilities with covenants.

3. Statement of cash flows and disclosures of financial instruments:

- Amendments to IAS 7 and IFRS 7 regarding supplier finance arrangements.

4. Disclosures related to sustainability and climate:

- IFRS S1 for financial disclosures related to sustainability.
- IFRS S2 for climate-related disclosures.

* The application of these standards is subject to approval by the regulatory authorities in the countries where the company operates, and no instructions have been issued regarding them as of the date of preparation of these financial statements.

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2024

3. Application of international accounting standards for preparing new and amended financial reports (continued)

Accounting standards issued but not yet effective:

The company has not previously adopted the following standards, which are not yet effective, and management is currently assessing their impact:

• Effective for periods beginning on or after January 1, 2025:

- Amendments to IAS 21 regarding the currency non-convertibility.

• Effective on January 1, 2027:

- IFRS 18 related to presentation and disclosures in financial statements.

• Indefinitely delayed:

- Amendments to IFRS 10 and IAS 28 regarding the accounting for the sale or contribution of assets from an investor."

4. Use of Estimates and Assumptions

Preparing financial statements and applying accounting policies requires the Company's management to make estimates and judgments that affect the amounts of financial assets and financial liabilities and the disclosure of potential liabilities. These estimates and judgments also affect revenues, expenses, and allocations, as well as changes in the fair value that appear in the profit or loss statement and in shareholders' equity. In particular, it requires the Company's management to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates are necessarily based on multiple assumptions and factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

The nature and extent of the changes in the estimates of the amounts contained in the reports of previous financial years do not have a material impact on the current data. Our estimates in the financial statements are reasonable and detailed as follows:

Expected Credit Loss

The Company applies the simplified approach imposed by International Financial Reporting Standard No. (9) To recognize impairment by measuring expected credit losses over the life of receivables and contractual assets based on the historical cash flow ratio for collection.

Expected loss rates are based on the Company's historical credit losses experienced during the prior three-year period up to the end of the current period, and historical loss rates are then adjusted for current information. Since the Company is based on historical cash flow ratios without including economic factors, Standard No. 9 does not require including these factors.

Impairment in the value of financial assets

The Company reviews the values recorded of the financial assets at the date of the financial statements to determine whether there are indications of impairment in their value individually or in the form of a Company, and in the event of such indications, the fair value is estimated in order to determine the impairment loss.

Income Tax

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

1- Accrued Tax

Income tax was estimated in accordance with International Financial Reporting Standard No. 17, noting that the income and sales tax law had not been amended as of the date of preparing the financial statements.

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

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2024

4. Use of Estimates and Assumptions (continued)

2- Deferred Tax

Deferred taxes are the 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 tax profit is calculated. Taxes are calculated using the compliance method in the financial statements. Deferred taxes are calculated according to the tax rates that are expected to be applied upon settlement. Tax liability or realization of deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the financial statements and reduced in the event that it is expected that it will not be possible to benefit from those tax assets, partially or completely, or to settle the tax liability or select the need for it.

Property, equipment and intangible assets

The management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization depending on the assets and the estimated useful lives expected on the general situation in the future. Impairment loss, if any, is recorded in the profit and loss statement.

The present value of future cash flows

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

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

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

When developing assumptions regarding estimating flows for groups of insurance contracts, the Company must take into account the following:

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

Non-insurance Components

- The Company discloses the following aspects:
- Defining the insurance risks.
- Defining the insurance contract, and defining the written insurance contracts that are consistent with the definition.
- Determining the contracts issued by the Company that are consistent with the definition of the insurance contract.
- The mechanism for separating the non-insurance components (investment component, service component, etc.) from the insurance contract, and if they exist, the most specialized standard that will be applied to address those components is mentioned.
- Mechanism for determining the materiality of the risks of the insurance contract.

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4- Use of Estimates and Assumptions (continued)

Lawsuits

A provision is made against cases filed against the company based on a legal study prepared by the company's lawyer according to which the risks likely to occur in the future are determined, and those studies are periodically reviewed.

Fair Value Levels

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

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

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

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

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

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

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

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

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

5- Significant Accounting Policies

A. Segments Information

The business segment represents a Company of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other segments, which are measured according to the reports that were used by the CEO and the main decision maker of the Company. The geographical segment is related to providing products or services in a specific economic environment subject to risks and returns that differ from those related to sectors operating in other economic environments.

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5. Significant Accounting Policies (continued)

B. Goodwill

Goodwill is recorded at cost representing the increase in the cost of owning or purchasing a subsidiary or companies owned in partnership with other companies over the company's share in the net fair value of assets, liabilities and contingent liabilities of that company on the date of acquisition. Goodwill resulting from investing in subsidiaries is recorded in a separate item as an intangible asset.

Goodwill resulting from investing in affiliates appears as part of the affiliate's investment account, reducing the cost of goodwill with any impairment in the value of the investment.

Goodwill is distributed among the cash generating unit(s) for impairment testing purposes.

The value of goodwill decreases if the estimated recoverable value of the cash generating unit(s) to which the goodwill belongs is less than the value recorded in the books for the cash generating unit(s) and the impairment value is recorded in the profit and loss statement.

The loss of impairment of goodwill is not reversed in the subsequent period and in the case of the sale of 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.

C. Insurance contracts

Definition of insurance contract

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

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

Company's products

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

Main Insurance Type	Sub-Insurance Type
Motor	Compulsory Insurance Comprehensive Insurance Buses complex Border
Marine	Marine Insurance Marine cargo Marine Hull
Aviation	Aviation
Engineering Insurance	Contractors All risk Installation of machines Equipment and Machinery
Fire	All Dangers Fire
Liability	Professional Indemnity
Other Insurance	Personal accidents Travel
Medical	Individual Group
Life	Individual Group

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5- Significate Accounting Policies (continued)

Direct participating feature

The direct participation feature in IFRS 17 is defined as insurance contracts that have economic characteristics similar to an insurance contract (long term of coverage, frequent premiums and amount or timing of return at the discretion of the issuer) and are linked to a portfolio of assets. Contracts that contain this feature at the beginning of the contract, include:

- The contractual terms specify that the insurance contract holders participate in a share of the insurance contract portfolio.
- The Company expects to pay the contract holder a significant share of the fair value proceeds from the portfolio of insurance contracts.
- The Company expects that a significant proportion of any change in the amounts that will be paid to the contract holder will vary with the change in the fair value of the insurance contracts portfolio.

Types of direct participating feature

Investment contracts:

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

Investment contracts that contain the feature of voluntary participation, which are investment contracts that have 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 in accordance with International Financial Reporting Standard No (17).

Self-insurance:

Self-insurance (keeping the risks that could have been covered by the insurance contract within the Company, there is no other party to the contract). For example, a Company issuing an insurance contract in the name of the Company or a fellow subsidiary, which is classified in accordance with IFRS 15.

The Company issues the following contracts that are classified according to IFRS 15:

- Medical insurance contract for employees of the Middle East Insurance Company.
- Life insurance contract for employees of the Middle East Insurance Company.
- Vehicle insurance contracts owned by the Middle East Insurance Company.
- All-risk insurance contracts for buildings owned by the Middle East Insurance Company.

Separation of non-insurance components

The investment component

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

- 1- The investment component and the insurance component are not closely related.
- 2- The contract is sold on equivalent terms, or may be sold, September separately in the same market or Jurisdiction, either by the entities issuing the insurance contracts or by other parties.

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

- 1- The Company was unable to measure one component without looking at the other. Therefore, if the value of one component varies according to the value of the other component, the Company must apply IFRS 17 to calculate the co-investment and insurance component.

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5- Significant Accounting Policies (continued)

Separation of non-insurance components (continued)

The investment component (continued)

- 2- The policyholder cannot benefit from one of the components unless the other is also present. Therefore, if the lapse or maturity of one component of a contract causes the lapse or maturity of the other, the Company must apply IFRS 17 to account for the investment component and the combined insurance component.
- 3- The company does not have products that contain an investment component.

Components of services and goods

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

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

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

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

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

Service / commodity	Insurance contract that includes the service / commodity	Related international standard
Road assistance	Comprehensive/supplementary car insurance	IFRS 17
Transfer vehicle ownership	Motor vehicles	IFRS 17
Issuance fees service	All types	IFRS 17

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5- Significate Accounting Policies (continued)

Acquisition cost

An entity shall allocate acquisition costs to the acquisition of the insurance contract to groups of insurance contracts and amortize them over the term of the contract, unless the entity elects to recognize them as an expense by applying paragraph 59 (a), which states:

When applying the premium allocation approach, the entity:

It may choose to recognize any cash flows from acquiring insurance as an expense when those costs are incurred, provided that the coverage period for each contract in the Company on initial recognition does not exceed one year.

Recognition of the insurance contract

The Company shall recognize the Company of insurance contracts as of the following dates, whichever is earlier:

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

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

Amending Insurance Contracts

The Company makes adjustments to the initial recognition of insurance contracts by dealing with the changes that occurred in the future cash flows to fulfill the contracts, unless the conditions for derecognition of insurance contracts apply to them.

Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

- Expiration of the contract. (Expiration, fulfillment or cancellation of the obligation specified in the Insurance contract).
- In case that the insurance contracts are amended so that the contract no longer meets the requirements of the standard, then the Company cancels the contract and recognizes a new one.

Liabilities for remaining coverage

The amount that the Company must reserve when recognizing insurance contracts, which relates to subsequent financial years as a result of valid insurance contracts.

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 fiscal year, and includes those reported and unreported claims, in addition to the expenses related to them.

Contractual service margin

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

Middle East Insurance Company
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5- Significate Accounting Policies (continued)

Initial recognition of insurance contracts / general measurement approach / variable cost approach

The Company of insurance contracts is measured upon initial recognition according to the following:

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

Subsequent Measurement of Insurance Contracts /general measurement approach / variable cost approach

The Company recognizes the carrying amount of any group of insurance contracts at the end of each period as 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 based on the best estimate of future cash flows to settle claims plus non-financial risk adjustments, taking into account the application of the discount rate to claims expected to be settled after more than one year.

Contracts measurement approach

The standard provides insurance companies with three approaches for measuring and processing insurance contracts and reinsurance contracts held by accounting, as follows:

1- Premium allocation approach:

It applies to the group of insurance contracts shown below:

- The duration of the insurance coverage does not exceed one year.
- In which the value of "Liabilities vs. Residual Coverage" does not substantially differ from its value when applying the requirements of the general approach.

2- General approach:

It is applied to all insurance contracts, where it is required to measure the obligations of the insurance contract groups by deducting the future cash flows "incoming and outgoing", and then subtracting from them non-financial risk adjustments to reach the contractual service margin, which represents the unearned profit from the group of insurance contracts.

3- Variable cost approach:

It is the approach through which some requirements of the general approach are modified to deal with investment contracts that include the participation feature.

The Company applies the premium allocation approach to all insurance contracts and reinsurance contracts held, as the Company does not have products or reinsurance contracts held in which the coverage period exceeds one year, unlike travel and diminishing life insurance, as the coverage period for these contracts is more than one year, and since the premiums of these products combined are less than 100,000 JD and it is not of relative importance when applying premium allocation approach.

Measurement approaches

Premium allocation approach

1- Initial recognition proof of insurance contracts:

- Upon initial verification, the Company records the amount of the insurance premium received as a liability, from which the acquisition costs (commissions "if any") are subtracted and distributed throughout the year of coverage.
- The amount of insurance premium not received is not recognized upon initial recognition.

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5- Significate Accounting Policies (continued)

Measurement approaches(continued)

Premium allocation approach (continued)

2- Subsequent measurement/premium allocation approach:

At the end of each subsequent year, the Company measures the carrying amount of the liability, taking into consideration the following adjustments to the liability balance:

- Add the insurance premiums received for the year.
- Subtract cash flows for the acquisition of insurance contracts.
- Add any amounts related to the depletion of cash flows to acquire insurance contracts recognized as an expense.
- Add emergency amendments to the financing component.

Subtract the amount proven as insurance revenue for the coverage provided in that year.

- Subtract any paid or transferred investment component of the liability for claims incurred.

The Company recognizes insurance contract assets for insurance contracts for which service is provided but has not been collected. Expected credit losses for these assets are treated under IFRS No. (9).

3 - Liabilities for claims incurred:

Which is calculated according to the best estimate of future cash flows to pay claims plus adjustments for non-financial risks, taking into account the application of the discount rate to claims.

Level of aggregation

Insurance contract portfolios are grouped by year of subscription so that they group similar risk portfolios managed together

The present value of future cash flows

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract/reinsurance contract held after adjusting to reflect the timing and uncertainty of these amounts, based on actuarial assumptions and the Company's experience in managing a portfolio of contracts. Insurance/reinsurance contracts held are as follows:

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

A bottom-up approach has been applied in determining discount rates for different products. The bottom-up approach is used to derive the discount rate for cash flows that do not change based on the returns on the underlying terms in the participating contracts (except for non-DPL investment contracts that are not within the scope of IFRS 17). Under this approach, the discount rate is defined as the risk-free return adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free return and the cash flows of the related liabilities (known as the illiquidity premium). The risk-free return is derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a credit rating of AAA are used. Management uses judgment to evaluate the liquidity characteristics of the cash flows of liabilities. Direct participation contracts and investment contracts with the DPL are less liquid than the financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated based on the market-observed illiquidity premium in the financial assets adjusted to reflect the illiquidity characteristics of the cash flows of the liabilities. The top-down approach is used to derive discount rates for cash flows that do not change based on the returns on the underlying terms in all other contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the return implicit in the fair value of a reference portfolio adjusted for the differences between the reference portfolio of assets and the cash flows of the relevant liabilities. The reference portfolio consists of a mix of sovereign bonds and corporate bonds available in the markets, and assets are selected to match the cash flows of liabilities. The return from the reference portfolio is adjusted to remove expected and unforeseen credit risks and these adjustments are estimated using information from observed historical levels of credit default swaps and credit defaults related to the bonds included in the reference portfolio. For the unobservable year, the yield curve is approximated between the rate the final and last point can be observed using the Smith-Wilson method.

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5- Significant Accounting Policies (continued)

The present value of future cash flows (continued)

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

The Company calculates a present value of future cash flows on claims incurred, recoveries and liabilities from reinsurance contracts held based on the Company's assessment if payment or collection is expected after more than 12 months.

To calculate the discount rate, a top-down approach will be used as follows:

A- Risk-free yield curve:

The risk-free yield curve will be derived as follows:

- 1- European Insurance and Occupational Pensions Authority (eiopa) rates will be used for the purposes of determining the interest rate according to the required year.
- 2- An increase margin of (1.5%) will be added to the above interest rate for the purposes of equating the interest from the dollar to the dinar, since the Company's investments are in the Jordanian dinar.

B- Market risk premium for credit risk:

The market risk premium for credit risk will be removed from the yield curves to account for "default" in insurance contracts as follows:

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

Non-financial risk adjustments

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

Non-financial risk adjustment is the compensation required for a Company to bear uncertainty about the amount and timing of cash flows that arise from non-financial risks in fulfilling an insurance contract. Because risk adjustment represents compensation for uncertainty, estimates of the degree of diversification benefits and expected favorable and unfavorable outcomes are made in a way that reflects the degree to which the firm reduces risk. The Company estimates an adjustment for non-financial risks separately from all other estimates. The risk adjustment is calculated at the issuer level and then distributed to each group of contracts according to their risk levels. The cost of capital method is used to derive the overall risk adjustment for non-financial risks. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of expected capital related to non-financial risks.

A confidence level of 75% is set and is expected to be in line with the run-off of the business and a diversification feature is included to reflect the diversity in contracts sold across geographies as this reflects the compensation required by the Company. The non-financial risk adjustments are re-evaluated annually by the actuary.

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5- Significate Accounting Policies (continued)

Reinsurance contracts held

Definition of reinsurance contracts held

It is an insurance contract issued by a reinsurer to compensate another facility for claims arising from one or more insurance contracts issued by that other Company (the basic contracts).

1- Recognition of reinsurance contracts held:

- If the reinsurance contracts held are proportional to a group of insurance contracts, the reinsurance contracts held are recognized at the beginning of the coverage year for the group of these contracts or at the initial confirmation of any of the base contracts, whichever is earlier.
- From the beginning of the coverage year for the group of reinsurance contracts held.

2- Level of aggregation:

The Company segments its reinsurance contract portfolios in accordance with paragraphs 14 to 24 of IFRS 17, except that references to onerous contracts in those paragraphs should be replaced with a reference to contracts for which there is a net gain on recognition. Initial. For some reinsurance contracts held, application of paragraphs 14 to 24 of IFRS 17 will result in a group consisting of a single contract. The Company collects reinsurance contracts held into separate portfolios (Portfolio) to be classified and processed independently for the year of underwriting (Cohort) and then profitability (Group) at the portfolio level.

A) Determine the portfolios of reinsurance contracts held:

The Company determines the portfolios of reinsurance contracts held. The portfolio consists of contracts subject to similar risks and managed together (reinsurance portfolios held follow insurance contract portfolios).

B) Recognition of aggregation level (Cohort):

The Company details the reinsurance contract portfolios held according to the above-mentioned classifications by year of subscription on an annual basis as follows:

1- A group of contracts that are unlikely to generate net profit.

2- A group of contracts that are likely to become net profit.

3- A group of other contracts.

The Company evaluates the profitability of the group of reinsurance contracts held based on the evaluation of insurance contracts.

Reinsurance contract commissions

The Company records the commission on reinsurance contracts as unaccrued income and is recovered over the contract term.

Reinsurance contract commissions

The Company records the commission on reinsurance contracts as unaccrued income and is recovered over the contract term.

Reinsurance contract assets

When measuring the assets of reinsurance contracts, the risk allowance for the default of reinsurance companies (reinsurers) is calculated outside the framework of Standard No. (17), as they are considered credit risks that are treated under Standard No. (9).

Profitability level

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

- Contracts for which there is no possibility of becoming lost upon initial recognition.

- Contracts expected to be lost.

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5- Significant Accounting Policies (continued)

Financial assets

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

- At amortized cost.
- At fair value through profit or loss.
- At fair value through the statement of other comprehensive income.

A- Financial assets at amortized cost:

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

- The purpose of holding these assets in the context of the business approach is to collect contractual cash flows.
- The cash flows under the contractual terms of these assets arise on specified dates and represent only Payments of the principal amount of the assets and interest accrued on the principal of those assets.

Financial assets are recorded at amortized cost using the cost method upon purchase plus acquisition expenses. The premium/discount (if any) is amortized using the effective interest method to limit or calculate interest, and any provisions resulting from a decline in the value of these investments that lead to the inability to recover this investment are deducted. Part of it, and any decrease in its value is recorded in the profit and loss statement.

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

In rare cases, the standard allows these assets to be measured at fair value through the statement of profit or loss if this eliminates or significantly reduces the measurement inconsistency (sometimes called accounting mismatch) that arises from measuring the assets or liabilities or recognizing the gains and losses resulting from them on a different basis.

The value of financial assets is reduced at amortized cost by impairment losses, as interest income, gains and losses on foreign currency differences and impairment are recognized in the statement of profit or loss, and gains or losses resulting from the disposal of financial assets appear in the statement of profit or loss.

B- Financial assets at fair value through the statement of profit or loss:

- The remaining financial assets that do not meet the conditions of financial assets at amortized cost are measured as financial assets at fair value.
- Financial assets at fair value through the statement of profit or loss represent investments in equity and debt instruments for trading purposes, and the purpose of keeping them is to generate profits from short-term market price fluctuations or trading profit margin.
- Financial assets are recorded through the statement of profit or loss at fair value upon purchase (acquisition expenses are recorded in the statement of profit or loss upon purchase) and are re-evaluated at the date of the financial statements at fair value, and subsequent changes in the fair value are recorded in the statement of profit or loss at the same time. The year the change occurred, including the change in fair value resulting from translation differences on non-monetary asset items in foreign transactions. Dividends or returns are recorded in the statement of profit or loss when they are realized. (Approved by the General Assembly of Shareholders)

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5- Significant Accounting Policies (continued)

Financial assets (continued)

Reclassification

It is permissible to reclassify from financial assets at amortized cost to financial assets at fair value through profit or loss and vice versa only when the Company changes the business approach on the basis of which it classified those assets as mentioned above, taking into account the following:

- It is not permissible to recover any profits, losses or interests that were previously recognized.
- When financial assets are reclassified so that they are measured at fair value, their fair value is determined on the date of reclassification, and any profits or losses resulting from differences between the previously recorded value and the fair value are recorded in the statement of profit or loss.
- When financial assets are reclassified to be measured at amortized cost, they are recorded at their fair value as of the date of reclassification.

C- Financial assets at fair value through the statement of other comprehensive income:

- Upon initial recognition of investments in equity instruments that are not held for the purpose of trading, it is permitted to adopt an irrevocable option to present all changes in the fair value of these investments on an individual basis (each share separately) within the items of other comprehensive income, and it is not possible under any circumstances to In the event that at a later date, the amounts of these changes recognized in other comprehensive income are reclassified to the statement of profit or loss, while the dividends received from these investments are recognized in net investment income, unless these distributions clearly represent a partial recovery of all investments.
- In the event that these assets or part of them are sold, the profits or losses resulting from the sale are transferred from the balance of the accumulated net change in fair value through other comprehensive income to retained profits or losses and not through the statement of profit or loss.

investment property

Real estate investments are shown at cost after subtracting accumulated depreciation (excluding lands). These investments are depreciated over their useful life at a rate of 2%. Any decline in their value is recorded in the statement of profit or loss. The operating revenues or expenses of these investments are also recorded in the statement of profit or loss.

Property and equipment

Property and equipment are stated at cost after deducting accumulated depreciation and any accumulated impairment losses. Property and equipment (except land) are depreciated when they are ready for use on a straight-line basis over their expected life using the following annual percentages. The depreciation expense is recorded in the statement of profit or loss.

Asset	Depreciation Rate (%)
Transportation	15%
Buildings	2%
Equipment and furniture	% 12.5-% 20
Other	2%

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5- Significate Accounting Policies (continued)

Property and equipment (continued)

Depreciation of property and equipment is calculated when these assets are ready for use for their intended use.

The full value of the depreciation expense for the year is shown from the item allocated for that purpose in the statement of profit or loss. When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the impairment value is recorded in the statement of profit or loss.

Property and equipment under construction for the Company's use are stated at cost and after deducting any impairment losses. The useful life of property and equipment is reviewed at the end of each year. If the useful life expectations differ from the previously prepared estimates, the change in estimate is recorded for subsequent years as a change in estimates.

Gains or losses resulting from the exclusion or write-off of any property and equipment, which represent the difference between the amount received from the sale and the book value of the asset, appear in the statement of profit or loss. Property and equipment are eliminated when they are disposed of or when no future benefits are expected from their use.

Intangible assets

- Intangible assets obtained through the merger are recorded at fair value on the date of acquisition. Intangible assets that are acquired through a method other than a merger are recorded at cost.
- Other intangible assets are classified based on estimating their lifespan for a specific year or for specific periods. Intangible assets that have a specific lifespan are amortized during this life and are amortized in the statement of profit or loss.
- As for intangible assets whose useful life is indefinite, the decline in their value is reviewed at the date of the financial statements, and any decline in their value is recorded in the statement of profit or loss.
- Intangible assets generated internally in the Company are not capitalized and are recorded in the statement of profit or loss in the same current year.
- Any indications of impairment of the value of intangible assets at the date of the financial statements are reviewed. The estimate of the chronological life of those assets is also reviewed and any adjustments are made for subsequent periods.

Cash and its equivalent

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

Offsetting

Offsetting is carried out between financial assets and financial liabilities, and the net amount is shown in the statement of financial position only when binding legal rights are available, as well as when they are settled on the basis of offsetting, or the assets are accrued and the liabilities are settled at the same time.

Date of recognition of financial assets

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

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5- Significant Accounting Policies (continued)

Fair value

The closing prices (buying assets/selling liabilities) on the date of the financial statements in active markets represent the fair value of financial instruments that have market prices.

In the event that announced prices are not available, there is no active trading in some financial instruments, or there is no market activity, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is very similar to it.
- Analyze future cash flows and discount the expected cash flows by a rate used in a similar financial instrument.
- Options pricing approaches.

Valuation methods aim to obtain a fair value that reflects market expectations. Market factors and any expected risks or benefits are taken into account when estimating the value of financial instruments. In the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any decline in their value.

Financial liabilities

The Company classifies financial liabilities based on the purpose for which this liability arises. The accounting policy for financial liabilities is as follows:

1- Creditors and liabilities of reinsurance contracts:

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

2- Creditor banks:

They are initially recognized at fair value, net of costs associated with obtaining the facilities. Such interest-bearing liabilities are subsequently carried at amortized cost using the effective interest rate method. The financing cost includes the initial costs and the premium paid upon settlement, in addition to the interest that accrues during the life of the obligation.

3- Provisions:

Provisions are recognized when the Company has obligations at the date of the financial statements arising from past events, and the settlement of the obligations is probable and their value can be measured reliably. The amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as of the date of the financial statements, taking into account the risks. And uncertainty associated with commitment. When the value of the provision is determined on the basis of the estimated cash flows to settle the current obligation, its book value represents the present value of these cash flows.

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

4- End of service benefits provision:

The provision for employees' end-of-service benefits calculated in accordance with the Company's policy, which is consistent with the Jordanian Labor Law.

The annual benefits incurred for employees who leave the service is recorded at the expense of the end-of-service benefits provision when paid, and the provision for the obligations incurred by the Company for the end-of-service benefits for employees is taken in the statement of profit or loss.

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5- Significate Accounting Policies (continued)

Foreign currency

- Transactions that occur in foreign currencies during the current year are recorded at the exchange rates prevailing on the date of the transactions.
- The balances of financial assets and financial liabilities are translated at the average foreign currency Rates prevailing on the date of the statement of financial position and announced by the Central Bank Of Jordan.
- Non-financial assets and non-financial liabilities denominated in foreign currencies and shown at fair Value are translated on the date their fair value is determined.
- Gains and losses resulting from foreign currency translation are recorded in the statement of profit or Loss.
- Translation differences for items of assets and liabilities denominated in non-monetary foreign currencies are recorded as part of the change in fair value.
- When consolidating the financial statements, the assets and liabilities of branches and subsidiaries abroad are translated from the average currency rates on the date of the financial statements, the main (base) currency, to the reporting currency according to that announced by the Central Bank of Jordan. As for the revenue and expense items, they are translated on the basis of the average price during the year, and the resulting currency differences appear in a separate item within equity. In the event that one of these companies or branches is sold, the amount of foreign currency translation differences related to it will be recorded within the revenues/expenses in the statement of profit or loss.

Treasury stocks

Treasury shares are stated at cost. These shares do not have any right to dividends distributed to shareholders, and do not have the right to participate. Or voting in the Company's general assembly meetings. The profits or losses resulting from the sale of treasury shares are not recognized in the profit or loss statement. Rather, the profit is shown in equity under the share issue premium item, while the loss is recorded in retained earnings in the event that the stock issue premium balance is exhausted.

Costs of issuing or purchasing insurance Company shares

Any costs resulting from the issuance or purchase of insurance Company shares are recorded in retained earnings (net after the tax impact of these costs). If the issuance or purchase process does not take place, these costs are recorded as expenses in the statement of profits or losses.

Realize revenue

1- Dividend and interest income:

Dividend income from investments is verified when the right of shareholders to receive dividend payments is established upon approval by the General Assembly of Shareholders. Interest income is calculated according to the accrual basis based on the time periods due, the original amounts and the interest rate earned.

2- Rental income:

Rental income from real estate investments under operating lease contracts is recognized on a straight-line basis over the term of those contracts and on an accrual basis.

Insurance contract expenses

The Company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio

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5- Significant Accounting Policies (continued)

Insurance contract expenses (continued)

Separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the Company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the statement of profit or loss.

Acquisition costs

The acquisition costs incurred by the Company in exchange for selling, subscribing, or starting new insurance contracts represent acquisition costs, as the Company recognizes all acquisition costs directly when the insurance contract is recognized in the statement of profit or loss, while the Company recognizes acquisition costs by amortizing the costs incurred over a period of time. Coverage of the insurance contract in the statement of financial position. When applying the premium allocation approach, the Company may elect to recognize any insurance acquisition cash flows as expenses when those costs are incurred, provided that the coverage period for each contract in the group at initial recognition does not exceed one year. The Company has chosen the aforementioned exception only for commission expenses.

Insurance contracts with expected loss

The Company recognizes insurance contracts as loss-expected contracts if the contract is expected to be lost on the date of initial recognition. The loss component is measured by comparing the cash flows expected to meet the obligations of the contract or group of contracts with the cash flows generated from this contract or group of contracts. The Company has disclosed the loss component if the value of the contractual service margin is zero (applies only to the general measurement approach and the variable cost approach).

Summary of Measurement Approach

1. The group classifies insurance contracts according to the following:

Portfolio (Level 1)	Contract Classification	Measurement approach
Engineering	Insurance contract	Premium allocation approach
General Insurance	Insurance contract	Premium allocation approach
Motor (portfolio A)	Insurance contract	Premium allocation approach
Motor (portfolio B)	Insurance contract	Premium allocation approach
Motor (portfolio C)	Insurance contract	Premium allocation approach
Motor (portfolio D)	Insurance contract	Premium allocation approach
Life (portfolio A)	Insurance contract	Premium allocation approach
Life (portfolio B)	Insurance contract	General measurement model
Fire	Insurance contract	Premium allocation approach
Marine	Insurance contract	Premium allocation approach
Medical	Insurance contract	Premium allocation approach
Travel	Insurance contract	Premium allocation approach

2. The group classifies reinsurance contracts according to the following:

Portfolio (Level 1)	Measurement Method	Portfolio (Level 1)	Measurement approach
Engineering	Premium allocation approach	Fire	Premium allocation approach
General Insurance	Premium allocation approach	Marine	Premium allocation approach
Motor	Premium allocation approach	Medical	Premium allocation approach
Life (portfolio A)	Premium allocation approach	Travel	Premium allocation approach
Life (portfolio B)	Premium allocation approach	-	Premium allocation approach
Life (portfolio A)	General measurement model	-	-

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6- Deposits at Banks

This item consists of the following:

			2024		2023
	Deposits due within a month	Deposits due after more than three months	Deposits due after more than three months and up to one year	Total	Total
Deposits inside Jordan					
Capital Bank of Jordan	-	-	800,000	800,000	2,800,000
Cairo Amman Bank	-	-	4,142,785	4,142,785	7,364,797
Jordan Ahli Bank	1,875,943	-	-	1,875,943	2,921,667
Jordan Commercial Bank	-	-	4,000,000	4,000,000	4,030,460
Bank al Etihad	-	-	450,000	450,000	450,000
Bank of Jordan	-	2,000,000	-	2,000,000	1,500,000
Invest Bank	-	-	5,750,000	5,750,000	3,880,000
Bank ABC	-	-	850,424	850,424	812,386
Provision for Expected Credit Losses	-	-	-	-	-
	1,875,943	2,000,000	15,993,209	19,869,152	23,759,310

- Interest rates on bank deposits balances in Jordanian Dinar ranges from 5.25% to 6.75% during the year ended December 31, 2024, on deposit balances in USD, GBP, and EUR ranging from 0.025% to 4.75% during the period ending on 31 December 2024.
- The restricted withdrawal balances, represented by deposits pledged in favor of the Governor of the Central Bank of Jordan in addition to his position, amounted to (800,000) as of December 31, 2024, compared to (800,000) as of December 31, 2023.

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

	2024	2023
Inside Jordan		
Listed Shares	4,853,160	5,083,054
Sub-total	4,853,160	5,083,054
Outside Jordan		
Listed Shares	2,226,448	2,662,332
Sub-total	2,226,448	2,662,332
Ground	7,079,608	7,745,386

8- Financial Assets at Fair Value through Other Comprehensive Income

	2024	2023
Inside Jordan		
Listed Shares	4,641,673	4,842,500
Unlisted Shares	1,340,708	1,340,708
Sub-total	5,982,381	6,183,208
Outside Jordan		
Listed Shares	4,803,427	5,707,019
Unlisted Shares	2,960,399	3,537,017
Sub-total	7,763,827	9,244,036
Total	13,746,207	15,427,244

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9- Financial Assets at Amortized Cost

	2024	2023
Inside Jordan		
Siniora Company bonds*	354,500	-
Jordanian treasury bonds**	<u>8,502,224</u>	2,000,380
Sub-total	<u>8,856,724</u>	2,000,380

* Siniora Company's bonds mature on 10/03/2029, with an interest rate of 7.75% per annum, and are paid in full on the maturity date. Note that these bonds are listed.

** The annual interest rates on the bonds in Jordanian Dinars range from 6.386% to 6.899%, and are paid in full at the bonds maturity.

10- Investment Properties

2024	Land	Buildings	Total
Cost			
Opening balance	12,422,549	14,060,011	26,482,560
Additions	1,500	-	1,500
Disposals	-	-	-
Ending balance	12,424,049	14,060,011	26,484,060
Accumulated depreciation:			
Accumulated depreciation at the beginning of the year	-	4,383,513	4,383,513
Depreciation for the year	-	361,797	361,797
Disposals	-	-	-
Accumulated depreciation at the end of the year	-	4,745,310	4,745,310
Net investment properties at the end of the year	12,424,049	9,314,701	21,738,750
2023	Land	Buildings	Total
Cost			
Opening balance	12,422,549	14,054,843	26,477,392
Additions	-	5,168	5,168
Disposals	-	-	-
Ending balance	12,422,549	14,060,011	26,482,560
Accumulated depreciation:			
Accumulated depreciation at the beginning of the year	-	4,021,718	4,021,718
Depreciation for the year	-	361,795	361,795
Disposals	-	-	-
Accumulated depreciation at the end of the year	-	4,383,513	4,383,513
Net investment properties at the end of the year	12,422,549	9,676,498	22,099,047

- Investment properties Investment buildings are depreciated at 2 % annually and appears at net book value.
- The fair value of investment properties as of December 31, 2023, amounted to 36,500,000 Jordanian dinars as, in accordance with the instructions and decisions issued by the Insurance Department of the Central Bank

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11- A. Right- of Use Asset

	2024	2023
Balance at the beginning of the year	-	38,867
Right of Use Asset	194,331	-
Depreciation	(38,867)	(38,867)
Balance at the end of the year	155,464	-

11- B. lease liabilities

The table below shows the book value of lease liabilities and the movement during the year:

	2024	2023
Balance at the beginning of the year	184	45,268
Additions	194,332	-
Lease financing costs	13,162	-
Paid during the year	(63,155)	(45,084)
Balance at the end of the year	144,523	184

12- Cash on Hand and at Banks

	2024	2023
Cash on hand	56,241	25,764
Cash at banks	3,346,407	4,387,747
	3,402,648	4,413,511

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

	Liabilities for remaining coverage				Liabilities for Incurred Claims				2024	2023
	2024	2024	2023	2023	2024	2023	2024	2023		
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cash flow	Present value of cash flow	Risk adjustment s-non financial	Risk adjustment s-non financial		
Insurance contracts liabilities-beginning	2,014,015	1,302,794	3,156,023	1,132,212	47,590,708	47,729,844	1,737,240	890,991	52,644,757	52,909,070
Insurance contracts assets-beginning	-	-	-	-	-	-	-	-	-	-
Net insurance contracts liabilities/(Assets) - beginning	2,014,015	1,302,794	3,156,023	1,132,212	47,590,708	47,729,844	1,737,240	890,991	52,644,757	52,909,070
Insurance contracts revenues	(51,204,934)	-	(47,895,730)	-	-	-	-	-	(51,204,934)	(47,895,730)
Claims incurred	-	-	-	-	27,002,990	23,139,326	-	-	27,002,990	23,139,326
Acquisition cost	1,772,841	-	1,434,238	-	-	-	-	-	1,772,841	1,434,238
Employees cost	-	-	-	-	5,925,893	4,848,772	(88,580)	846,249	5,837,313	5,695,021
Other expenses	-	-	-	-	-	88,113	-	-	-	88,113
Losses resulting from contracts expected to be lost and the recovery of these losses	-	1,071,219	-	170,582	-	-	-	-	1,071,219	170,582
Insurance contracts expenses	1,772,841	1,071,219	1,434,238	170,582	32,928,884	28,076,211	(88,580)	846,249	35,684,363	30,527,280
Insurance service results	(49,432,094)	1,071,219	(46,461,492)	170,582	32,928,884	28,076,211	(88,580)	846,249	(15,520,571)	(17,368,450)
Finance costs - from insurance contracts	-	-	-	-	-	38,150	-	-	-	38,150
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	(49,432,094)	1,071,219	(46,461,492)	170,582	32,928,884	28,114,361	(88,580)	846,249	(15,520,571)	(17,330,300)
Cash received from written contracts	51,513,436	-	46,865,844	-	-	-	-	-	51,513,436	46,865,844
Claims incurred	-	-	-	-	(32,653,563)	(28,253,497)	-	-	(32,653,563)	(28,253,497)
Paid from acquisition costs	(1,860,252)	-	(1,546,360)	-	-	-	-	-	(1,860,252)	(1,546,360)
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cash flows	49,653,185		45,319,484		(32,653,563)	(28,253,497)			16,999,622	17,065,987
Insurance contracts liabilities-Ending	2,235,106	2,374,013	2,014,015	1,302,794	47,866,029	47,590,708	1,648,661	1,737,240	54,123,809	52,644,757
Insurance contracts assets-Ending	-	-	-	-	-	-	-	-	-	-
Net insurance contracts liabilities/(Assets) - Ending	2,235,106	2,374,013	2,014,015	1,302,794	47,866,029	47,590,708	1,648,661	1,737,240	54,123,809	52,644,757

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13, 1 - Receivables Related to Insurance Operations (By Type)

	2024	2023
Receivables from insurance contract holders	7,738,337	6,931,542
Agents' receivables	1,086,645	942,161
Brokers' receivables	3,665,367	3,413,286
Other receivables*	-	944,016
Total receivables	12,490,349	12,231,005
Less: allowance for expected credit losses provision	(1,571,583)	(1,521,583)
Total receivables	10,918,766	10,709,422

Analysis of account receivables according to their time period:

	2024	2023
Due for Payment for 0-30 Days	3,617,814	1,941,353
Due for Payment for 31-90 Days	3,645,621	3,289,337
Due for Payment for 91-180 Days	1,418,173	1,880,271
Due for Payment for 181-365 Days	2,237,158	2,654,445
Total	10,918,766	9,765,406

13, 2- Cheques under collection*:

	2024	2023
The total value of Cheques under collection related to insurance operations	469,070	352,168
Less: expected credit losses provision	-	-
Net value of Cheques under collection related to insurance operations	469,070	352,168

Analysis of cheques under collection according to their time period:

	2024	2023
Due for 0-6 Months	376,302	313,588
Due for 6-12 Months	92,768	38,580
Due for More Than 12 Months	-	-
Total	469,070	352,168

13,3- Accounts Payable (Reinsurance Contracts held)

	2024	2023
Total Value of Accounts Payable Related to Insurance Operations	6,332,239	5,337,893
Total Value of Accounts Payable Related to Insurance Operations	6,332,239	5,337,893

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14- (Liabilities) / Assets Insurance Contracts (General Approach)

	Liability for Remaining Coverage (LRC)				Liability for Incurred Claims (LIC)				2024	2023
	2024	2024	2023	2023	2024	2023	2024	2023		
	Excluding loss component	Loss component	Excluding loss component	Loss component	Present value of future cash flows	Present value of future cash flows	Non-financial risk adjustments	Non-financial risk adjustments		
Insurance contracts liabilities-beginning	3,455,012	726,700	3,390,312	418,912	50,000	50,000	-	-	4,231,713	3,859,224
Insurance contracts assets-beginning	-	-	-	-	-	-	-	-	-	-
Net Insurance Contract Liabilities (Assets) Beginning	3,455,012	726,700	3,390,312	418,912	50,000	50,000	-	-	4,231,713	3,859,224
Insurance revenue	(462,860)	-	(1,135,679)	-	-	-	-	-	(462,860)	(1,135,679)
Incurred claims	480,693	-	-	-	1,000	1,000	-	-	-	-
Changes related to past service – Adjustments to LfIC (Liability for Incurred Claims)	-	-	-	-	-	-	-	-	-	-
Employee expenses	24,237	-	-	-	-	-	-	-	24,237	-
Amortization of acquisition costs	369,894	-	1,269,865	-	-	-	-	-	369,894	1,269,865
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses from onerous contracts and reversals of such losses	-	132,499	-	(151,848)	-	-	-	-	132,499	(151,848)
Results of insurance operations	411,964	132,499	134,185	(151,848)	1,000	1,000	-	-	989,490	2,253,696
Finance expenses – from insurance contracts	46,506	191,026	102,387	155,940	-	-	-	-	237,532	258,327
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change – Other comprehensive income	365,458	58,527	31,799	307,788	-	-	-	-	751,958	1,995,369
Cash received from underwritten contracts	1,000,258	-	1,368,336	-	-	-	-	-	1,000,258	1,368,336
Incurred claims	623,612	-	515,024	-	-	-	-	-	623,612	515,024
Paid acquisition costs	119,605	-	775,464	-	-	-	-	-	119,605	775,464
Other expenses	38,710	-	44,948	-	-	-	-	-	38,710	44,948
Total cash flows	218,330		32,901							
Insurance contract liabilities – end of period	4,038,800	785,227	3,455,012	726,700	51,000	51,000	-	-	4,875,027	4,231,712
Insurance contract assets – end of period										
Net (liabilities)/assets of insurance contracts –end of period	4,038,800	785,227	3,455,012	726,700	51,000	51,000	-	-	4,875,027	4,231,712

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14- (Liabilities) / Assets Insurance Contracts (General Approach)

	2024	2023	2024	2023	2024	2023	2024	2023
	Best Estimate of Liabilities	Best Estimate of Liabilities	Risk financial	Risk financial	Contractual Service Margin	Contractual Service Margin	Total	Total
Insurance contracts liabilities-beginning	3,337,464	3,205,852	295,203	205,387	599,046	386,026	4,231,713	3,797,265
Insurance contracts assets-beginning								
Net Insurance Contract Liabilities (Assets) – Beginning	3,337,464	3,205,852	295,203	205,387	599,046	386,026	4,231,713	3,797,265
Changes related to current services								
Release of Contractual Service Margin (+/-)	-	-	-	-	64,701	(36,440)	64,701	(36,440)
Experience Adjustments	(709,659)	(1,025,682)	-	-	-	-	(709,659)	(1,025,682)
Change in Risk Adjustment - Non-financial	-	-	49,599	78,290	-	-	49,599	78,290
Changes Related to Future Services	-	-	-	-	-	-	-	-
Impact of Initially Recognized Contracts During the Period	735,930	948,566	6,398	(57)	132,496	383,316	874,824	1,331,826
Impact of Changes in Assumptions for Contractual Service Margin	1,000	-	-	-	-	-	1,000	-
Losses resulting from contracts expected to be onerous and the recovery of these losses	-	-	-	-	-	-	-	-
Changes Related to Previous Services								
Changes in Liabilities Related to Claims Incurred	-	-	-	-	-	-	-	-
Insurance service results	27,271	(77,115)	55,997	78,234	197,197	346,876	280,465	347,994
Financing Revenue (expense) - from insurance contract	179,086	175,828	14,881	11,582	(131,489)	(133,856)	62,478	53,554
The effect of movements in exchange rates	99,746	-	(17,704)	-	-	-	82,042	-
Net change - other comprehensive income	306,103	98,712	53,174	89,816	65,708	213,020	424,985	401,548
Cash received from written contracts	-	1,368,336	-	-	-	-	-	1,368,336
Claims incurred	-	(515,024)	-	-	-	-	-	(515,024)
Paid from acquisition costs	-	(775,464)	-	-	-	-	-	(775,464)
Other expenses	-	(44,948)	-	-	-	-	-	(44,948)
Net Cash Flows	218,330	32,901	-	-	-	-	218,330	32,901
Insurance contracts liabilities-Ending	3,861,897	3,337,465	348,377	295,203	664,754	599,046	4,875,027	4,231,714
Insurance contracts assets-Ending	-	-	-	-	-	-	-	-
Net insurance contracts liabilities/(Assets) – Ending	3,861,897	3,337,465	348,377	295,203	664,754	599,046	4,875,027	4,231,714

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15- (Liabilities) / Assets Reinsurance Contracts Held (Premium Allocation Approach)

	Assets for remaining coverage (ARC)				Assets for Incurred Claims (AIC)					Total
	2024	2024	2023	2023	2024	2023	2024	2023	2024	
	Excluding loss recovery component	Loss recovery component	Excluding loss recovery component	Loss recovery component	Present value of cash flow	Present value of cash flow	Risk adjustments-non financial	Risk adjustments-non financial		
reinsurance contracts liabilities-beginning	-	-	-	-	-	-	-	-	-	-
reinsurance contracts assets-beginning	(11,321,253)	-	(5,260,907)	-	28,498,698	25,967,075	1,072,478	453,610	18,249,923	21,159,778
Net reinsurance contracts liabilities/(Assets) – beginning	(11,321,253)	-	(5,260,907)	-	28,498,698	25,967,075	1,072,478	453,610	18,249,923	21,159,778
Reinsurance payments	(27,208,445)	-	(25,039,523)	-	-	-	-	-	(27,208,445)	(25,039,523)
Reinsurance recoveries	-	-	-	-	8,515,611	6,745,071	-	-	8,515,611	6,745,071
Commissions received	-	-	2,342,203	-	2,991,656	-	(107,860)	618,868	2,883,796	2,961,071
Administrative expenses	-	-	-	-	(295,906)	-	-	-	(295,906)	-
Reinsurance contracts revenues	-	-	-	-	-	-	-	-	-	-
Reinsurance service contracts results	(27,208,445)	-	(22,697,320)	-	11,507,267	6,449,165	(107,860)	618,868	(15,809,038)	(15,629,287)
Finance cost - from reinsurance contracts	-	-	-	-	102,255	13,640	-	-	102,255	13,640
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net change - comprehensive income	(27,208,445)	-	(22,697,320)	-	11,609,522	6,462,805	(107,860)	618,868	(15,706,783)	(15,615,647)
Cash received from written contracts paid to reinsurers	25,731,702	-	21,240,953	-	-	-	-	-	25,731,702	21,240,953
Incurred claims recovered from reinsurers	-	-	-	-	(10,311,064)	(8,535,162)	-	-	(10,311,064)	(8,535,162)
Other recovered amounts	-	-	-	-	-	-	-	-	-	-
Recovered profit commission from reinsurers	-	-	-	-	-	-	-	-	-	-
Total cash flows	25,731,702	-	21,240,953	-	(10,311,064)	(8,535,162)	-	-	15,420,638	12,705,791
Reinsurance contracts assets-Ending	(12,797,996)	-	(6,717,274)	-	29,797,156	23,894,718	964,618	1,072,478	17,963,778	18,249,922
Reinsurance contracts liabilities-Ending	-	-	-	-	-	-	-	-	-	-
Net reinsurance contracts liabilities/(Assets) – Ending	(12,797,996)	-	(6,717,274)	-	29,797,156	23,894,718	964,618	1,072,478	17,963,778	18,249,922

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15- Accounts Receivable* (Reinsurance Contracts Held)

	2024	2023
Assets reinsurance contracts held (Internal)	1,734,285	1,307,674
Assets reinsurance contracts held (External)	5,617,938	3,746,306
Total accounts receivable value related to insurance operations	<u>7,352,223</u>	<u>5,053,980</u>
Less: Expected credit losses provision	450,000	450,000
Net accounts receivable value related to insurance operations	<u>6,902,223</u>	<u>4,603,980</u>

Analysis of accounts receivable according to their time period:

	2024	2023
Payable for 0-30 days	4,354,807	1,974,903
Payable for 31-90 days	2,007,169	1,800,774
Payable for 91-180 days	710,582	639,770
Payable for 181-365 days	279,665	638,533
Total	<u>7,352,223</u>	<u>5,053,980</u>

15-2- Accounts Payable* (Reinsurance Contracts Held)

	2024	2023
Assets reinsurance contracts held (Local)	434,920	185,991
Assets reinsurance contracts held (International)	15,167,471	13,777,787
Total accounts receivable value related to insurance operations	<u>15,602,391</u>	<u>13,963,778</u>

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16- (Liabilities) / Assets Reinsurance Contracts Held (General Approach)

	Assets for remaining coverage (ARC)				Assets for Incurred Claims (AIC)					
	2024	2024	2023	2023	2024	2023	2024	2023	2024	2023
	Excluding loss recovery component	Loss recovery component	Excluding loss recovery component	Loss recovery component	Present value of cash flow	Present value of cash flow	Risk adjustmen ts-non financial	Risk adjustmen ts-non financial	Total	
reinsurance contracts liabilities-beginning	-	-	-	-	-	-	-	-	-	
reinsurance contracts assets-beginning	304,532	-	315,137	-	25,000	25,000	-	-	329,532	340,137
Net reinsurance contracts liabilities/(Assets) – beginning	304,532	-	315,137	-	25,000	25,000	-	-	329,532	340,137
Reinsurance payments	245,745	-	376,738	-	-	-	-	-	245,745	376,738
Reinsurance recoveries	-	-	-	-	-	-	-	-	-	
Commissions received	-	-	-	-	-	-	-	-	-	
Administrative expenses	-	-	-	-	-	-	-	-	-	
Reinsurance contracts revenues	-	-	-	-	-	-	-	-	-	
Reinsurance service contracts results	245,745	-	376,738	-	-	-	-	-	245,745	376,738
Finance cost - from reinsurance contracts	3,024	-	-	-	-	-	-	-	3,024	-
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	
Other changes	-	-	-	-	-	-	-	-	-	
Net change - comprehensive income	248,769	-	376,738	-	-	-	-	-	248,769	376,738
Cash received from written contracts paid to reinsurers	83,880	-	366,133	-	-	-	-	-	83,880	366,133
Incurred claims recovered from reinsurers	-	-	-	-	-	-	-	-	-	
Other recovered amounts	-	-	-	-	-	-	-	-	-	
Recovered profit commission from reinsurers	-	-	-	-	-	-	-	-	-	
Total cash flows	83,880	-	366,133	-	-	-	-	-	83,880	366,133
Reinsurance contracts assets-Ending	139,644	-	304,532	-	25,000	25,000	-	-	164,644	329,532
Reinsurance contracts liabilities-Ending	-	-	-	-	-	-	-	-	-	
Net reinsurance contracts liabilities/(Assets) – Ending	139,644	-	304,532	-	25,000	25,000	-	-	164,644	329,532

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17- Income Tax

A- Provision for Income Tax:

The movement on the income tax provision during the year is as follows:

	2024	2023
Balance at beginning of the year	866,093	432,873
Income tax paid	(806,749)	(392,762)
Income tax expense for the year	462,648	825,982
Bank Interest Tax	(89,878)	-
National Contribution on Bank Interest	(23,644)	-
Balance at the end of the year	408,470	866,093

B- In terms of the income tax presented in the statement of profit or loss, it includes the following:

	2024	2023
Accrued income tax for profit of the year	116,247	825,982
Deferred tax assets / liabilities amortization	-	-
Balance at the end of the year	116,247	825,982

C - Summary of reconciliation of accounting profit with tax profit:

	2024	2023
Accounting profit	1,773,037	2,131,599
Non-taxable profits	(4,710,094)	(1,597,464)
Expenses that are not tax acceptable	4,864,756	2,907,455
Tax profit	1,927,699	3,441,590
Actual income tax	116,247	825,982
Actual income tax rate	%7	39%
Statutory income tax rate	%24	24%

A final settlement was reached with the Income Tax Department until the end of 2020, and self-assessment statements for the years 2020 and 2021 were submitted and were not reviewed by the Income and Sales Tax Department.

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17- Income Tax (continued)

Deferred Tax Assets/Liabilities

	2024				2023
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax
A- Deferred tax assets:					
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	2,030,440	1,954,511	1,154,418	1,230,347	490,912
	<u>2,030,440</u>	<u>1,954,511</u>	<u>1,154,418</u>	<u>1,230,347</u>	<u>490,912</u>
	2024				2023
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax
B- Deferred tax liabilities:					
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	1,879,561	674,534	-	1,205,027	313,307
	<u>1,879,561</u>	<u>674,534</u>	<u>-</u>	<u>1,205,027</u>	<u>313,307</u>

Movement on deferred tax assets and liabilities is as follows:

	Liabilities		Assets	
	2024	2023	2024	2023
Balance at the beginning of the year	488,686	591,533	527,914	296,463
Additions	-	-	171,022	231,451
Disposals	(175,379)	(102,847)	(208,024)	-
Balance at the end of the year	313,307	488,686	490,912	527,914

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17- (Liabilities) / Assets Reinsurance Contracts Held (General Measurement Model)

	2024	2023	2024	2023	2024	2023	2024	2023
	Best Estimate of Liabilities	Best Estimate of Liabilities	Risk adjustments- non financial	Risk adjustments- non financial	Contractual Service Margin	Contractual Service Margin	Total	Total
reinsurance contracts liabilities-beginning								
reinsurance contracts assets-beginning	38,977	70,666	9,356	15,301	281,200	254,170	329,533	340,137
Net reinsurance contracts liabilities/(Assets) - beginning	38,977	70,666	9,356	15,301	281,200	254,170	329,533	340,137
Changes Related to Current Services								
service margin release (+/-)	-	-	-	-	(163,292)	(152,877)	(163,292)	(152,877)
Experience adjustments	(69,739)	(213,808)	-	-	-	-	(69,739)	(213,808)
Change in Risk Adjustment - Non-Financial	-	-	(2,714)	(10,052)	-	-	(2,714)	(10,052)
Changes Related to Future Services								
Impact of Initially Recognized Contracts During the Period	(49,233)	(186,251)	1,612	3,553	47,621	182,698	-	-
Impact of Changes in Assumptions for Contractual Service Margin	-	-	-	-	(10,000)	-	(10,000)	-
Impact of Recognition of Loss Recovery Component from Contracts Expected to be Loss-Making	-	-	-	-	-	-	-	-
Impact of Reversal of Loss Recovery Component Recognition from Contracts Expected to be Loss-Making	-	-	-	-	-	-	-	-
Impact of Changes in Estimates That Do Not Adjust the Contractual Service Margin	-	-	-	-	-	-	-	-
Changes Related to Previous Services								
Changes in Recoverable Amounts Resulting from Changes in Liabilities Related to Claims Incurred	-	-	-	-	-	-	-	-
Financing Revenue (expense) - from reinsurance contract	(3,221)	2,236	325	554	(128)	(2,790)	(3,024)	-
Impact of Changes in Default Risk (Non-payment) by Reinsurers	-	-	-	-	-	-	-	-
The effect of movements in exchange rates	-	-	-	-	-	-	-	-
Net change - other comprehensive income	(122,193)	(397,823)	(777)	(5,945)	(125,799)	27,030	(248,769)	(376,738)
Cash received from written contracts paid to reinsurers	83,880	366,133	-	-	-	-	83,880	366,133
Claims Incurred Recovered from Reinsurance	-	-	-	-	-	-	-	-
Profit Commission Recovered from Reinsurance	-	-	-	-	-	-	-	-
Other Amounts Recovered	-	-	-	-	-	-	-	-
Total cash flows	83,880	366,133	-	-	-	-	83,880	366,133
Reinsurance contracts liabilities-Ending								
Reinsurance contracts assets-Ending	664	38,976	8,579	9,356	155,401	281,200	164,644	329,532
Net reinsurance contracts liabilities/(Assets) – Ending	664	38,976	8,579	9,356	155,401	281,200	164,644	329,532

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18- Property and Equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machines and equipment</u>	<u>Vehicles</u>	<u>Other</u>	<u>Total</u>
Cost						
Balance as of December 31, 2023	760,236	4,856,349	1,924,894	201,200	4,040	7,746,719
Additions	-	19,976	21,959	-	-	41,935
Balance As of December 31, 2024	760,236	4,876,325	1,946,853	201,200	4,040	7,788,654
Less:						
Accumulated depreciation						
Balance as of December 31, 2003	-	1,226,359	1,783,941	186,151	4,040	3,200,491
Depreciation	-	92,882	59,108	9,030	-	161,020
Balance As of December 31, 2023	-	1,319,241	1,843,049	195,181	4,040	3,361,511
Net Book value:						
Balance As of December 31, 2024	760,236	3,557,084	103,804	6,019	-	4,427,143
Balance as of December 31, 2023	760,236	3,629,990	140,953	15,049	-	4,546,228

19- Intangible Assets

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the period	17,050	28,150
Additions	-	-
Amortization	(11,100)	(11,100)
Balance at the end of the year	5,950	17,050

20- Other Assets

	<u>2024</u>	<u>2023</u>
Receivables	926,052	944,016
Accrued and unreceived revenues	452,487	255,287
Prepaid expenses	319,810	318,101
International War trust Fund	-	599,321
Refundable deposits	10,387	10,387
Other*	447,802	416,806
	2,156,538	2,543,918

This amount represents loans to employees against their pledge in favor of the company in accordance with the company's internal regulations:

	<u>2024</u>	<u>2023</u>
Analysis of Debts by Maturity Period:		
Due for 0-30 Days	1,079,135	1,485,499
Due for 31-90 Days	309,195	315,194
Due for 91-180 Days	120,279	122,613
Due for 181-365 Days Due for payment for more than a year	647,929	620,612
	2,156,538	2,543,918

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21- Accounts Payable

	2024	2023
Agent's payables	74,533	74,288
Employees' payables	710,730	2,649
Broker's payables	434,174	377,098
Other payables *	<u>3,334,573</u>	<u>2,565,101</u>
	4,554,010	3,019,136

* Other payables consist of the following:

	2024	2023
Policyholders	2,889,317	2,119,611
Other	445,256	445,490
	3,334,573	2,565,101

22- Other Provisions

	2024	2023
Provision for end of service benefits	<u>98,944</u>	<u>545,042</u>
	98,944	545,042

The following table shows the movement in the other provisions:

	Beginning balance	Additions during the year	Used during the year	Returned revenues	Ending balance
Provision for end of service benefits	<u>545,042</u>	<u>47,763</u>	<u>493,861</u>	-	98,944

23- Other Liabilities

	2024	2023
Board of Directors' remuneration	50,000	50,000
Advance received revenues - rents	13,680	13,680
Employee savings fund deposits	<u>2,516,700</u>	<u>3,036,885</u>
Social security deposits	66,306	69,829
Shareholder deposits	<u>436,333</u>	<u>435,453</u>
Provision for contingent liabilities	-	200,000
Stamps	15,132	20,479
General sales tax deposits	80,156	157,670
National contribution deposits	<u>(28,831)</u>	<u>83,954</u>
Technical provisions	-	250,000
Employee dues	<u>710,730</u>	<u>2,650</u>
	3,860,206	4,320,600

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24- Share Capital

The capital at the end of the year amounted to JD 22,050,000, divided into 22,050,000 shares, with a nominal value of one dinar per share, (The previous year: 22,050,000 shares with a nominal value of one Jordanian Dinar per share).

25- Statutory Reserve

The statutory reserve is formed in accordance with the provisions of the Jordanian Companies Law by deducting 10% of the annual net profit. The deduction stops when the accumulated reserve balance reaches 25% of the Company's authorized capital. However, it is permissible, with the approval of the Company's general assembly, to continue deducting this percentage until it reaches the balance of this reserve is equivalent to the amount of the Company's authorized capital.

The amounts accumulated in this account represent the transferred annual profit before taxes at a rate of 10% during the year and previous years in accordance with the Companies Law, and it is not distributable to shareholders.

26- Accumulated change in fair value

This amount represents the increase in the fair value of financial assets at fair value through other comprehensive income and is stated as follows:

	2024	2023
Balance at the beginning of the year	(1,502,526)	(843,778)
Change during the year	421,047	(890,199)
Deferred tax assets	171,022	231,451
Balance at the end of the year	(910,457)	(1,502,526)

27- Retained earnings

	2024	2023
Balance at the beginning of the year	10,399,129	12,240,570
Profit for the year	521,302	866,399
The impact of the implementation of (IFRS 17)	-	-
Transfer to Statutory Reserve	-	-
Transfer to voluntary Reserve	-	-
Dividends	(1,847,633)	(3,307,500)
Gain (losses) on sale of financial assets through other Comprehensive Income	(1,543,500)	599,660
Prior year adjustment	(63,504)	-
Balance at the end of the year	7,465,794	10,399,129

28- Translation of Foreign Currency Differences

They are differences resulting from the translation of net investment in foreign companies and foreign branches of the company and the statement of movement on them as follows:

	2024	2023
Balance at the beginning of the year	2,925,766	2,190,674
Additions / (Disposals) during the year	1,344,887	647,181
Transfer to profit and loss statement	(73,428)	87,911
Balance at the end of the year	4,197,225	2,925,766

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29- Related Parties Transactions

The Company entered into transactions with members of the Board of Directors and senior management within the normal activities of the Company and using insurance premiums and commercial commissions. All receivables from related parties are considered working and no allocations have been taken for them as of December 31 2023

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

	2024			2023
	Executive management	Members of the Board of Directors	Total	Total
<u>Items of financial position statement</u>				
Insurance contract assets	135,562	67,913	203,778	144,043
Insurance contract liabilities	7,224	4,500	11,724	25,132
<u>Items of profit or loss statement</u>				
Insurance revenues	10,141	12,939	23,080	20,006
Insurance expenses	6,296	34,838	41,134	10,992

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

	2024	2023
Salaries and rewards	1,555,700	1,355,137
Other expenses	4,050	1,650
	1,559,750	1,356,787

30 - The Fair Value of Financial Assets and Liabilities that are not stated at Fair Value

Significant differences between the book value and the fair value of financial assets and liabilities that are not shown at fair value are disclosed in the financial statements as of 2024 and 2023.

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31- Insurance Contracts Revenue

	Individual										<u>Total</u>
	<u>Motor</u>	<u>Marine</u>	<u>Aviation</u>	<u>Fire</u>	<u>Engineer</u>	<u>Responsibility</u>	<u>Medical</u>	<u>Others</u>	<u>Group life</u>	<u>life</u>	
2024											
Insurance contracts revenue and											
change in insurance contracts											
liabilities against remaining											
coverage	15,877,277	5,435,305	222,990	9,493,947	3,375,705	1,436,910	7,524,778	63,030	6,940,677	-	50,370,619
Change in Insurance Contract											
Liabilities for Remaining											
Coverage	29,782	441,916	(6)	(333)	(39)	7,203	123,771	-	561,202	-	1,163,496
Insurance contracts issuance fees	306,890	43,038	4,047	253,852	99,011	48,576	294,435	3,004	80,616	-	1,133,469
Change in Insurance Contract											
Liabilities for Remaining											
Coverage of Issuance Fees	(14,961)	(4,298)	45	(2,624)	2,558	(2,343)	(10,405)	-	(106)	-	(32,134)
Other income	-	-	-	15,787	-	-	-	-	569	-	16,356
Total insurance contracts											
revenue	16,198,988	5,915,961	227,076	9,760,629	3,477,235	1,490,346	7,932,579	66,034	7,582,958		52,651,806
2023											
Insurance contracts revenue and											
change in insurance contracts											
liabilities against remaining											
coverage	14,400,826	5,087,629	223,182	9,243,223	3,141,519	1,429,065	7,090,111	68,155	5,974,672	901,577	47,559,959
Insurance contracts issuance fees	283,544	32,743	4,237	220,663	44,063	41,382	269,746	5,386	68,926	8,707	979,397
Other income	-	-	-	-	-	-	-	-	266,658	-	266,658
Total insurance contracts											
revenue	14,684,370	5,120,372	227,419	9,463,886	3,185,582	1,470,447	7,359,857	73,541	6,310,255	910,284	48,806,014

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32- Insurance Contracts Expenses

											Individual
	Motor	Marine	Aviation	Fire	Engineer	Responsibility	Medical	Others	Group life	life	Total
2024											
Insurance claims incurred	12,938,343	412,803	297,683	2,654,655	-	446,081	5,961,890	12,837	3,828,698	-	26,552,990
Administrative expenses	1,863,895	459,574	7,413	1,139,786	-	139,578	1,363,563	71,078	881,006	-	5,925,893
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Risk Adjustments – Other Finance	68,666	(8,085)	2,719	(90,092)	-	(99,067)	550	-	36,729	-	(88,580)
Loss component	990,684	-	-	-	-	-	80,535	-	785,227	-	1,856,446
Undistributed Expenses	(12,317)	(941)	123	(637)	-	54	(2,402)	-	(27,870)	-	(43,990)
Deferred Expenses	(21,368)	29,452	1,476	8,871	-	(6,904)	(38,490)	-	(4,588)	-	(31,551)
Transferred from acquisition costs / acquisition costs (according to the Company's method of recognition)	411,286	186,711	-	140,676	-	6,365	892,785	3,501	283,030	-	1,924,354
Total insurance contracts expenses	16,239,189	1,079,514	309,414	3,853,259	-	486,107	8,258,431	87,416	5,782,232	-	36,095,562
2023											
Insurance claims incurred	12,732,022	340,221	-	550,049	56,845	79,893	5,801,373	4,772	3,574,151	570,244	23,709,570
Administrative expenses	1,879,999	718,562	12,103	750,897	497,293	109,681	478,616	3,803	397,818	85,307	4,934,079
Other expenses	-	-	-	-	-	-	-	-	88,113	18,894	107,007
Risk Adjustments – Other Finance	191,944	(205,962)	70	346,355	37,738	525,993	(7,530)	-	(42,359)	-	846,249
Loss component	1,902	-	-	-	4,092	-	164,588	-	-	-	170,582
Transferred from acquisition costs / acquisition costs (according to the Company's method of recognition)	462,615	111,805	-	41,002	20,958	4,713	772,820	4,597	15,728	142,354	1,576,592
Total insurance contracts expenses	15,268,482	964,626	12,173	1,688,303	616,926	720,280	7,209,867	13,172	4,033,451	816,799	31,344,079

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33- Reinsurance Contracts Revenues

	Motor	Marine	Aviation	Fire	Engineer	Responsibility	Medical	Others	Group life	Total
<u>2024</u>										
Expected Claims Incurred	(333,534)	421,715	293,582	2,660,952	-	443,750	2,630,959	1	2,398,186	8,515,611
Commissions Received	341,651	651,326	56,790	1,719,000	-	202,074	16,301	4,514	-	2,991,656
Reinsurers' share of deferred commission expenses	(7,622)	(41,371)	(3,731)	(21,377)	-	(9,267)	-	-	-	(83,368)
Changes in Risk Adjustments - Non-financial	18,831	(262)	1,967	(70,014)	-	(79,270)	(1,224)	-	22,112	(107,860)
Total Reinsurance Contracts Revenues	19,326	1,031,408	348,608	4,288,561	-	557,287	2,646,036	4,515	2,420,298	11,316,039
<u>2023</u>										
Expected Claims Incurred	703,397	(14,992)	76,886	-	546,034	233,408	2,275,798	-	2,864,251	6,684,782
Commissions Received	321,786	(12,566)	103,211	-	1,132,814	531,897	-	-	29,444	2,106,586
Reinsurers' share of deferred commission expenses	-	-	-	-	-	-	-	-	-	-
Changes in Risk Adjustments - Non-financial	47,074	29,907	420,169	-	271,589	(117,952)	(5,345)	-	(26,574)	618,868
Total Reinsurance Contracts Revenues	1,072,257	2,349	600,266	-	1,950,437	647,353	2,270,453	-	2,867,121	9,410,236

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34- Reinsurance Contracts Expenses

	Motor	Marine	Aviation	Fire	Engineer	Responsibility	Medical	Others	Group life	Total
<u>2024</u>										
Reinsurance Contracts Premiums	157,026	4,409,610	222,990	12,783,041	-	1,433,378	2,817,370	38,504	4,538,015	26,399,934
Change in reinsurance contract liabilities versus remaining coverage	(2,969)	243,968	(4)	(295)	-	7,256	61,830	-	132,321	442,107
Excess Loss Premiums	316,653	8,500	-	41,250	-	-	-	-	-	366,403
Total Reinsurance Contracts Expenses	<u>470,710</u>	<u>4,662,078</u>	<u>222,986</u>	<u>12,823,996</u>	<u>-</u>	<u>1,440,634</u>	<u>2,879,200</u>	<u>38,504</u>	<u>4,670,336</u>	<u>27,208,444</u>
<u>2023</u>										
Reinsurance Contracts Premiums	162,654	4,012,735	196,265	12,222,885	68,137	1,414,405	2,070,571	20,918	5,247,691	25,416,261
Change in reinsurance contract liabilities versus remaining coverage	-	-	-	-	-	-	-	-	-	-
Excess Loss Premiums	-	-	-	-	-	-	-	-	-	-
Total Reinsurance Contracts Expenses	<u>162,654</u>	<u>4,012,735</u>	<u>196,265</u>	<u>12,222,885</u>	<u>68,137</u>	<u>1,414,405</u>	<u>2,070,571</u>	<u>20,918</u>	<u>5,247,691</u>	<u>25,416,261</u>

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35- Financing Expenses-Insurance contract

	2024	2023
Insurance contract expenses	808,009	38,150
	808,009	38,150

The company used discount rates ranging from 5.18% to 6.315% as of December 31, 2024 (December 31, 2023: 3.5%).

36- Financing revenue -Reinsurance contract

	2024	2023
Reinsurance contract revenue	99,231	13,640
	99,231	13,640

The company used discount rates ranging from 5.18% to 6.315% as of December 31, 2024 (December 31, 2023: 3.5%).

37- Interest Income

	2024	2023
Bank Interest	1,145,220	1,387,998
Loan Interest	-	20,545
Senior Bonds Interest	22,734	-
Jordanian Treasury Bonds Interest	370,740	-
	1,538,694	1,408,543

38- Net Profit/ (Loss) of Financial Assets and Investments

	2024	2023
Cash dividend returns (through profit or loss statement)	669,659	710,935
Cash dividend returns (through other comprehensive income statement)	180,000	240,000
Cash dividend returns (financial assets in amortized cost)	-	-
Net change in the fair value of financial assets through profit or loss statement	(674,534)	(395,567)
Gains (Losses) on Sale Investments property	200	-
Income (Expenses) Investment Building	48,670	-
Investment Revenues Attributable to Subscription Accounts	462,780	-
Rental income	-	82,665
	686,775	638,033

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39- Other Income

	2024	2023
Currency differences	6,705	2,855
Foreign currency revaluation profits	(73,428)	87,911
Others	8,545	3,905
Cheque Issuance Service Fee	1,789	-
Stamp Duty Fees	(386)	-
	(56,775)	94,671

40- Employees Expenses

	2024	2023
Salaries and Bonuses	3,493,360	3,257,248
Savings Fund	118,004	113,962
End of Service Gratuity	-	-
Amounts paid by the company to social security	341,019	332,344
Medical Expenses	281,442	292,322
Training and Development Expenses	9,228	5,926
Travel and Transportation	58,616	3,000
Others	1,080	931
	4,302,749	4,005,733

41- General and Administrative Expenses

	2024	2023
Board of Directors' Remuneration	50,000	-
Stationery and Printings	324,782	313,923
Advertising and Promotion	154,870	147,648
Bank Fees	29,558	20,087
Water, Electricity, and Heating	43,263	40,019
Postage and Communications	33,687	30,131
Stamps	32,480	12,383
Hospitality	58,857	59,639
Legal Fees and Expenses	71,751	5,737
Subscriptions	199,865	129,927
Tender Expenses	34,765	18,630
Insurance Authority Fees	227,985	192,039
Government Fees	293,891	188,415
Donations	50,065	143,520
Office Insurance Expenses	26,561	10,185
Cleaning Expenses	41,584	39,161
Security and Protection Expenses	73,035	74,220
Legal Fees and Consultancy Expenses	251,304	166,765
Travel and Transportation	53,313	83,428
Board Members' Transportation and Delegation Allowances	43,613	48,000
Vehicle Expenses	10,932	14,242
Maintenance	54,643	57,098
Others	102,650	69,691
	2,263,454	1,864,888

Middle East Insurance Company
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42- Other Expenses

	2024					2023					
	Attributable expenses		Attributable expenses		Non-attributed expense to contracts	Attributable expenses		Attributable expenses		Non-attributed expense to contracts	
	Acquisition expenses	For contracts (direct)	For contracts (indirect)	Total		Acquisition expenses	For contracts (direct)	For contracts (indirect)	Total		
Board of directors'	-	-	-	50,000	50,000	-	-	-	-	50,000	50,000
Revaluation losses	-	-	-	572,784	572,784	-	-	-	-	-	-
End of service	-	-	-	47,763	47,763	-	-	-	-	71,198	71,198
National contribution	-	-	-	50,000	50,000	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	48,646	48,646
Total	-	-	-	720,547	720,547	-	-	-	-	169,844	169,844

43- Earnings per Share

	2024	2023
Net profit for the year	521,302	866,399
Weighted Average for Share	22,050,000	22,050,000
Earnings per share for the year	0.023	0.039

44- Cash and Cash Equivalents

	2024	2023
Bank Deposits Maturing Within Three Months	3,875,943	3,595,708
Cash on Hand and at Banks	3,402,648	4,413,511
	7,278,591	8,009,219

45- Risk Management

Risk Exposure and How It Arises

- Identifying the types of risks the company is exposed to, such as: insurance risks, market risks, credit risks, operational risks, and legal and regulatory risks.
- Analyzing the sources from which these risks arise, such as: natural hazards, customer behavior, economic changes, and operational errors.
- Assessing the potential impact of each type of risk on the company using risk analysis tools such as the Impact-Likelihood Matrix.

Company Policies and Procedures for Risk Acceptance, Measurement, Monitoring, and Control

A. Structure and Organization of the Risk Management Function

- Establishing an independent risk management unit responsible for setting, monitoring, and overseeing the implementation of risk policies.
- Defining levels of accountability and authority for the Board of Directors, Executive Management, and the Risk Committee.
- Ensuring the independence of the risk management function from other departments to avoid conflicts of interest.

B. Scope and Nature of Risk Measurement and Reporting Systems

- Using advanced risk measurement systems, such as Sensitivity Analysis and Actuarial Models.
- Preparing periodic reports for the Board of Directors and senior management that include assessments of current and emerging risks.
- Adopting Key Risk Indicators (KRIs) to monitor risk trends and analyze their developments.

C. Company Policies for Hedging or Mitigating Risks

- Developing reinsurance strategies to reduce exposure to significant insurance risks.
- Applying strict credit policies and conducting thorough creditworthiness assessments for clients and suppliers.
- Ensuring the availability of financial or legal guarantees when providing insurance facilities.
- Establishing adequate reserves to address anticipated risks

D. Risk Control Procedures and Ongoing Monitoring of the Effectiveness of Hedging and Mitigation Measures

- Conducting regular stress testing to ensure the company's ability to withstand risks under various scenarios.
- Performing independent internal audits to verify the effectiveness of risk control policies and procedures.
- Monitoring compliance with relevant regulatory and legal requirements.
- Providing continuous training for employees on risk management practices and approved policies.

Policies and Procedures to Avoid Risk Concentration

- Setting limits and ceilings for exposure to specific risks, such as maximum underwriting limits for a certain type of insurance or a defined customer category.
- Diversifying the insurance portfolio to include multiple insurance classes (life, health, motor, fire, liability).
- Diversifying reinsurance strategies to avoid reliance on a single reinsurer.
- Continuous monitoring of geographic or sectoral concentration in the insurance portfolio and implementing preventive measures to reduce excessive concentration.

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First: Descriptive disclosures

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

(Any changes will be disclosed in the above descriptive disclosure for the previous period and the reasons for this, which may be the result of a change in the amount of risk exposure or methods of managing it).

Second: Quantitative disclosures

1. Insurance risks

The risks of any insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the claim related to that event. This is due to the nature of the insurance contract, where the risks are volatile and unpredictable for insurance contracts related to an insurance category. Probability theory can be applied to pricing and reserve. The main risks facing the Company. The claims incurred and related payments may exceed the carrying value of the insurance liabilities. This may happen if the possibility and seriousness of claims are greater than expected, because insurance events are not constant and vary from year to year, estimates may differ from the statistics related to them.

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

- (Its objectives, policies and procedures for managing risks arising from insurance contracts are disclosed in order to mitigate these risks).
- (The Company must disclose insurance risk information that is consistent with the information provided internally to the Board of Directors and the CEO).
- When dealing with quantitative data related to insurance risks, the Company must disclose the methods used, the strengths and limitations of these methods, the assumptions, the impact of reinsurance, the participation of the contract holder, and other mitigating factors.
- The Company must disclose if the Company is exposed to insurance risks on the reporting date that reflect the reality of the exposure during the period.
- Disclosing the general nature of the characteristics of participation in insurance contracts in the implementation of individual contracts or groups of contracts and facilities, including the general nature of any participation formula and the extent of any freedom of action enjoyed by the insurance Company.
- Disclosing any provisions information, any contingent liability of the insurance Company contributed to the government or other guarantee funds.

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45- Risk Management (continued)

2. Development of allegations

The tables below present information on total claims development 10 years prior to the reporting period. The incurred claims shown in the table correspond to the total carrying value of the groups of insurance contracts:

(The minimum portfolio of insurance contracts related to branches is taken into account in accordance with the legislation in force in this regard.)

Engineering Insurance	2024	2023	2022	2021	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	104,573	105,602	35,612	96,500	8,764,682	9,106,969
After 1 year	-	171,405	35,612	96,500	8,764,682	9,068,199
After 2 years	-	-	35,612	96,500	8,764,682	8,896,794
After 3 years	-	-	-	96,295	8,764,682	8,860,977
After 4 years	-	-	-	-	8,764,682	8,764,682
After 5 years	-	-	-	-	8,764,682	8,764,682
After 6 years	-	-	-	-	8,765,506	8,765,506
After 7 years	-	-	-	-	8,747,133	8,747,133
After 8 years	-	-	-	-	8,722,361	8,722,361
After 9 years	-	-	-	-	15,497,526	15,497,526
Total accumulated claims paid	4,018	170,880	10,612	49,445	14,914,655	15,149,610
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	100,555	525	25,000	46,850	582,871	755,801

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Marine and transportation Insurance	2024	2023	2022	2021	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	56,728	49,666	78,434	1,640,237	21,198,563	23,023,630
After 1 year	-	234,108	78,434	1,640,237	21,399,712	23,352,491
After 2 years	-	-	78,433	1,640,237	21,950,709	23,669,380
After 3 years	-	-	-	1,834,842	21,655,153	23,489,995
After 4 years	-	-	-	-	22,948,003	22,948,003
After 5 years	-	-	-	-	21,990,424	21,990,424
After 6 years	-	-	-	-	22,832,613	22,832,613
After 7 years	-	-	-	-	21,513,856	21,513,856
After 8 years	-	-	-	-	20,859,025	20,859,025
After 9 years	-	-	-	-	20,274,271	20,274,271
Total accumulated claims paid	11,714	138,845	77,333	1,574,442	19,164,366	20,966,700
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	45,014	95,263	1,100	260,400	1,109,905	1,511,682

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45- Risk Management (continued)

2. Development of allegations(continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Fire Insurance	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	111,869	2,636,249	618,404	254,536	26,053,441	29,674,499
After 1 year	-	2,771,488	632,089	254,536	27,571,889	31,230,002
After 2 years	-	-	632,089	254,120	27,622,319	28,508,528
After 3 years	-	-	-	250,019	28,388,502	28,638,521
After 4 years	-	-	-	-	27,361,511	27,361,511
After 5 years	-	-	-	-	28,000,856	28,000,856
After 6 years	-	-	-	-	30,050,833	30,050,833
After 7 years	-	-	-	-	28,279,970	28,279,970
After 8 years	-	-	-	-	28,353,362	28,353,362
After 9 years	-	-	-	-	27,943,450	27,943,450
Total accumulated claims paid	7,369	2,741,987	368,339	208,919	21,324,894	24,651,508
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	104,500	29,500	263,750	41,100	6,618,556	7,057,406

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

liability insurance	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	103,409	148,039	5,576,455	190,603	1,527,728	7,546,234
After 1 year	-	225,989	5,607,955	190,603	1,527,728	7,552,275
After 2 years	-	-	5,600,920	190,603	1,648,576	7,440,099
After 3 years	-	-	-	190,603	1,726,266	1,916,869
After 4 years	-	-	-	-	1,781,766	1,781,766
After 5 years	-	-	-	-	1,862,266	1,862,266
After 6 years	-	-	-	-	1,892,979	1,892,979
After 7 years	-	-	-	-	1,938,121	1,938,121
After 8 years	-	-	-	-	1,965,771	1,965,771
After 9 years	-	-	-	-	2,958,025	2,958,025
Total accumulated claims paid	8,409	11,389	421,820	15,603	1,741,725	2,198,946
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	95,000	214,600	5,179,100	175,000	1,216,300	6,880,000

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45- Risk Management (continued)

2. Development of allegations(continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Aviation Insurance	2024	2023	2022	2021	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	41,000	-	-	-	432,230	473,230
After 1 year	-	253,582	-	-	432,230	685,812
After 2 years	-	-	-	-	432,230	432,230
After 3 years	-	-	-	-	432,230	432,230
After 4 years	-	-	-	-	432,230	432,230
After 5 years	-	-	-	-	432,230	432,230
After 6 years	-	-	-	-	432,230	432,230
After 7 years	-	-	-	-	432,230	432,230
After 8 years	-	-	-	-	432,230	432,230
After 9 years	-	-	-	-	432,230	432,230
Total accumulated claims paid	-	253,582	-	-	432,230	685,812
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	41,000	-	-	-	-	41,000

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Others Insurance	2024	2023	2022	2021	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	12,837	1,393	533	11,757	275,246	301,766
After 1 year	-	1,393	253	11,757	239,346	252,749
After 2 years	-	-	253	11,757	247,063	259,073
After 3 years	-	-	-	11,757	247,310	259,067
After 4 years	-	-	-	-	228,290	228,290
After 5 years	-	-	-	-	186,785	186,785
After 6 years	-	-	-	-	186,785	186,785
After 7 years	-	-	-	-	186,785	186,785
After 8 years	-	-	-	-	186,785	186,785
After 9 years	-	-	-	-	196,111	196,111
Total accumulated claims paid	12,837	1,152	189	720	154,936	169,834
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	-	241	64	11,037	41,175	52,517

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Individual Life Insurance	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	2,235,770	-	-	-	-	2,235,770
After 1 year	-	3,290,999	-	-	-	3,290,999
After 2 years	-	-	2,678,672	-	-	2,678,672
After 3 years	-	-	-	4,018,723	-	4,018,723
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	10,356,137	10,356,137
Total accumulated claims paid	1,556,905	2,734,836	2,284,238	3,244,381	9,126,806	18,947,166
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	678,864	556,162	394,434	774,342	1,229,332	3,633,134

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Group Life Insurance	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	416,014	402,473	728,775	1,369,151	1,935,751	4,852,164
After 1 year	-	443,473	728,775	1,369,151	1,935,751	4,477,150
After 2 years	-	-	728,775	1,502,734	1,935,751	4,167,260
After 3 years	-	-	-	1,387,962	1,935,751	3,323,713
After 4 years	-	-	-	-	1,935,751	1,935,751
After 5 years	-	-	-	-	1,935,751	1,935,751
After 6 years	-	-	-	-	2,104,269	2,104,269
After 7 years	-	-	-	-	2,139,658	2,139,658
After 8 years	-	-	-	-	2,147,467	2,147,467
After 9 years	-	-	-	-	2,226,346	2,226,346
Total accumulated claims paid	406,014	414,928	430,575	1,380,962	1,825,062	4,457,541
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	10,000	28,545	298,200	7,000	401,284	745,029

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Medical Insurance – Individual	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	350,938	474,020	424,266	396,819	13,229,821	14,875,864
After 1 year	-	474,020	424,266	396,819	13,229,821	14,524,926
After 2 years	-	-	424,266	396,819	13,229,821	14,050,906
After 3 years	-	-	-	396,819	13,229,821	13,626,640
After 4 years	-	-	-	-	13,229,821	13,229,821
After 5 years	-	-	-	-	13,229,821	13,229,821
After 6 years	-	-	-	-	13,229,821	13,229,821
After 7 years	-	-	-	-	13,229,821	13,229,821
After 8 years	-	-	-	-	13,229,821	13,229,821
After 9 years	-	-	-	-	13,229,821	13,229,821
Total accumulated claims paid	257,931	474,020	424,266	396,819	13,229,821	14,782,857
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	93,007	-	-	-	-	93,007

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Medical Insurance- Group	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	1,185,662	1,610,296	1,534,444	1,551,845	37,808,137	43,690,384
After 1 year	-	1,610,296	1,534,444	1,551,845	37,808,137	42,504,722
After 2 years	-	-	1,534,444	1,551,845	37,808,137	40,894,426
After 3 years	-	-	-	1,551,845	37,808,137	39,359,982
After 4 years	-	-	-	-	37,808,137	37,808,137
After 5 years	-	-	-	-	37,808,137	37,808,137
After 6 years	-	-	-	-	37,808,137	37,808,137
After 7 years	-	-	-	-	37,808,137	37,808,137
After 8 years	-	-	-	-	37,808,137	37,808,137
After 9 years	-	-	-	-	37,808,137	37,808,137
Total accumulated claims paid	948,186	1,610,296	1,534,444	1,551,845	37,784,179	43,428,950
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	237,476	-	-	-	23,958	261,434

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Compulsory Insurance - Motor	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	10,529,321	8,998,093	7,685,930	5,825,732	54,244,550	87,283,626
After 1 year	-	9,193,276	7,815,979	5,897,315	54,332,717	77,239,287
After 2 years	-	-	7,877,114	5,912,386	54,421,103	68,210,603
After 3 years	-	-	-	5,935,303	54,479,503	60,414,806
After 4 years	-	-	-	-	54,482,592	54,482,592
After 5 years	-	-	-	-	54,014,660	54,014,660
After 6 years	-	-	-	-	53,974,061	53,974,061
After 7 years	-	-	-	-	53,961,727	53,961,727
After 8 years	-	-	-	-	53,947,604	53,947,604
After 9 years	-	-	-	-	52,359,621	52,359,621
Total accumulated claims paid	6,147,387	7,837,045	7,023,653	5,367,081	49,280,425	75,655,591
Discount effect	-	109,321	68,795	45,802	248,204	472,122
Total liabilities versus claims incurred	4,381,934	1,246,910	784,666	522,419	2,830,992	9,766,921

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Comprehensive Insurance – Motor	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	3,374,960	3,197,351	3,596,630	3,173,118	54,369,687	67,711,746
After 1 year	-	3,358,842	3,278,254	3,592,484	54,407,289	64,636,869
After 2 years	-	-	3,067,367	3,742,279	54,413,551	61,223,197
After 3 years	-	-	-	3,783,121	54,424,767	58,207,888
After 4 years	-	-	-	-	54,370,586	54,370,586
After 5 years	-	-	-	-	53,853,358	53,853,358
After 6 years	-	-	-	-	53,891,055	53,891,055
After 7 years	-	-	-	-	53,846,786	53,846,786
After 8 years	-	-	-	-	52,880,247	52,880,247
After 9 years	-	-	-	-	50,809,505	50,809,505
Total accumulated claims paid	1,941,870	2,633,314	2,558,959	3,183,507	48,778,466	59,096,116
Discount effect	-	22,676	15,890	18,741	63,479	120,786
Total liabilities versus claims incurred	1,433,090	702,852	492,518	580,873	1,967,560	5,176,893

Middle East Insurance Company
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 (Jordanian Dinars)

45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Supplementary Insurance – Motor	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	124,168	63,139	71,206	41,003	1,651,973	1,951,489
After 1 year	-	62,219	55,436	48,315	1,651,567	1,817,537
After 2 years	-	-	61,523	64,664	1,648,458	1,774,645
After 3 years	-	-	-	66,601	1,654,878	1,721,479
After 4 years	-	-	-	-	1,657,487	1,657,487
After 5 years	-	-	-	-	1,657,452	1,657,452
After 6 years	-	-	-	-	1,654,274	1,654,274
After 7 years	-	-	-	-	1,666,727	1,666,727
After 8 years	-	-	-	-	1,661,388	1,661,388
After 9 years	-	-	-	-	1,636,940	1,636,940
Total accumulated claims paid	77,513	56,522	57,338	65,291	1,516,221	1,772,885
Discount effect	-	102	75	24	2,172	2,373
Total liabilities versus claims incurred	46,654	5,594	4,110	1,286	118,546	176,190

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Border and Orange Card Insurance – Motor	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	337,953	209,666	170,076	287,128	2,711,709	3,716,532
After 1 year	-	201,380	161,962	287,128	2,711,709	3,362,179
After 2 years	-	-	162,156	287,128	2,711,709	3,160,993
After 3 years	-	-	-	287,128	2,711,709	2,998,837
After 4 years	-	-	-	-	2,711,709	2,711,709
After 5 years	-	-	-	-	2,705,958	2,705,958
After 6 years	-	-	-	-	2,716,120	2,716,120
After 7 years	-	-	-	-	2,680,010	2,680,010
After 8 years	-	-	-	-	2,649,633	2,649,633
After 9 years	-	-	-	-	2,313,712	2,313,712
Total accumulated claims paid	270,656	184,553	134,014	278,532	2,071,500	2,939,255
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	67,298	16,827	28,143	8,596	242,212	363,076

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Bus Insurance – Motor	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	388,887	185,932	355,251	168,241	3,191,034	4,289,345
After 1 year	-	175,933	349,762	168,241	3,159,590	3,853,526
After 2 years	-	-	350,595	170,221	3,139,687	3,660,503
After 3 years	-	-	-	165,245	3,123,414	3,288,659
After 4 years	-	-	-	-	3,109,960	3,109,960
After 5 years	-	-	-	-	2,994,638	2,994,638
After 6 years	-	-	-	-	2,951,817	2,951,817
After 7 years	-	-	-	-	2,937,992	2,937,992
After 8 years	-	-	-	-	2,928,476	2,928,476
After 9 years	-	-	-	-	2,799,216	2,799,216
Total accumulated claims paid	299,259	145,919	229,566	141,575	2,622,939	3,439,258
Discount effect	-	373	1,503	294	2,189	4,359
Total liabilities versus claims incurred	89,628	29,642	119,526	23,376	174,087	436,259

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Middle East Insurance Company
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45- Risk Management (continued)

2. Development of allegations (continued)

The tables below present information on net claims development 10 years prior to the reporting period. The incurred claims shown in the table correspond to the total carrying value of the groups of insurance contracts:

(The minimum portfolio of insurance contracts related to branches is taken into account in accordance with the legislation in force in this regard.)

Engineering Insurance	2024	2023	2022	2021	Before	Total
<u>Estimates of net undiscounted maximum claims*</u>						
As in the year of accident	712	719	242	657	59,654	61,984
After 1 year	-	1,167	242	657	59,654	61,720
After 2 years	-	-	242	657	59,654	60,553
After 3 years	-	-	-	655	59,654	60,309
After 4 years	-	-	-	-	59,654	59,654
After 5 years	-	-	-	-	59,654	59,654
After 6 years	-	-	-	-	59,660	59,660
After 7 years	-	-	-	-	59,535	59,535
After 8 years	-	-	-	-	59,366	59,366
After 9 years	-	-	-	-	105,480	105,480
Net accumulated claims paid	27	1,163	72	337	101,513	103,112
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	684	4	170	319	3,967	5,144

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims+ paid claims + claims that occurred but were not reported

Marine and transportation Insurance	2024	2023	2022	2021	Before	Total
<u>Estimates of net undiscounted maximum claims*</u>						
As in the year of accident	23,956	20,974	33,122	692,656	8,951,943	9,722,651
After 1 year	-	98,861	33,122	692,656	9,036,886	9,861,525
After 2 years	-	-	33,122	692,656	9,269,566	9,995,344
After 3 years	-	-	-	774,835	9,144,756	9,919,591
After 4 years	-	-	-	-	9,690,714	9,690,714
After 5 years	-	-	-	-	9,286,338	9,286,338
After 6 years	-	-	-	-	9,641,985	9,641,985
After 7 years	-	-	-	-	9,085,087	9,085,087
After 8 years	-	-	-	-	8,808,559	8,808,559
After 9 years	-	-	-	-	8,561,623	8,561,623
Net accumulated claims paid	4,947	58,633	32,657	664,871	8,092,921	8,854,029
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	19,009	40,229	465	109,964	468,702	638,369

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Fire Insurance	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	1,822	42,928	10,070	4,145	424,244	483,209
After 1 year	-	45,130	10,293	4,145	448,969	508,537
After 2 years	-	-	10,293	4,138	449,791	464,222
After 3 years	-	-	-	4,071	462,267	466,338
After 4 years	-	-	-	-	445,544	445,544
After 5 years	-	-	-	-	455,955	455,955
After 6 years	-	-	-	-	489,335	489,335
After 7 years	-	-	-	-	460,500	460,500
After 8 years	-	-	-	-	461,695	461,695
After 9 years	-	-	-	-	455,020	455,020
Net accumulated claims paid	120	44,649	5,998	3,402	347,246	401,415
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	1,702	480	4,295	669	107,774	114,920

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

liability insurance	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	145	207	7,806	267	2,139	10,564
After 1 year	-	316	7,850	267	2,139	10,572
After 2 years	-	-	7,840	267	2,308	10,415
After 3 years	-	-	-	267	2,417	2,684
After 4 years	-	-	-	-	2,494	2,494
After 5 years	-	-	-	-	2,607	2,607
After 6 years	-	-	-	-	2,650	2,650
After 7 years	-	-	-	-	2,713	2,713
After 8 years	-	-	-	-	2,752	2,752
After 9 years	-	-	-	-	4,141	4,141
Net accumulated claims paid	12	16	590	22	2,438	3,078
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	133	300	7,250	245	1,703	9,631

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Aviation Insurance	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	-	-	-	-	-	-
After 1 year	-	-	-	-	-	-
After 2 years	-	-	-	-	-	-
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Net accumulated claims paid	-	-	-	-	-	-
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	-	-	-	-	-	-

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Others Insurance	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	2,913	316	121	2,667	62,448	68,465
After 1 year	-	316	57	2,667	54,303	57,343
After 2 years	-	-	57	2,667	56,053	58,721
After 3 years	-	-	-	2,667	56,109	58,776
After 4 years	-	-	-	-	51,794	51,794
After 5 years	-	-	-	-	42,378	42,378
After 6 years	-	-	-	-	42,378	42,378
After 7 years	-	-	-	-	42,378	42,378
After 8 years	-	-	-	-	42,378	42,378
After 9 years	-	-	-	-	44,493	44,493
Net accumulated claims paid	2,912	261	43	163	35,152	38,531
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	-	55	15	2,504	9,342	11,916

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Individual Life Insurance	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	443,736	-	-	-	-	443,736
After 1 year	-	653,169	-	-	-	653,169
After 2 years	-	-	531,640	-	-	531,640
After 3 years	-	-	-	797,602	-	797,602
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	2,055,397	2,055,397
Net accumulated claims paid	309,001	542,787	453,356	643,917	1,811,410	3,760,471
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	134,735	110,382	78,284	153,685	243,987	721,073

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Group Life Insurance	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	106,749	103,274	187,003	351,324	496,713	1,245,063
After 1 year	-	113,795	187,003	351,324	496,713	1,148,835
After 2 years	-	-	187,003	385,601	496,713	1,069,317
After 3 years	-	-	-	356,151	496,713	852,864
After 4 years	-	-	-	-	496,713	496,713
After 5 years	-	-	-	-	496,713	496,713
After 6 years	-	-	-	-	539,955	539,955
After 7 years	-	-	-	-	549,036	549,036
After 8 years	-	-	-	-	551,039	551,039
After 9 years	-	-	-	-	571,280	571,280
Net accumulated claims paid	104,183	106,470	110,485	354,354	468,310	1,143,802
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	2,566	7,325	76,518	1,796	102,969	191,174

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Medical Insurance – Individual	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	143,183	193,400	173,101	161,902	5,397,767	6,069,353
After 1 year	-	193,400	173,101	161,902	5,397,767	5,926,170
After 2 years	-	-	173,101	161,902	5,397,767	5,732,770
After 3 years	-	-	-	161,902	5,397,767	5,559,669
After 4 years	-	-	-	-	5,397,767	5,397,767
After 5 years	-	-	-	-	5,397,767	5,397,767
After 6 years	-	-	-	-	5,397,767	5,397,767
After 7 years	-	-	-	-	5,397,767	5,397,767
After 8 years	-	-	-	-	5,397,767	5,397,767
After 9 years	-	-	-	-	5,397,767	5,397,767
Net accumulated claims paid	105,236	193,400	173,101	161,902	5,397,767	6,031,406
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	37,947	-	-	-	-	37,947

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Medical Insurance- Group	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	737,121	1,027,564	958,640	974,719	20,557,874	24,255,918
After 1 year	-	1,027,564	958,640	974,719	20,557,874	23,518,797
After 2 years	-	-	958,640	974,719	20,557,874	22,491,233
After 3 years	-	-	-	974,719	20,557,874	21,532,593
After 4 years	-	-	-	-	20,557,874	20,557,874
After 5 years	-	-	-	-	20,557,874	20,557,874
After 6 years	-	-	-	-	20,557,874	20,557,874
After 7 years	-	-	-	-	20,557,874	20,557,874
After 8 years	-	-	-	-	20,557,874	20,557,874
After 9 years	-	-	-	-	20,557,874	20,557,874
Net accumulated claims paid	564,553	1,027,564	958,640	974,719	20,536,503	24,061,979
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	172,568	-	-	-	21,371	193,939

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Compulsory Insurance - Motor	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	10,529,321	8,998,093	7,685,930	5,825,732	54,244,550	87,283,626
After 1 year	-	9,193,276	7,815,979	5,897,315	54,332,717	77,239,287
After 2 years	-	-	7,877,114	5,912,386	54,421,103	68,210,603
After 3 years	-	-	-	5,935,303	54,479,503	60,414,806
After 4 years	-	-	-	-	54,482,592	54,482,592
After 5 years	-	-	-	-	54,014,660	54,014,660
After 6 years	-	-	-	-	53,974,061	53,974,061
After 7 years	-	-	-	-	53,961,727	53,961,727
After 8 years	-	-	-	-	53,947,604	53,947,604
After 9 years	-	-	-	-	52,359,621	52,359,621
Net accumulated claims paid	6,147,387	7,837,045	7,023,653	5,367,081	49,280,425	75,655,591
Discount effect	-	109,321	68,795	45,802	248,204	472,122
Net liabilities versus claims incurred	4,381,934	1,246,910	784,666	522,419	2,830,992	9,766,921

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Comprehensive Insurance – Motor	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	1,635,224	1,549,169	1,742,627	1,537,428	26,343,013	32,807,461
After 1 year	-	1,627,414	1,588,368	1,740,618	26,361,232	31,317,632
After 2 years	-	-	1,486,190	1,813,196	26,364,266	29,663,652
After 3 years	-	-	-	1,832,985	26,369,700	28,202,685
After 4 years	-	-	-	-	26,343,449	26,343,449
After 5 years	-	-	-	-	26,092,844	26,092,844
After 6 years	-	-	-	-	26,111,108	26,111,108
After 7 years	-	-	-	-	26,089,659	26,089,659
After 8 years	-	-	-	-	25,621,355	25,621,355
After 9 years	-	-	-	-	24,618,046	24,618,046
Net accumulated claims paid	940,868	1,275,884	1,239,858	1,542,462	23,633,974	28,633,046
Discount effect	-	17,225	12,070	14,235	48,218	91,748
Net liabilities versus claims incurred	694,356	334,306	234,262	276,287	935,854	2,475,065

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Supplementary Insurance – Motor	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	114,860	58,406	65,868	37,929	1,528,137	1,805,200
After 1 year	-	57,555	51,280	44,694	1,527,762	1,681,291
After 2 years	-	-	56,911	59,817	1,524,886	1,641,614
After 3 years	-	-	-	61,609	1,530,824	1,592,433
After 4 years	-	-	-	-	1,533,238	1,533,238
After 5 years	-	-	-	-	1,533,205	1,533,205
After 6 years	-	-	-	-	1,530,266	1,530,266
After 7 years	-	-	-	-	1,541,785	1,541,785
After 8 years	-	-	-	-	1,536,846	1,536,846
After 9 years	-	-	-	-	1,514,231	1,514,231
Net accumulated claims paid	71,703	52,285	53,040	60,397	1,402,562	1,639,987
Discount effect	-	97	72	22	2,066	2,257
Net liabilities versus claims incurred	43,157	5,172	3,800	1,189	109,603	162,921

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Border and Orange Card Insurance – Motor	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	337,953	209,666	170,076	287,128	2,711,709	3,716,532
After 1 year	-	201,380	161,962	287,128	2,711,709	3,362,179
After 2 years	-	-	162,156	287,128	2,711,709	3,160,993
After 3 years	-	-	-	287,128	2,711,709	2,998,837
After 4 years	-	-	-	-	2,711,709	2,711,709
After 5 years	-	-	-	-	2,705,958	2,705,958
After 6 years	-	-	-	-	2,716,120	2,716,120
After 7 years	-	-	-	-	2,680,010	2,680,010
After 8 years	-	-	-	-	2,649,633	2,649,633
After 9 years	-	-	-	-	2,313,712	2,313,712
Net accumulated claims paid	270,656	184,553	134,014	278,532	2,071,500	2,939,255
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	67,298	16,827	28,143	8,596	242,212	363,076

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45- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

Bus Insurance – Motor	2024	2023	2022	2021	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	388,887	185,932	355,251	168,241	3,191,034	4,289,345
After 1 year	-	175,933	349,762	168,241	3,159,590	3,853,526
After 2 years	-	-	350,595	170,221	3,139,687	3,660,503
After 3 years	-	-	-	165,245	3,123,414	3,288,659
After 4 years	-	-	-	-	3,109,960	3,109,960
After 5 years	-	-	-	-	2,994,638	2,994,638
After 6 years	-	-	-	-	2,951,817	2,951,817
After 7 years	-	-	-	-	2,937,992	2,937,992
After 8 years	-	-	-	-	2,928,476	2,928,476
After 9 years	-	-	-	-	2,799,216	2,799,216
Net accumulated claims paid	299,259	145,919	229,566	141,575	2,622,939	3,439,258
Discount effect	-	373	1,503	294	2,189	4,359
Net liabilities versus claims incurred	89,628	29,642	119,526	23,376	174,087	436,259

* Estimates represent reported and unreported claims

Maximum claims = outstanding claims + paid claims + claims that occurred but were not reported

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45- Risk Management (continued)

3. Concentration of insurance risks

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

Type of Insurance	2024		2023	
	Net	Grand Total	Net	Grand Total
Motor	17,634,051	20,378,302	23,657,927	26,816,702
Marine	4,006,456	5,017,770	815,312	2,423,592
Aviation	43,626	84,626	7,215	39,278
Fire and General Accident	621,488	7,662,345	147,271	8,961,213
Engineer	252,273	1,012,861	31,086	790,030
Responsibilities	63,105	6,971,474	118,240	8,094,146
Medical	1,038,416	1,308,141	2,420,759	3,725,231
Others	37,915	78,517	47,084	101,733
Life	1,245,446	5,352,826	5,156,853	9,947,132
Total	24,942,776	47,866,862	32,401,747	60,899,057

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

A- According to Geographical region

	2024				2023			
	Assets	Liabilities	Reinsurance Assets	Reinsurance Liabilities	Assets	Liabilities	Reinsurance Assets	Reinsurance Liabilities
Inside Kingdome	71,991,434	55,495,807	-	-	73,292,287	51,770,915	-	-
Middle east countries	7,570,093	5,475,308	12,073,363	-	7,706,882	5,285,499	12,154,281	2,860,600
Europe	2,358,806	1,908,663	5,868,324	-	2,401,428	1,583,367	5,907,654	1,348,683
Asia*	-	-	176,516	-	-	-	177,699	22,431
Africa*	8,764	1,059,903	10,219	-	8,922	328,844	10,288	-
America	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	81,929,097	63,939,681	18,128,422	-	83,409,519	58,968,625	18,249,922	4,231,714

* Except middle East countries

B- By Sector

	2024			2023		
	Assets	Liabilities	Items outside financial position statement	Assets	Liabilities	Items outside financial position statement
Public sector						
Private sector	1,406,003	3,340,088	-	2,098,244	345,507	391,495
Companies and Establishments						
Individuals	94,106,573	58,807,694	-	10,729,960	13,758,807	886,880
Total	4,544,943	1,791,900	-	4,456,781	900,555	-
				17,284,985	15,004,868	1,278,375

45- Risk Management (continued)

4. Reinsurance risks

As part of its normal business, the Company enters into reinsurance agreements with other parties. In order to reduce its exposure to significant losses as a result of the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies with which it deals and monitors concentrations of credit risks resulting from geographic regions and activities or economic components similar to those companies. The reinsurance contracts issued do not relieve the Company of its obligations towards insurance policyholders, and as a result the Company remains committed to the balance of reinsured claims in the event that the reinsurers are unable to fulfill their obligations in accordance with the reinsurance contracts.

5. Insurance risk sensitivity

The insurance Company must disclose the sensitivity of insurance risks and conduct a sensitivity analysis showing how profit or loss and equity will be affected in the event of a change in the relevant risk variable that was reasonably possible at the date of the financial statements.

The Company must disclose the methods and assumptions used in preparing the sensitivity analysis and any changes in the methods and assumptions from the previous period. In addition to disclosing quantitative information about sensitivity and information about these terms and conditions of insurance contracts that have a material impact on the amount, timing, and uncertainty regarding future flows to insurance companies. Below is a table showing the effect of a reasonable possible change in subscription premium prices on the statement of profits, losses and equity, with all other influential variables remaining constant.

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45- Risk Management (continued)

5. Insurance risk sensitivity (continued)

2024	Percentage Change	Gross Contract Service Margin	Net Contract Service Margin	Profit or Loss	Net Profit or Loss	Total Impact on Equity	Net Impact on Equity
Mortality Rate	5+%	17,284	11,243	(4,147)	(32,078)	(4,147)	(32,078)
Mortality Rate	-5%	(19,706)	(12,280)	2,175	31,346	2,175	31,346
Morbidity Rate	5+%	-	-	-	-	-	-
Morbidity Rate	-5%	-	-	-	-	-	-
Life Expectancy	5+%	(19,706)	(12,280)	2,175	31,346	2,175	31,346
Life Expectancy	-5%	17,284	11,243	(4,147)	(32,078)	(4,147)	(32,078)
Expenses	5+%	14,841	14,890	(10,273)	(10,224)	(10,273)	(10,224)
Expenses	-5%	(7,947)	(7,898)	10,028	10,077	10,028	10,077
Lapse Rate	5+%	12,819	13,185	6,686	8,449	6,686	8,449
Lapse Rate	-5%	(34,394)	(34,651)	(28,163)	(29,747)	(28,163)	(29,747)
Total Loss Ratio	5+%	-	-	-	-	-	-
Total Loss Ratio	-5%	-	-	-	-	-	-

2023	Percentage Change	Gross Contract Service Margin	Net Contract Service Margin	Profit or Loss	Net Profit or Loss	Total Impact on Equity	Net Impact on Equity
Mortality Rate	5+%	15,575	4,645	(3,919)	(1,568)	(3,919)	(1,568)
Mortality Rate	-5%	(17,759)	(4,320)	2,146	2,386	2,146	2,386
Morbidity Rate	5+%	-	-	-	-	-	-
Morbidity Rate	-5%	-	-	-	-	-	-
Life Expectancy	5+%	(17,759)	(4,320)	2,146	2,386	2,146	2,386
Life Expectancy	-5%	15,575	4,645	(3,919)	(1,568)	(3,919)	(1,568)
Expenses	5+%	13,374	13,462	(9,462)	(9,375)	(9,462)	(9,375)
Expenses	-5%	(7,162)	(7,074)	9,168	9,256	9,168	9,256
Lapse Rate	5+%	11,552	12,214	6,668	6,976	6,668	6,976
Lapse Rate	-5%	(30,995)	(31,459)	(25,986)	(26,115)	(25,986)	(26,115)
Total Loss Ratio	5+%	-	-	-	-	-	-
Total Loss Ratio	-5%	-	-	-	-	-	-

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45- Risk Management (continued)

C-Financial risks

The risks to which the Company is exposed revolve around the possibility that the collection of premiums and the return on investments will be insufficient to finance the obligations arising from insurance contracts and investments.

The Company follows financial policies to manage various risks within a specific strategy. The Company's management is responsible for monitoring and controlling risks and making the optimal strategic distribution of both financial assets and financial liabilities. The risks include interest rates, credit risks, foreign exchange rate risks and market risks. The Company follows a financial hedging policy for both financial assets and financial liabilities whenever necessary, which is hedging related to expected future risks.

1- Market risk

It is the risk of fluctuation in the fair value or cash flows of financial instruments as a result of changes in market prices such as interest rates, currency rates, and stock prices. Market risks arise as a result of the presence of open positions in interest rates, currencies, and investments in stocks. These risks are monitored in accordance with specific policies and procedures and through specialized committees. And the relevant business centers. Market risks include interest rate risks, exchange rate risks, and the risks of changes in stock prices.

Sensitivity Analysis

The company conducts sensitivity analysis to measure the impact on the **Value at Risk (VaR)** resulting from changes in key factors, such as:

- Market volatility
- Changes in interest rates
- Foreign exchange rate fluctuations
- Movements in equity and bond markets
- Changes in market supply and demand

The company follows the **Historical Simulation** approach, which is based on the following:

- Historical data related to past price movements and returns
- Sensitivity is analyzed by altering the historical data window or by assessing the impact of previous crisis periods

The importance of sensitivity analysis lies in the following points:

- It helps identify the most influential factors affecting financial risk
- It enables companies to make informed investment decisions based on worst-case scenarios
- It facilitates the design of hedging strategies to minimize potential losses

The company manages these risks through several strategies, including:

Risk Mitigation

To mitigate the impact of interest rate fluctuations, the company utilizes several hedging tools, including:

- Financial Derivatives: Such as Interest Rate Swaps, which allow for the exchange of cash flows between fixed and floating interest rates, thus reducing the impact of rate changes.
- Portfolio Diversification: By investing in a variety of assets that react differently to changes in interest rates.

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45- Risk Management (continued)

1- Market risk (continued)

- Matching the Maturity of Assets with Liabilities: Aligning the cash flows from investments with future obligations to policyholders, achieved through:
- Duration Analysis: Calculating the average duration of assets and liabilities and adjusting investments so that their maturities are closely aligned, thereby reducing gaps.
- Cash Flow Management: Ensuring that expected returns from investments align with future payment obligations, thus minimizing the need to sell assets before maturity and avoid potential losses.
- Investment in Insurance-Linked Bonds: Such as government bonds, which ensures that returns are aligned with liabilities.

Yield Gaps

The yield gap refers to the difference between the return on assets and the return required to cover liabilities. To manage this, the company takes the following actions:

- Adjusting the Investment Portfolio Structure: By increasing investments in assets with higher yields when necessary to cover the gap.
- Using a Mix of Fixed and Floating Rate Instruments: To avoid full exposure to interest rate fluctuations.
- Repricing Insurance Products: If the gap is negative, insurance product prices may be adjusted to compensate for lower returns.

Conclusion

The company's interest rate risk management relies on hedging strategies, maturity matching, and yield gap management to ensure financial stability and protect returns from market fluctuations.

The table below illustrates the sensitivity of the income statement to possible changes in interest rates as of December 31, 2024, and 2023, with all other variables held constant. The sensitivity of the income statement reflects the impact of the assumed possible changes in interest rates on the company's profit for the year, calculated on financial assets and liabilities carrying a variable interest rate as of December 31, 2024, and 2023.

Currency	Interest Rate Increase of 0%	Impact on Profit Before Tax for the Year 2024	Impact on Profit Before Tax for the Year 2023
Jordanian Dinar (JOD)	%1	198,692	210,870
US Dollar (USD)	%1	18,448	7,723
Euro (EUR)	%1	11,834	8,620
British Pound (GBP)	%1	10,851	10,380
Total		239,825	237,593

B- Foreign currency risks:

Foreign Exchange Risk refers to the risk of changes in the value of financial instruments due to fluctuations in foreign exchange rates. The Jordanian Dinar is the company's functional currency. The Board of Directors sets limits for the financial position of each currency held by the company. The foreign exchange position is monitored daily, and strategies are followed to ensure that the foreign exchange position remains within the approved limits.

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45- Risk Management (continued)

1- Market risk (continued)

2- B- Foreign currency risks (continued):

Below is the net foreign currency position for the company's major currencies:

Currency	In foreign currencies		Equivalent in Jordanian Dinar	
	2024	2023	2024	2023
US Dollar (USD)	2,610,990	1,089,248	1,844,864	772,277
British Pound (GBP)	1,219,954	1,170,109	1,085,119	1,056,170
Euro (EUR)	1,604,266	1,103,163	1,183,427	863,407
Saudi Riyal (SAR)	368,199	368,199	69,512	69,439
UAE Dirham (AED)	81,143	81,143	15,663	15,664

2- Credit Risk

This is the risk that one party to the financial cycle will fail to meet an obligation, causing the other party to incur a financial loss.

The company believes it is not significantly exposed to credit risk, as it sets credit limits for customers and continuously monitors outstanding receivables. The company also maintains balances and deposits with leading banking institutions.

The company engages in various insurance activities and insures a large number of customers. No single customer represents more than 10% of receivables as of December 31, 2023.

3- Liquidity Risk

Liquidity risk is represented by the Company's inability to provide the necessary funding to perform its obligations on their due dates. To protect against these risks, management diversifies funding sources, manages assets and liabilities, aligns their terms, and maintains a sufficient balance of cash, cash equivalents, and tradable securities.

The above-mentioned matters are general, and the Company's policies for managing these risks must be disclosed, provided that this includes, as a minimum, the following) and at the level of each portfolio:

- Diversifying funding sources
- Analyzing and monitoring the maturities of assets and liabilities.
- Geographical and sectoral distribution.
- The table below summarizes the maturities of financial obligations (based on the period remaining to maturity from the date of the financial statements):

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than one year	Total
December 31, 2024						
Insurance liabilities (GMM)	232,253	253,561	177,909	60,224	4,151,080	4,875,027
Insurance liabilities (PAA)	3,511,666	9,225,036	8,985,720	7,923,894	24,477,493	54,123,809
December 31, 2023						
Insurance liabilities (GMM)	201,605	220,101	154,432	52,277	3,603,299	4,231,714
Insurance liabilities (PAA)	3,415,702	8,972,942	8,740,165	7,707,356	23,808,592	52,644,757

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45- Risk management (continued)

4- Operational Risk

These are the risks resulting from systems failure or could result from any intentional or unintentional human error. These risks can affect the Company's reputation, as they can lead to financial loss. Such dangers can be avoided by separating duties and establishing the necessary procedures to obtain any information from the systems used in the Company, and through educating and training Company staff.

5- Legal Risk

This type of danger results from legal claims against the Company. To avoid these dangers, the Company has established an independent legal department to follow up on the Company's work in accordance with the law regulating insurance business and the instructions of the Insurance Authority.

46 - Analysis Of Main Sectors

Information about the Company's business sectors:

For administrative purposes, the Company has been organized to include two business sectors, the general insurance sector, which includes Motor, Marine, Fire, Responsibilities, Medical, others and the life insurance sector, which includes (Individual life and Group life) These two segments form the basis that the Company uses to show information regarding its major segments. The above two segments also include investments and cash management for the Company's own account. Transactions between business segments are carried out on the basis of estimated market prices and on the same terms as those dealt with third parties.

Geographic distribution information:

This clarification represents the geographical distribution of the Company's business. The Company carries out its activities mainly in the Kingdom, which represents local business. The Company also carries out international activities through its branches in the Middle East, Europe, Asia, America and the Near East, through which it deals with others.

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

	Inside Kingdom		Outside Kingdom		Total	
	2024	2023	2024	2023	2024	2023
Total revenues	47,029,638	24,769,770	5,622,169	2,961,108	52,651,807	27,730,878
Total assets	86,252,915	82,582,417	13,804,603	13,217,148	100,057,518	95,799,565
Capital expenditures	41,935	30,460			41,935	30,460

47 – Share Capital Management

Capital Requirements are set and regulated by the insurance management. These requirements have been established to ensure an adequate margin. Additional objectives have been set by the company to maintain strong credit ratings and a high capital ratio to support its operations.

The company manages its capital structure and makes the necessary adjustments in light of changing business conditions. The company has not made any adjustments to the objectives, policies, and procedures related to its capital structure during the current year or the previous year.

In the management's opinion, the regulatory capital is sufficient to address any risks or liabilities that may arise in the future.

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47 – Share Capital Management (continued)

- The amount the company considers as capital and the solvency margin ratio are as follows in the table below:

	2024	2023
Basic share capital items:	22,050,000	22,050,000
Paid-up Capital	5,512,500	5,512,500
Legal Reserve	2,000,000	2,000,000
Optional Reserve	9,993,384	11,766,280
Retained Earnings	1,543,500	1,543,500
Proposed Dividends	38,012,384	39,785,280
 Total Basic Capital		
Additional Capital Items		
Increase in Value of Investments property	14,761,250	14,400,953
accumulated change in fair value	(910,457)	(1,502,526)
Total Additional Capital	13,850,793	12,898,427
Total Regulatory Capital (A)	51,863,177	52,683,707
Total Required Capital (B)	22,071,662	23,711,842
Solvency Margin Ratio (A)/(B)	%235	%222

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48 - Maturity Analysis of Current and Non-Current Assets and Liabilities

	Up to one year	More than one year	Total
December 31, 2024			
Assets:			
Deposits with banks	19,869,152	-	19,869,152
Financial assets at fair value through profit and	-	7,079,608	7,079,608
Financial assets at fair value through other comprehensive income	-	13,746,207	13,746,207
Financial assets at amortized cost		8,856,724	8,856,724
Investments Properties		21,738,750	21,738,750
cash on hand and at banks	3,402,648	-	3,402,648
Insurance Assets	18,128,422	-	18,128,422
Reinsurance contract assets held	-	-	-
Deferred tax assets	-	490,912	490,912
property and equipment, net	-	4,427,143	4,427,143
Intangible assets, net	-	5,950	5,950
Other assets	-	2,312,002	2,312,002
	41,400,222	58,657,297	100,057,518
Liabilities:			
Insurance contract liabilities (GMM)	52,449,966	6,548,871	58,998,837
Insurance contract liabilities (PAA)	-	-	-
Accrued expenses	-	-	-
Income tax provision	408,470	-	408,470
Deferred tax liabilities	-	313,307	313,307
Different provisions	-	98,944	98,944
Other liabilities	115,395	4,004,728	4,120,123
Obligation right of use asset	-	-	-
Total	52,973,831	10,965,850	63,939,681
The Net	(11,573,609)	47,691,447	36,117,837

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48 - Maturity Analysis of Current and Non-Current Assets and Liabilities(continued)

	Up to one year	More than one year	Total
December 31, 2023			
Assets:			
Deposits with banks	23,759,310	-	23,759,310
Financial assets at fair value through profit and loss	7,745,386	-	7,745,386
Financial assets at fair value through other comprehensive income	-	15,427,244	15,427,244
Financial assets at amortized cost	-	2,000,380	2,000,380
Investments Properties	-	22,099,047	22,099,047
cash on hand and at banks	4,413,511	-	4,413,511
Reinsurance contract assets held	18,579,454	-	18,579,454
Deferred tax assets	-	527,914	527,914
property and equipment, net	-	4,546,228	4,546,228
Intangible assets, net	11,100	5,950	17,050
Other assets	1,623,792	920,126	2,543,918
	56,132,553	45,526,889	101,659,442
Liabilities:			
Insurance contract liabilities (GMM)	628,415	3,603,299	4,231,714
Insurance contract liabilities (PAA)	28,836,165	23,808,592	52,644,757
Accrued expenses	103,263	-	103,263
Income tax provision	866,093	-	866,093
Deferred tax liabilities	-	488,686	488,686
Different provisions	-	545,042	545,042
Other liabilities	833,715	3,486,885	4,320,600
Obligation right of use asset	184	-	184
Total	31,267,835	31,932,504	63,200,339
The Net	24,864,718	13,594,385	38,459,103

49- Cases Filed Against the Company

The company is a defendant in several lawsuits with a total value of 1,170,411 Jordanian Dinars as of December 31, 2024. The company has made adequate provisions to cover potential liabilities related to these lawsuits. In the opinion of the company and its legal advisor, the provisions made, amounting to 1,170,411 Jordanian Dinars as of December 31, 2024 (2023: 1,528,728 Jordanian Dinars), are sufficient to cover the obligations arising from these lawsuits.

The value of lawsuits filed by the company against third parties is 1,981,417 Jordanian Dinars as of December 31, 2024 (December 31, 2023: 2,096,147 Jordanian Dinars). These lawsuits represent outstanding receivables from third parties and returned checks resulting from the company's regular business activities.

50 - Obligations that May Arise

As of the financial statement date, the company has potential obligations that may arise in the form of bank guarantees amounting to 1,784,636 Jordanian Dinars, compared to 1,278,375 Jordanian Dinars as of December 31, 2024 and 2023, respectively.

51 - Subsequent Events

are no subsequent events that have a material impact on the Group's business results or continuity.

52 - Comparative Figures

Certain comparative figures have been reclassified to align with the classification numbers for the current year, and it has no impact on equity and net profit.

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53- The financial statements are distributed by product type

1- Balance Sheet Items

2024	Marine and			Fire and General				Individual			Total
	Motors	Transport	Aviation	Insurance	Engineering	Liability	Medical	Others	Group Life	Life	
Insurance Contract Assets	-	-	-	4,631,632	352,670	8,843,119	598,616	56,808	2,143,586	164,644	19,650,107
Reinsurance Contract Assets	2,859,033	-	-	4,277,952	1,406,003	55,188	2,270,871	823,372	361,672	1,865,921	-
Receivables	-	-	-	-	-	-	-	-	-	1,429,370	12,490,349
Checks for Collection	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Total Assets	7,136,985	1,406,003	55,188	6,902,503	1,176,042	9,204,791	2,464,537	56,808	3,572,956	164,644	32,140,456
Insurance Contract Liabilities	27,961,519	4,568,524	82,854	6,856,647	428,441	7,174,902	2,938,008	111,898	4,001,016	4,875,027	58,998,837
Reinsurance Contract Liabilities	-	1,211,103	38,741	-	-	-	48,359	-	223,482	-	1,521,685
Payables	1,634,322	3,340,088	14,526	479,939	222,060	25,474	498,700	-	117,128	-	6,332,239
Other Provisions	125,000	25,000	25,000	25,000	25,000	25,000	125,000	25,000	50,000	-	450,000
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	29,720,841	9,144,714	161,121	7,361,586	675,502	7,225,376	3,610,068	136,898	4,391,626	4,875,027	67,302,761

2024	Marine and			Fire and General				Individual			Total
	Motors	Transport	Aviation	Insurance	Engineering	Liability	Medical	Others	Group Life	Life	
Insurance Contract Assets	-	-	-	8,613,943	758,943	7,975,906	1,304,472	54,648	4,102,690	329,532	-
Reinsurance Contract Assets	3,158,776	1,608,280	32,063	4,870,447	586,907	25,060	561,037	76,300	46,026	2,587,542	27,939,253
Receivables	-	-	-	-	-	-	-	-	-	1,012,087	9,765,406
Checks for Collection	-	-	-	-	-	-	-	-	-	22,193	67,009
Investments	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Total Assets	8,029,223	2,195,187	57,123	9,174,980	835,243	8,021,932	4,154,980	54,648	5,136,970	396,541	38,056,827
Insurance Contract Liabilities	27,848,068	2,423,591	39,278	8,961,214	790,030	8,094,146	3,996,659	101,732	5,169,720	4,777,412	62,201,850
Reinsurance Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-
Payables	776,437	354,174	20,176	666,523	308,418	35,381	692,639	-	81,339	81,399	3,016,486
Other Provisions	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	558,573	1,187,991	-	-	-	-	-	-	-	574,842	2,321,406
Total Liabilities	29,183,078	3,965,756	59,454	9,627,737	1,098,448	8,129,527	4,689,298	101,732	5,251,059	5,433,653	67,539,742

Middle East Insurance Company
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53- The financial statements are distributed by product type

2- Income Statement Items

2024	Motors	Marine and Transport	Aviation	Fire and General Insurance	Liability	Medical	Others	Group Life Insurance	Individual Life Insurance	Total
Insurance Contract Assets	16,198,989	5,915,961	227,076	13,237,865	1,490,345	7,932,580	66,034	7,582,958	1,649,918	52,651,806
Reinsurance Contract Assets	(16,239,190)	(1,079,514)	(309,414)	(3,853,258)	(486,107)	(8,258,431)	(87,416)	(5,782,233)	(1,711,790)	(36,095,562)
Insurance Contracts Operating Results	(40,201)	4,836,448	(82,338)	9,384,607	1,004,238	(325,851)	(21,382)	1,800,725		16,556,246
Insurance Contracts Operating Results	(470,710)	(4,662,078)	(222,986)	(12,823,996)	(1,440,634)	(2,879,201)	(38,504)	(4,670,337)	(61,871)	(27,208,444)
Reinsurance Recoveries	19,326	1,031,408	348,608	4,288,561	557,287	2,646,036	4,515	2,420,299		11,316,039
Insurance Contracts Operating Results	(451,384)	(3,630,670)	125,622	(8,535,436)	(883,347)	(233,165)	(33,988)	(2,250,038)	248,769	(15,892,406)
Net Insurance Operations Results	(491,585)	1,205,778	43,284	849,171	120,891	(559,016)	(55,370)	(449,313)		663,840
Finance Expenses/Income - Insurance Contracts	(808,008)									(808,009)
Finance Expenses/Income - Insurance Contracts	99,230								248,769	99,231
Net Results of Insurance Operations Financing	(708,778)									(708,778)
Net Revenues of Insurance and Reinsurance Operations	(1,200,363)	1,205,778	43,284	849,171	120,891	(559,016)	(55,370)	(449,313)	(310,640)	(44,938)
2023	Motors	Marine and Transport	Aviation	Fire and General Insurance	Liability	Medical	Others	Group Life Insurance	Individual Life Insurance	Total
Insurance Contract Assets	14,684,370	5,120,372	227,419	12,649,468	1,470,447	7,359,857	73,541	6,310,256	910,284	48,806,014
Reinsurance Contract Assets	(15,268,482)	(964,626)	(12,173)	(2,305,229)	(720,280)	(7,209,867)	(13,172)	(4,033,451)	(816,799)	(31,344,079)
Insurance Contracts Operating Results	(584,112)	4,155,746	215,246	10,344,239	750,167	149,990	60,369	2,276,805	93,485	17,461,935
Insurance Contracts Operating Results	(162,654)	(4,012,735)	(196,265)	(12,291,022)	(1,414,405)	(2,070,571)	(20,918)	(4,870,953)	(376,738)	(25,416,261)
Reinsurance Recoveries	1,072,257	2,349	600,266	1,950,437	647,353	2,270,453	-	2,867,121	-	9,410,236
Insurance Contracts Operating Results	909,603	(4,010,386)	404,001	(10,340,585)	(767,052)	199,882	(20,918)	(2,003,832)	(376,738)	(16,006,025)
Net Insurance Operations Results	325,491	145,360	619,247	3,654	(16,885)	349,872	39,451	272,973	(283,253)	1,455,910
Finance Expenses/Income - Insurance Contracts	(38,150)									(38,150)
Finance Expenses/Income - Insurance Contracts	13,640									13,640
Net Results of Insurance Operations Financing	(24,510)									(24,510)
Net Revenues of Insurance and Reinsurance Operations	300,981	145,360	619,247	3,654	(16,885)	349,872	39,451	272,973		1,431,400

Middle East Insurance Company
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54- Written Premiums - Insurance Branch

	Motors		Marine and Transport		Aviation		Fire and General Insurance		Liability		Medical		Others		Life		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Written Premiums																		
Direct Business	17,291,443	14,777,424	5,781,225	4,982,854	226,904	203,777	11,350,553	8,529,608	1,486,965	1,321,97	7,651,778	7,272,166	48,196	57,788	5,430,256	5,603,084	49,267,320	42,748,674
Incoming Facultative Reinsurance	297,607	219,215	-	-	-	-	1,427,228	3,292,587	39	88,384	-	-	-	-	1682195	1737597,325	3,407,069	5,337,783
Written Premiums	17,589,050	14,996,639	5,781,225	4,982,854	226,904	203,777	12,777,781	11,822,195	1,487,004	1,410,357	7,651,778	7,272,166	48,196	57,788	7,112,451	7,340,682	52,674,389	48,086,458
Less:																		
Local Reinsurance Premiums	188,974	162,520	6,439	11,817	-	-	1,184,495	3,968,300	13,956	90,165	-	-	-	-	1643547,416	1698052,632	3,037,411	5,930,855
Foreign Reinsurance Premiums	26,596	25,736	4,554,823	4,108,093	226,904	203,777	11,500,469	7,790,724	1,469,438	1,317,032	3,144,370	1,915,322	35,852	20,918	2,929,550	3,347,169	23,888,002	18,728,771
Net Premiums	17,373,480	14,808,383	1,219,963	862,944	-	-	92,817	63,171	3,610	3,160	507,408	5,356,844	12,344	36,870	4,573,097	5,045,222	26,925,413	24,659,626

Middle East Insurance Company
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55- Expected recognition in the Contractual Service Margin (CSM) under the General Measurement Model / Variable Fee Approach

2024	Issued Insurance Contracts			Reinsurance Contracts		
	Term Insurance	Endowment Insurance	Total	Term Insurance	Endowment Insurance	Total
Expected Years for Recognition of Contractual Service Margin:						
1 Year	4,325	68,144	72,469	38,230	6,239	44,469
2 Years	3,745	111,476	115,221	29,375	10,480	39,855
3 Years	1,730	127,990	129,720	12,338	12,491	24,829
4 Years	471	117,873	118,344	3,211	12,141	15,352
5 Years	75	92,950	93,025	517	10,329	10,846
6 to 10 Years	7	134,172	134,179	51	19,479	19,530
More than 10 Years	-	1,796	1,796	-	520	520
Total	10,353	654,401	664,754	83,722	71,679	155,401

2023	Issued Insurance Contracts			Reinsurance Contracts		
	Term Insurance	Endowment Insurance	Total	Term Insurance	Endowment Insurance	Total
Expected Years for Recognition of Contractual Service Margin:						
1 Year	7,276	60,617	67,893	92,928	6,762	99,690
2 Years	6,300	99,147	105,447	71,404	11,359	82,763
3 Years	2,911	113,820	116,731	29,991	13,539	43,530
4 Years	792	104,791	105,583	7,805	13,160	20,965
5 Years	126	82,601	82,727	1,257	11,195	12,452
6 to 10 Years	12	119,069	119,081	125	21,112	21,237
More than 10 Years	-	1,583	1,583	-	564	564
Total	17,417	581,628	599,045	203,510	77,691	281,201

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56- Expected Recognition in the Contractual Service Margin for the General Measurement Model / Variable Costing Method

2024

Expected Years for Recognition of Contractual Service Margin:

1 Year
 2 Years
 3 Years
 4 Years
 5 Years
 6 to 10 Years
 More than 10 Years
Total

	Reinsurance Contracts		
	Term Insurance	Endowment Insurance	Total
1 Year	5,397	254,985	260,382
2 Years	1,655	52,994	54,649
3 Years	919	26,529	27,448
4 Years	264	12,078	12,342
5 Years	45	2,830	2,875
6 to 10 Years	-	2,029	2,029
More than 10 Years	-	-	-
Total	8,280	351,445	359,725

2023

Expected Years for Recognition of Contractual Service Margin:

1 Year
 2 Years
 3 Years
 4 Years
 5 Years
 6 to 10 Years
 More than 10 Years
Total

	Reinsurance Contracts		
	Term Insurance	Endowment Insurance	Total
1 Year	5,397	119,835	125,214
2 Years	2,019	37,886	39,905
3 Years	619	16,809	17,500
4 Years	353	8,087	8,440
5 Years	53	2,065	2,099
6 to 10 Years	-	1,260	1,260
More than 10 Years	-	-	-
Total	8,476	185,942	194,418

Middle East Insurance Company
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57- Receivables Analysis

	2024			2023		
	Receivables	Expected credit losses		Receivables	Expected credit losses	
		provision	Net		provision	Net
Motors	4,277,952	(538,268)	3,739,684	6,072,368	(1,201,924)	4,870,444
Marine	1,406,003	(176,909)	1,229,094	731,744	(144,836)	586,908
Aviation	55,188	(6,944)	48,244	31,245	(6,184)	25,061
Fire	3,094,243	(389,329)	2,704,914	794,618	(157,281)	637,337
Responsibility	361,672	(45,507)	316,165	57,385	(11,358)	46,027
Medical	1,865,921	(234,777)	1,631,144	2,587,542	-	2,587,542
Others	-	-	-	-	-	-
Individual life	1,429,370	(179,849)	1,249,521	1,012,087	-	1,012,087
Total	12,490,349	(1,571,583)	10,918,766	11,286,989	(1,521,583)	9,765,406