Trust International Insurance
Public Shareholding Company
Ramallah - Palestine

Independent Auditor's Report
and Consolidated Financial Statements
For the year Ended December 31, 2024

Talal Abu-Ghazaleh & Co. International
Certified Public Accountants

Trust International Insurance
Public shareholding Company
Ramallah - Palestine

Table of Contents

Independent Auditors' Report

To M/s the Shareholders of Trust International Insurance
Public Shareholding Co.
Ramallah – Palestine

Opinion

We have audited the accompanying consolidated financial statements of **Trust International Insurance - Palestine** Pages 6 to 64, which comprise of the consolidated statement of financial position as of December 31, 2024, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of change in shareholder's equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the instruction of Palestinian capital authority related to presentation and disclosures in the financial statement.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 ethical requirements that are relevant to our audit of the financial statements in Palestine, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis Matters:

- The financial statements are matched with the accounting records, considering the amendments related to the implementation of IFRS 17.

Key Audit Matters "KAM"

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

We have identified the following matters to be described as Key Audit Matters in our report:

The key audit matters	**The way the matter was addressed in our audit**
Insurance contracts Assets and liabilities	
As described in note (12) regarding the financial statements, the insurance contracts liabilities are USD 59,940,640 as of December 31, 2024 (USD 49,440,539 as of December 31, 2023) and insurance contracts assets are USD 2,156,809 as of December 31, 2024 (USD 978,652 as of December 31, 2023). The assets and liabilities of insurance contracts need specialized skills in Actuarial Studies and diligent follow-up by the company's management, therefore they are considered among the items of interest to us that contain risks, especially that their estimation depends largely on the diligence and professional judgment of the actuary and the company's management, especially with regard to estimating the present value of future cash flows and the possibility of using premium allocation Approach (PAA) estimation of liabilities Incurred Claims. This cash flows contain identify estimated received premiums, estimated claims, Acquisition cost for insurance contract with in contract period. The calculation of these liabilities and assets includes material estimates and the use of actuarial valuation experts to ascertain the appropriateness of the methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of discount rates used to determine the present value of these cash flows. Insurance contract liabilities constitute 71% of the total current liabilities of the company and insurance contract assets constitute 3% of the total current assets as at 31 December 2024, while insurance contract liabilities constitute 68% of the total current liabilities of the company and insurance contract assets constitute 2% of the total current assets as at 31 December 2023.	The audit team, and actuary Expert have carried out professional audit procedures in this context, some of these are the following: - Assessment of the competence, capabilities and objectivity of the actuary assigned by the management. - Understand and evaluate the process of determining the present value, and understanding the process of designing and applying the controls which are established and used to determine the assets and liabilities of insurance contracts. - Testing a sample of data to verify the completeness, accuracy and appropriateness of the data used in determining future cash flows. - Assess the appropriateness of the methodology and assumptions, including risk adjustment, and assess the feasibility of implementation of premium Allocation Approach, discount rates and expenses included in cash flows to fulfill the contract. In addition to considering the reasonableness of the assumptions compared to previous cases and the appropriateness of the applicable terms. - Evaluation and testing of the data used in the model of the decrease in the value of receivables for amounts due; - Evaluate and test the process of calculating the expected credit losses (ECL) and the main assumptions and judgments used. - We independently re-calculated the assets and liabilities of insurance (reinsurance) contracts to assess the accuracy of calculating, focusing on the largest and uncertainty reserves; - The actuarial study was also reviewed by our actuarial expert including main assumption used and the reasonableness of the technical reserves as of December 31, 2024.

Investment properties	
As noted in disclosure (5) regarding the consolidated financial statements, investment properties are at an amount of USD 25,313,044 as of December 31, 2024 (USD 25,280,659 as of December 31, 2023). As the investment properties represent investments in lands, leased floors, buildings, and apartments. Investment properties are classified as key matters because they contain the risk that the fair value assessment process for these investments depends heavily on the professional judgment based on expectations by a certified appraiser, and these investments account for 31% of the total non-current assets.	For the value of Investment properties (lands) and its fair value, we have reviewed the Tabo registration certificate confirming the company's ownership of these lands, and we have reviewed the reports of three specialized appraisers, certified by Palestinian Capital Market Authority, and ensured that the company calculated the average of the three specialized appraisers to evaluate these investment properties as the value of these lands, rented floors, buildings, and apartments were increased in 2024 as a result of its fair value valuation of USD 255,080 recorded in the income statement under gain from valuation of investment properties. In addition, the valuation profits of real estate investments are recorded on the consolidated income statement in the amount of USD 32,358.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, the requirements of the Palestine Capital Market Authority and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal controls.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement audit manager for auditing this process and who signed the independent auditor's report is the senior Audit Manager, Amjad Hamdan.

Talal Abu – Ghazaleh & Co. International
License No. 201/2022

طلال أبوغزاله وشركاه الدولية
Talal Abu-Ghazaleh & Co. International

Amjad Hamdan

Amjad Ibrahim Hamdan
Certified Accountant License (2019 / 106)
Ramallah-Palestine
February 25, 2025

Trust International Insurance
Public Shareholding Company
Ramallah - Palestine
Consolidated Statement of Financial Position as of December 31, 2024 – *Exhibit (A)*

Assets	Notes	December 31, 2024 USD	December 31, 2023 USD
Current Assets			
Cash and cash equivalents	11	5,419,326	1,061,259
Bank Deposits	11	18,413,677	23,068,941
Cheques Under Collections Due within one year		26,812	11,450
Account Receivables, Net		579,140	40,764
Financial assets at fair value through profit or loss		175,559	208,915
Insurance Contract Assets	12	2,156,809	978,652
Reinsurance Contract Assets	13	42,986,516	30,650,837
Other current assets	10	4,023,864	4,020,756
Total Current Assets		**73,781,703**	**60,041,574**
Non-Current Assets			
Financial assets at fair value through Other Comprehensive Income	7	15,953,732	16,041,757
Intangible assets		6,733,526	6,733,526
Right of use assets	6	1,078,749	560,404
Investment Property	5	25,313,044	25,280,659
Restricted deposits	8	7,495,096	7,454,758
Property and Equipment, Net	4	19,922,531	19,918,762
Deferred Tax Assets	9	4,751,498	4,534,888
Total Non-Current Assets		**81,248,176**	**80,524,754**
Total Assets		**155,029,879**	**140,566,328**
Equity and Liabilities			
Liabilities			
Current Liabilities			
Account payable	23	1,059,476	4,633,545
Insurance Contracts Liabilities	12	59,940,640	49,440,539
Reinsurance Contract Liabilities	13	--	28,723
Lease liability - Short term	19	475,485	588,374
Tax provisions	21	8,077,763	6,339,062
Other current liabilities	24	11,704,216	9,656,863
Credit facilities	22	3,559,574	1,508,958
Total current Liabilities		**84,817,154**	**72,196,064**
Non- Current Liabilities			
Lease liabilities – Long term	19	653,841	76,152
Provision for employees end of services benefits	18	6,216,215	6,017,721
Deferred tax liabilities	20	2,800,515	2,800,509
Total Non-Current Liabilities		**9,670,571**	**8,894,382**
Total Liabilities		**94,487,725**	**81,090,446**
Equity			
Paid-in capital	34	16,500,000	16,500,000
Statutory reserve	16.1	4,125,000	4,026,629
Optional reserve	16.2	4,995,224	4,858,463
Cumulative change in fair value reserve	7-B	10,194,682	10,221,858
Retained earnings – Exhibit C	17	15,386,923	14,664,321
Equity attributable to shareholders of the Parent Company		**51,201,829**	**50,271,271**
Non-controlling interests		**9,340,325**	**9,204,611**
Total Equity		**60,542,154**	**59,475,882**
Total Equity and Liabilities		**155,029,879**	**140,566,328**

"The accompanying notes constitute an integral part of these financial statements"

Trust International Insurance
Public Shareholding Company
Ramallah - Palestine
Consolidated Income Statement for the Year Ended December 31, 2024 – *Exhibit (B)*

	Notes	December 31, 2024 USD	December 31, 2023 USD
Insurance Contract Revenues			
Insurance Contract Revenues	25,12	118,191,690	124,709,114
Insurance Contract Expenses	25,12	(108,756,060)	(96,902,961)
Insurance Contracts Result Before Reinsurance Contract Held	25,12	**9,435,630**	**27,806,153**
Net Expense from Reinsurance Contract Held		(2,446,622)	(19,764,641)
Net Insurance and Reinsurance Results		**6,989,008**	**8,041,512**
Investment income	25	1,837,806	2,020,570
Expected credit loss expense for investment	25	--	--
Net Investments Income	25	**1,837,806**	**2,020,570**
Finance Income (Expense) from Insurance Contracts Issued	C-25	(3,178,034)	(1,456,810)
Finance Income (Expense) from Reinsurance Contracts Held	C-25	2,308,778	(615,281)
Net Insurance and Reinsurance Financing Results	C-25	**(869,256)**	**(2,072,091)**
Insurance and Investment Financial Result	25	**7,957,558**	**7,989,991**
Other income	25	3,048,263	4,765,367
Gain (Loss) on Currency Exchange Revaluation	25	(896,532)	(1,288,939)
Undistributed General and Administrative Expenses	25	(4,479,761)	(6,025,857)
Net Profit (loss) Before Taxes	25	**5,629,528**	**5,440,562**
Deferred Tax Benefits	B-21	216,610	233,928
Tax Expenses	B-21	(2,586,382)	(2,145,612)
Net Profit (loss) After Taxes	25	**3,259,756**	**3,528,878**
Attributable to:			
Shareholders of the Parent Company		2,607,734	2,766,293
Non-controlling interests		652,022	762,585
		3,259,756	**3,528,878**
Basic and diluted Profit per share	28	**0.16**	**0.17**

"The accompanying notes constitute an integral part of these financial statements"

Trust International Insurance
Public Shareholding Company
Ramallah - Palestine
Consolidated Statement of Comprehensive Income for the Year Ended December 31, 2024 – *Exhibit (C)*

	Note	December 31, 2024 USD	December 31, 2023 USD
Net Profit after Taxes – *Exhibit (B)*		**3,259,756**	**3,528,878**
Other comprehensive income items:			
Items that are reclassified to profit and loss statement in subsequent periods:			
Change in fair value of financial assets at fair value through other comprehensive income	7	(282,256)	(504,846)
Change in fair value of land and buildings	7	255,080	159,474
Total other comprehensive income (loss) for the period		**(27,176)**	**(345,372)**
Other comprehensive income Items that maybe reclassified to profit and loss in subsequent periods:		--	--
Total other comprehensive income items for the year		**(27,176)**	**(345,372)**
Total comprehensive income for the year		**3,232,580**	**3,183,506**
Attributable to:			
Shareholders of the Parent Company		2,580,558	2,646,737
Non-controlling interests		652,022	536,769
		3,232,580	**3,183,506**
Basic and diluted Profits (Loss) per share		**0.16**	**0.16**

"The accompanying notes constitute an integral part of these financial statements"

Trust International Insurance
Public Shareholding Company
Ramallah - Palestine
Consolidated Statement of Change in Equity for the Year Ended December 31, 2024 – *Exhibit (D)*

	Note	Paid-in Capital	Statutory Reserve	Optional Reserve	Cumulative change in fair value reserve	Retained Earnings	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total Equity
December 31, 2024		USD	USD	USD	USD	USD	USD	USD	USD
Balance, as of January 1, 2024		**16,500,000**	**4,026,629**	**4,858,463**	**10,221,858**	**14,664,321**	**50,271,271**	**9,204,611**	**59,475,882**
Profit for the year		--	--	--	--	2,607,734	2,607,734	652,022	3,259,756
Other comprehensive income		--	--	--	(27,176)	--	(27,176)	103,101	75,925
Total comprehensive income for the year		**--**	**--**	**--**	**(27,176)**	**2,607,734**	**2,580,558**	**755,123**	**3,335,681**
Transferred to (from) reserves	16	--	98,371	260,773	--	(359,144)	--	--	--
Cash dividends		--	--	(124,012)	--	(1,525,988)	(1,650,000)	(619,409)	(2,269,409)
Balance as of December 31, 2024		**16,500,000**	**4,125,000**	**4,995,224**	**10,194,682**	**15,386,923**	**51,201,829**	**9,340,325**	**60,542,154**
December 31, 2023									
Balance, as of January 1, 2023		15,000,000	3,750,000	4,581,834	10,567,230	19,642,000	53,541,064	9,310,815	62,851,879
Prior year Adjustment		--	--	--	--	(2,690,714)	(2,690,714)	(79,873)	(2,770,587)
Restated balance, as of January 1, 2023		**15,000,000**	**3,750,000**	**4,581,834**	**10,567,230**	**16,951,286**	**50,850,350**	**9,230,942**	**60,081,292**
Profit for the year		--	--	--	--	2,766,293	2,766,293	762,585	**3,528,878**
Other comprehensive income		--	--	--	**(345,372)**	--	**(345,372)**	(225,816)	**(571,188)**
Total comprehensive income for the year		--	--	--	**(345,372)**	**2,766,293**	**2,420,921**	**536,769**	**2,957,690**
Transferred to (from) reserves	16	--	276,629	276,629	--	(553,258)	**--**	--	**--**
Cash dividends	15	--	--	--	--	(3,000,000)	(3,000,000)	(563,100)	(3,563,100)
Bonus shares distributed	15	1,500,000	--	--	--	(1,500,000)	--	--	--
Balance as of December 31, 2023		**16,500,000**	**4,026,629**	**4,858,463**	**10,221,858**	**14,664,321**	**50,271,271**	**9,204,611**	**59,475,882**

"The accompanying notes constitute an integral part of these financial statements"

Trust International Insurance
Public Shareholding Company
Ramallah - Palestine
Consolidated Statement of Cash Flows for the Year Ended December 31, 2024– ***Exhibit (E)***

	Note	December 31, 2024 USD	December 31, 2023 USD
Cash flow from operating activities:			
Net Profit before taxes – Exhibit B		**5,629,528**	**5,440,561**
Adjustments:			
Depreciation of property and equipment	4	1,285,794	1,373,203
Amortization Right use of assets	6	560,085	516,706
(Gains) Losses disposal of property and equipment		(49,057)	(62,574)
Provision for employees end of services benefits	18	641,579	1,025,442
Gain from real estate reevaluation		(55,640)	(53,563)
Financing costs – lease liabilities		127,096	51,643
Provision for expected credit losses		247,326	416,088
(Purchase) sale of financial assets at fair value through the profit or loss		33,356	36,868
Other non-cash items		34,692	77,048
Cash flows before changes in operating activities		**8,454,759**	**8,821,422**
Change in operating assets and liabilities:			
Account Receivable		(538,376)	97,840
Cheuqes Under Collection		(15,362)	(5,252)
Insurance Contracts Assets	12	(1,425,483)	(4,199,072)
Reinsurance Contracts Assets	13	(12,335,679)	6,237,239
Other current assets	10	(3,108)	1,848,362
Account payable	23	(3,574,069)	2,625,041
Insurance Contract Liabilities	12	10,500,101	(7,115,746)
Reinsurance Contract Liabilities	13	(28,723)	278,298
Other current Liabilities	24	2,047,353	(1,064,258)
Net cash flows provided from operating activities before taxes and employees end of services benefits paid		**3,081,413**	**7,523,874**
Tax payments	21	(856,011)	(1,381,971)
Employees end of services benefits payments	18	(443,363)	(310,983)
Net cash flows from operating activities		**1,782,039**	**5,830,920**
Cash flows from investing activities:			
Change in restricted deposits	8	(40,338)	(388,801)
Bank Deposits	11	4,655,264	(4,809,563)
Purchase of tangible assets, property and equipment	4	(1,334,738)	(794,714)
Sale of tangible assets, property and equipment	4	400,163	558,102
Right of Use Assets Additions	6	(1,078,430)	--
Sale of financial assets at fair value through other comprehensive income	7	--	92,263
Purchase of financial assets at fair value through other comprehensive income		--	(3,417,327)
Net cash flows (used in) investing activities		**2,601,921**	**(8,760,040)**
Cash flows from Financing activities:			
Lease Liabilities payments	19	(426,509)	(601,104)
Change in Credit facilities	22	2,050,616	722,259
Cash and shares dividends	15	(1,650,000)	(4,500,000)
Net cash (used in) financing activities		**(25,893)**	**(4,378,845)**
Net Change in cash and cash equivalents		**4,358,067**	**(7,307,965)**
Cash and cash equivalents, beginning of period	11	1,061,259	8,369,224
Cash and cash equivalents, end of period	11	**5,419,326**	**1,061,259**

“The accompanying notes constitute an integral part of these financial statements”

1. Background

Trust International Insurance Public Shareholding Company (the Company), was established in 1994 as a Private Limited Shareholding Company. On October 20, 1995, the Company changed its legal status to a Public Shareholding Company and was incorporated in Gaza under registration No. (563200914) with the companies' controller of Gaza City. As the beginning of 2020 the Company has changed its' headquarters from Gaza to Ramallah and its' legal registration number to (562601518) the with companies' controller of Ramallah City.

The Company's main activity is focused on practicing insurance and reinsurance business and all types of warranty work and compensations through its operating branches and offices in Palestine totaling (9) Branches and (8) offices as at December 31, 2024 and (9) Branches and (8) offices as at December 31, 2023.

The Company's authorized and paid-in-capital is USD 16,500,000 as of December 31, 2024, divided into 16,500,000 shares at a par value of USD 1 per share, compared to USD 16,500,000 as of December 31, 2023, divided into 16,500,000 shares at a par value of USD 1 per share.

In an extraordinary general assemble meeting on April 4, 2024, to unanimously approve the amendments made to the Articles of Association and the Bylaws in accordance with Decision-Law No. (42) of 2021 regarding companies.

The Company's total number of employees was (238) and (234) as at December 31, 2024 and 2023, respectively. Total number of insurance agents and producers were (55) and (55) as at December 31, 2024 and 2023, respectively.

The company's financial statements for the year ended December 31, 2024 were approved by the company's Board of directors at its meeting No. 2/2025 held on February 9, 2025.

The consolidated financial statements of the Company for the year ended December 31, 2024 were approved from the Palestine Capital Market Authority –Insurance General administrative on March 24, 2025 as per their letter number No S.R.P / Diwan 28974/2025.

2. Consolidated financial statements

The consolidated financial statements comprise of the financial statements of Trust International Insurance Public Shareholding Company (the Company) and its subsidiaries as at December 31, 2024 and 2023. The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis. All intra-company balances, transactions, income and expenses and profits and losses, including dividends resulting from intra-company transactions, are eliminated in full.

The Company's direct and indirect ownership in its subsidiaries' subscribed capital was as follows:

		Ownership %		Paid Capital USD	
	Origin Country	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Takaful insurance company (listed company)	Palestine	%62.46	%62.46	11,000,000	11,000,000
Trust real estate company	Palestine	%100	%100	2,107,143	2,107,143
Trust Travel & Tourism Company	Palestine	%100	%100	100,000	100,000
Smart health company	Palestine	%100	%100	100,000	100,000

3. Accounting policies

As shown in disclosure 3.3 (Changes in Accounting Policies), the company implemented the IFRS 17 - Insurance Contracts, as of the initial audit date on January 1, 2023. The implementation of IFRS 17 required significant changes in the accounting for insurance contracts and reinsurance, so the company restated certain comparative figures in the opening balances.

3.1 Basis of preparation the consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost basis, except for the financial assets available for sale and properties investments that are measured at fair value at the date of the consolidated financial statements.

The financial statements are presented in USD, which is the functional currency of the Company.

3.2 Basis of consolidation of financial statements

The consolidated financial statements include the financial statements of the company and its subsidiaries as at 31 December 2024.

The control is achieved when the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

In general, the company believes that it has control over the company invested in it when it holds a majority in voting rights. When the company's ownership interest in the invested company's capital is less than the majority, the company takes into account all the facts and circumstances to assess whether control of the invested company has been achieved, including:

- Contractual agreements with other shareholders of the company invested in.
- Rights resulting from other contractual agreements.
- The company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

All intra-group balances, unrealized profits or losses and cash dividends relating to transactions between subsidiaries are eliminated in full.

If the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary (including goodwill), derecognizes the carrying amount of any non-controlling interests and recognizes any surplus or deficit in the consolidated income statement, and recognizes the fair value of any investment retained.

3.3 Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended December 31, 2023.

IFRSs and the new amended effective interpretations:

The following amended IFRSs, that became effective, were adopted for the financial periods starting on or after 1 January 2024 in the preparation of the Company's financial statements. The adoption of the mentioned amendments did not materially affect the amounts and disclosures included in the financial statements of the current year. The following table summarizes the details of the amendments:

IFRS or Interpretation	Statement	Effective Date
IFRS NO.(16) Lease contract	Amendments that clarify how a seller-lessee subsequently measures sale and leaseback transaction	January 1, 2024
Amendments to IAS no. (1)	Amendments to financial statements presentation clarifies the Classification of Liabilities as Current or Non-current based on the contractual arrangements in place at the reporting date. Classification is neither affected by entity's expectation nor do events occur after financial report date.	January1,2024 (Deferred from January 1,2022)
Amendments to IAS no.(7) and IFRS no.(7)	Amendments ask entities to provide qualitative and quantitative information about supplier finance arrangements	January 1, 2024

IFRSs and the new amended interpretations that are not effective yet:
The Company did not adopt any of the following new amended standards that were issued but not yet effective:

IFRS or Interpretation	Statement	Effective Date
Amendments to IAS(21)	Lack of Exchangeability of foreign currencies as usual	January 1,2025
Amendments to IFRS (7) and (9)	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS (18) Issued	Presentation and disclosure in financial statements that will replace IAS 1 (Presentation of Financial Statements)	January 1,2027
IFRS (19) Issued	Disclosure requirements for subsidiaries without Public Accountability	January 1,2027
Amendments to IFRS 10 and IAS 28	Sales or contributions of assets between an investor and its associate or joint venture	Postponing the effective date indefinitely
IFRS (S1) - General requirements for the disclosure of sustainability related financial information, and IFRS (S2) - Climate-related disclosures		January 1, 2024 (The application depends on the regulatory authorities adopting the two standards)

The management of the Company does not expect that these standards will have a material impact on the financial statements when applied in future financial periods.

3.4. Use of estimates

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

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company's exercising the option to terminate as per the lease contract.

The variable lease payments that do not depend on an index or a rate are recognized as expenses in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Discount rate used for the purposes of deducting rental payments was 5% while the average time period for future lease payments is 7 years.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has the option, under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in the business strategy).

The Company included the renewal period as part of the lease term due to the significance of these assets to its operations. These leases are considered to have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flows model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and other volatilities.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment in the value of financial assets

The Company treats available-for-sale investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or when other objective evidences of impairment exist.

The company's management conducts a periodic review of the financial assets, which are shown at cost, to estimate any decline in their value, and this decline is included in the consolidated income statement for the year.

Expected credit losses

The company applies the method mandated by International Financial Reporting Standard (IFRS) 9 to calculate the allowance for expected credit losses. This method recognizes the impairment of expected credit losses over the lifetime of receivables and contractual assets based on credit risks and homogeneous ages.

The expected loss rates are derived from the company's historical credit losses experienced during the past three years up to the end of the current period. Subsequently, these historical loss rates are adjusted for current and future information on macroeconomic factors that impact the company's customers.

Useful lives of tangible assets

The Company’s management reviews, on a regular basis, the useful lives of the tangible assets in order to assess the depreciation for the year based on the assets’ condition, useful life and future economic benefits. Any impairment is recognized in the consolidated income statement.

Investments properties

Fair values of investments are determined by accredited appraisers from the Palestinian Capital Market Authority.

Provision for outstanding claims

Considerable judgment by management is required in the estimation of amounts due to insurance contract holders and third parties arising from claims made under insurance contracts.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjustors normally estimate property claims. Management reviews its provisions for claims incurred, and claims incurred but not reported, on a periodic basis.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the date of the consolidated financial position statement and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the statement of financial position date. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using past claim settlement trends to predict future claims settlement trends.

Unearned premium (unexpired risk reserve)

The year-end unexpired risk reserve for insurance branches is calculated in proportion to the number of days remaining of each policy after the end of the year.

Taxes provision

Tax provisions are calculated based on prevailing tax laws and regulations in Palestine, and International Accounting Standards.

Estimation of Future Cash Flows

Cash flows are defined as all expected amounts to be collected and paid within the boundaries of insurance/ reinsurance contracts, after adjusting for the timing and uncertainty of these amounts, based on actuarial assumptions and the company's expertise in managing the portfolio of insurance/reinsurance contracts.

The standard requires that cash flows be estimated up to the end of the insurance contract boundary, which is the point at which the company can reassess risks or insurance premiums. International Financial Reporting Standard (IFRS) 17 does not provide a specific methodology for measuring future cash flows, but it offers detailed guidance and principles related to fair value measurement of future cash flows both within and outside the contract boundaries.

When developing assumptions for estimating cash flows for groups of insurance contracts, the company takes into consideration the following:

- Underlying risks
- Aggregation level
- Probability of natural disasters
- Probability of contract termination before the insurance coverage expiration date and other expected policyholder behaviors
- Factors that will affect the estimates and sources of information for these factors.

Discount Rate

The company defines the discount rate as the risk-free rate plus a liquidity premium, where the liquidity premium represents the difference in liquidity characteristics between financial assets and the cash flows of relevant liabilities. As for the risk-free rate, the company derives the risk-free yield curve from risk-free assets in the market based on actuarial assumptions.

The company uses the discount rate and the yield curve for financial periods before 2022 as per the unified instructions of the PCMA for all insurance companies in Palestine and the company's management used the following discount rates for the financial year December 31, 2024 and December 31, 2023, respectively:

Year	Currency	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years	15 Years
Insurance contracts-premium Allocation Approach December 31, 2024	USD	5.204	5.200	5.140	5.162	5.183	5.273	5.408	5.408
Insurance contracts-premium Allocation Approach December 31, 2023	USD	5.671	5.053	5.053	5.053	5.053	4.914	4.909	4.981

The illiquidity ratio used by the company's actuary to settle the mismatch of discount periods between insurance portfolios and insurance contracts separately in terms of timing, currency and liquidity, where the illiquidity ratio was adopted at 1% according to the study of the company's licensed actuary.

Non-Financial Risk Adjustments

The company sets aside a financial amount against the uncertainty of the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the company's expertise in managing the portfolio of insurance/reinsurance contracts. The company follows a cost-of-capital approach (CoC) in determining the value of non-financial risk adjustments based on actuarial assumptions, the company is assessing the impact of non-financial Risks adjustment on the cash flows from outstanding claims and IBANR just but haven't assessing the non-financial risk adjustment on the total claims, which include and Loss Adjustment Expense Reserve (LAER).

The non-financial risk Adjustment rates for insurance and reinsurance contracts have been calculated assuming a confidence level of 75% as follows:

Portfolio	Non-financial risk Adjustment ratio- insurance contracts	Non-financial risk Adjustment ratio- reinsurance contracts
Fire insurance portfolio	% 2.8	% 4
Marine insurance portfolio	% 3.9	% 4.1
Engineering insurance portfolio	% 0.5	% 0.5
Other public insurance portfolio	% 0.00	% 0.00
Liability insurance portfolio	% 4.1	% 3.9
Workmen insurance portfolio	% 3.1	% 1.4
Health insurance portfolio	% 1	% 0.00
Vehicle Insurance portfolio	% 4.9	% 4
Group life insurance portfolio	% 6	% 6
Life insurance portfolio	% 6	% 6

IFRS 17 does not consider the determination of financial risks and did not specify a methodology for calculating the non-financial risk adjustment, but clarified the general framework for the adoption of the risk adjustment.

Non-Insurance Components

The company's policy for handling insurance contracts containing non-insurance components is in accordance with International Financial Reporting Standard (IFRS) 17 as follows, noting that the company's portfolio does not include insurance contracts with non-insurance components:

- Insurance contracts containing financial derivatives, classified as insurance contracts without significant insurance risk, are accounted for in accordance with International Financial Reporting Standard (IFRS) 9.
- Insurance contracts containing freight and services obligations to policyholders, classified as insurance contracts without significant insurance risk, are accounted for in accordance with International Financial Reporting Standard (IFRS) 15.
- Insurance contracts containing investment components, classified as insurance contracts without significant insurance risk, are accounted for in accordance with International Financial Reporting Standard (IFRS) 9.

3.5. Summary of significant accounting policies

Goodwill

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

Goodwill resulting from investing in allied companies is shown as part of the investment account in the Allied Company, and the cost of goodwill is subsequently reduced by any decrease in the value of the investment.

Goodwill is allocated to the cash generating unit (s) for impairment testing purposes.

A test of the value of goodwill is carried out at the date of each financial statements and the value of goodwill is reduced if there is an indication that the value of goodwill has decreased, in case the estimated recoverable value of the cash generating unit (s) to which the goodwill belongs is less than the value recorded in the books of the cash generating unit (s) and the value of the decrease is recorded in the profit and loss statement.

The decline in popularity is not reversed in the subsequent period. - In the case of the sale of the subsidiary or 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.

Insurance Contracts

An insurance contract is an agreement in which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The insurance coverage begins at one of the following dates, whichever is earlier:

- The commencement date of the coverage specified in the insurance contract.
- The date when the first premium is due and payable by any policyholder in the group.
- The date when the group is expected to be in a loss position, for any group of contracts expected to be in a loss position.

The company recognizes two main portfolios of insurance contracts as follows:

1. Life Insurance Portfolio: This includes life insurance policies, and the company processes the policies in this portfolio according to the premium allocation approach based on the following criteria:

- For policies with a duration of one year or less, the premium allocation approach is applied directly.
- For policies with a duration of more than one year and if the total unearned premiums for these policies are less than 2% of the total unearned premiums for the insurance portfolio in the company, the premium allocation approach is applied.

2. Non-Life Insurance Portfolio: This includes non-life insurance policies, and the company processes the policies in this portfolio according to the premium allocation approach based on the following criteria:

- For policies with a duration of one year or less, the premium allocation approach is applied directly.
- For policies with a duration of more than one year and if the total unearned premiums for these policies are less than 2% of the total unearned premiums for the insurance portfolio in the company, the premium allocation approach is applied.

Regarding contracts containing direct participating features, which have similar economic characteristics to insurance contracts (e.g., long coverage period, recurring premiums, and return based on the insurer's estimation), and are linked to the same underlying items or participate in the performance of insurance contracts, the following applies at the beginning of the contract:

- Contractual terms specify that policyholders participate in a clearly identified pool of insurance contracts.
- The company expects to pay policyholders a substantial share of the fair value of the identified pool of insurance contracts.
- A significant proportion of any change in the amounts to be paid to policyholders varies with the change in the fair value of the identified pool of insurance contracts.

The company does not acquire any investment contracts with discretionary participation features or direct participating contracts.
For contracts not classified as insurance contracts, examples include:

- Investment contracts that have a legal form of an insurance contract but do not transfer significant insurance risk to the issuer and expose the issuer to financial risks (e.g., derivative contracts, embedded derivatives, or variable fee contracts). These contracts are classified as investment contracts according to IFRS 9.
- Investment contracts that contain an embedded discretionary participation feature and do not meet the definition of an insurance contract. These contracts are classified according to IFRS 17.
- Self-insurance arrangements, where the company retains risks that could have been covered by an insurance contract within the company. For example, the company issuing an insurance policy in its own name or under a subsidiary or an affiliate's name. These contracts are classified according to IFRS 15.

The company's portfolio does not contain contracts that are not classified as insurance contracts according to the definition of an insurance contract in IFRS 17.

Reinsurance Contracts

A reinsurance contract is an insurance contract issued by a reinsurer to indemnify another entity for claims arising from one or more underlying insurance contracts issued by that other entity (basis contracts).
Reinsurance contracts are recognized:

- If the reinsurance contracts are proportional to a group of insurance contracts, they are recognized at the beginning of the coverage period for that group of contracts or at initial recognition of any of the underlying contracts, whichever is closer.
- If the reinsurance contracts are non-proportional, they are recognized at the beginning of the coverage period for the reinsurance contracts.

The company mitigates insurance risks through reinsurance agreements. Reinsurance contract assets represent amounts recoverable from reinsurance companies. The recoverable amounts from reinsurance companies are estimated in proportion to the paid and unpaid claims reserve and in accordance with the reinsurance contract and the share of reinsurers in unearned premiums.

A review is conducted for impairment of the existing reinsurance contract assets as of the financial statements date or when an indicator of impairment arises during the year. Impairment occurs when objective evidence indicates that the company may not recover the amounts due under the reinsurance contract and when the impact on these amounts receivable from reinsurers can be reliably measured. Impairment losses are recognized in the income statement.

Reinsurance contract arrangements do not relieve the company of its obligations and responsibilities towards policyholders.
Insurance premiums and claims are presented on a gross basis for both the company's retained risks and reinsured amounts.

Initial recognition of insurance contracts / Premium allocation approach

Upon initial recognition, the company records the book amount of the liability, which includes the following:

- Premiums received upon initial recognition.
- Deducting any costs related to the acquisition of insurance contracts at that date.
- Adding or deducting any amount arising from canceling the original recognition or commitment related to cash flows for acquiring insurance contracts.

Subsequent measurement / Premium allocation approach

At the end of each subsequent period, the company reevaluates the book amount of the liability, considering the following adjustments to the liability balance:

- Adding premiums received for the period.
- Deduct cash outflows for the acquisition of insurance contracts.
- Adding any amounts related to the exhaustion of cash flows for acquired insurance contracts as an expense.
- Adding any material adjustments to the financing component.
- Deduct the portion of recognized insurance revenue for coverage provided in that period.
- Deduct any investment component paid or transferred for incurred claims.

The majority of the contracts underwritten by the company have a coverage period of one year or less and automatically qualify for the premium allocation approach. Insurance contracts with coverage periods exceeding one year are immaterial and represent no more than 2% of the company's insurance portfolio. Due to the simplified nature of the premium allocation approach for measuring the remaining liability, the company's management decided to use this method when the measurement does not differ significantly from the measurement under the general measurement model, or when the coverage period of each contract in a group of insurance contracts is one year or less.

Under the premium allocation approach, the liability remaining coverage is measured as the amount of premiums received after discounting cash flows paid for insurance acquisition, plus the net amount of premiums and cash flows for the acquisition recognized in the income statement for the expired portion of the coverage period based on the passage of time.

Insurance Contract Adjustments

The company adjusts insurance contracts by addressing changes that have occurred in future cash flows due to modifications, treating them as changes in cash flow estimates to fulfill the contracts unless the recognition of insurance contracts has been derecognized.

Cancellation of Insurance Contracts

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

- Termination of the contract. (Expiration of the specified commitment in the insurance contract, fulfillment, or cancellation).
- In the case of modifying insurance contracts and if the modification does not meet the requirements of the standard, the company cancels the contract and recognizes a new contract.

Onerous Insurance Contracts

The company policy recognizes insurance contracts as onerous if the contract is expected to result in a loss at the initial recognition date. The loss component is measured when the expected cash flows to fulfill the contract or group of contracts exceed the cash flows received from that contract or group of contracts. The company will disclose the loss component if the contractual service margin is zero.

As of the date of the consolidated financial statements, the company has not recognized any insurance contracts as onerous.

Provision for outstanding contracts liabilities

The provision is the amount that the company must record when recognizing insurance contracts, relating to future financial periods due to the existence of in-force insurance contracts.

Provision for incurred claims

The total value of expected costs and liabilities that the company anticipates due to events covered by insurance contracts and that occurred before the end of the financial period. This includes reported and unreported claims, as well as expenses related to these claims.

Contractual Service Margin

The profit that has not yet been recognized from in-force insurance contracts that are expected to be profitable, and it is recognized concurrently with providing services under the insurance contracts.

Summary of Measurement Approach

International Financial Reporting Standard (IFRS) 17 sets out principles for recognition, measurement, presentation, and disclosure of insurance contracts, reinsurance contracts, and investment contracts with participation features. The standard introduces a model that measures insurance contract groups based on the company's estimates of the present value of future cash flows that will arise when the group fulfills the contracts, with adjustments for non-financial risks and the contractual service margin.

The company applies the premium allocation approach (PAA) to all contracts for simplicity of measurement. When measuring the liabilities remaining coverage, the premium allocation approach resembles the previous accounting treatment in IFRS 4. However, liabilities for incurred claim, the company deducts future cash flows and adjusts them for the risk adjustment for non-financial risks.

The company applies the allocation method for all insurance contracts as per International Financial Reporting Standard (IFRS) 17. The allocation approach is considered a simplified measurement method for the liability for remaining coverage. The company may choose to use this method when there is no substantial difference in measurement compared to the general measurement model framework, or when the coverage period of each contract in a group of insurance contracts is one year or less, and if the unearned insurance contract premiums for these contracts do not exceed 2% of the total unearned insurance contract premiums for the insurance portfolio in the company. In such cases, the allocation approach is also adopted.

Thus, the company's management applies the allocation approach to all insurance contracts within the company, including contracts with durations exceeding one year. The company reasonably anticipates that there is no substantial difference in the core measurement of the liability for remaining coverage within the group of contracts with durations exceeding one year, compared to the measurement using the general model approach.

Under the allocation approach, the liability for remaining coverage is measured as the amount of premiums received, adjusted for cash flows paid for acquisition, plus the net amount of premiums and cash flows recognized in profit or loss for the acquisition that relates to the expired portion of the coverage period on a time-proportion basis.

Recognition of insurance revenue and expenses is based on the concept of services provided during the period. The standard requires immediate recognition of losses from contracts that are expected to be onerous. For insurance contracts measured under the allocation approach, the contracts are presumed not to be onerous upon initial recognition unless the facts and circumstances indicate otherwise. The company focuses on developing profitable and sustainable business and does not anticipate recognizing contracts that are onerous.

Measurement of liabilities for incurred claims is consistent across all three measurement models (PAA, GMM, VFA) under IFRS 17, regardless of the discount rates (interest rates) used. A separate explicit risk adjustment for non-financial risks is estimated independently from other incurred claims estimates, representing the compensation required for bearing uncertainty regarding the amount and timing of cash flows arising from non-financial risks. The risk adjustment forms part of the cash flows needed to fulfill a group of insurance contracts.

1. The company classifies insurance contracts based on the following criteria:

Portfolio (level one)	Portfolio (level Two)	Contract Classifications	Measurement Model
Non-Life Insurance	Motor	Insurance Contract / Profitable	PAA
	General Accident	Insurance Contract / Profitable	PAA
	Engineering Insurance	Insurance Contract / Profitable	PAA
	Fire Insurance	Insurance Contract / Profitable	PAA
	Marine Insurance	Insurance Contract / Profitable	PAA
	Worker Compensation	Insurance Contract / Profitable	PAA
Life Insurance	Life	Insurance Contract / Profitable	PAA
	Health*	Insurance Contract / Profitable	PAA

*The company classifies the health insurance portfolio within the life insurance group.

2. The company classifies reinsurance contracts based on the following criteria:

Portfolio (level one)	Portfolio (level Two)	Measurement Model
Non-Life Insurance	Motor	PAA
	General Accident	PAA
	Engineering Insurance	PAA
	Fire Insurance	PAA
	Marine Insurance	PAA
	Worker Compensation	PAA
Life Insurance	Life	PAA
	Health	PAA

Level of Aggregation

The company adopted a full retrospective approach in classifying insurance and reinsurance contract groups as follows:

- Classifying insurance contracts into groups based on the year of issuance.
- Classifying insurance contracts according to profitability assessment.
- Then, insurance products are classified as appropriate method by the company's management at the initial recognition date of the insurance contracts, based on the first and second level insurance portfolio classification.

Level of Profitability

The previously mentioned contract groups are further classified into the following categories, based on the expected net cash flows from the contract and the accounting approach used in handling contract groups:

- Contracts with no probability of becoming onerous at initial recognition.
- Onerous contracts.
- Other contracts.

Accounting policy options in accordance with IFRS 17:

The following table illustrates the policy options applied by the company in accordance with International Financial Reporting Standard (IFRS) 17:

IFRS 17 Item	IFRS 17 Policy Options	Company's Applied Method
Cash Flows for Insurance Acquisitions	When the coverage period within the insurance contract group does not exceed one year, the IFRS 17 permitted the choice to calculate cash flows for insurance acquisitions either as incurred or amortize it over the coverage period.	The company allocated cash flows for insurance acquisitions to all contracts, where the company allocates the cash flows for acquisitions to insurance contracts groups that issued or expected-to-be-issued in regularly base throughout the year.
Liabilities Remaining Coverage Adjusted to Time Value of Money.	According to IFRS 17, when the time between the provision of insurance services and the first installment due date does not exceed one year, the company is not required to make a time value of money adjustment to the remaining coverage liabilities.	The company adopted the option of not adjusting the liabilities remaining coverage for the time value of money, as the time between providing the insurance service and the installment due date does not exceed one year, in accordance with the instructions of the PCMA in this regard.
The liabilities incurred claims discounted for the time value of money.	when it is expected that the incurred claims (OS & IBNR) or a portion of them will be settled within one year from the date of their occurrence; The standard allows not to discount the liabilities incurred claims for the time value of money.	The company discounts cash claims at the present value of money according to the company's expectations for the settlement period of these claims.
Insurance Finance Income/Cost	International Financial Reporting Standard (IFRS) 17 allows recognition of the effect of discount rates on the cash flows of incurred claims for their expected settlement period either directly in the income statement or in the statement of comprehensive income based on insurance contracts.	The company recognizes the effect of discount rates on the incurred claims cash flows in the income statement.

Risk Adjustment	The International Accounting Standard 17 allows for the recognition of the effect of non-financial risk adjustments either in insurance service expenses (result of insurance service) or in insurance financing expenses, or to split it between these items.	The company's management does not plan to separate financial and non-financial risks; therefore, the company recognizes the effect of non-financial risk adjustments in insurance service expenses (results of insurance service).

The company did not apply the General Measurement Model or the Variable Fee Approach, because the insurance contracts qualify for direct allocation under the Premium Allocation Approach or passed the initial test of the Premium Allocation Approach conducted by the company.

Investments in financial assets

Regular purchases and sales of financial assets are recorded on the transaction date, which is the date of the obligation to purchase financial assets. Regular purchases and sales of financial assets are those in which the financial assets are transferred during the specified period in accordance with the laws or in accordance with what is customary in market regulations. Financial assets are recorded upon purchase at fair value plus the direct acquisition expenses, with the exception of financial assets at fair value through the income statement which are initially recorded at fair value. All financial assets are subsequently charged at amortized cost or fair value.

Financial assets at amortized cost and actual interest approach

The Company measures financial investments at amortized cost if both of the following conditions are met:

- The financial assets in held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Financial instruments for which both conditions apply are initially measured at fair value plus acquisition expenses (except if the company chooses to classify these assets through the Consolidated Statement of income as shown below), and are subsequently measured at amortized cost using the effective interest rate method after depreciation. Interest income is recognized using the effective interest rate method.

The company reclassifies debt instruments from amortized cost to financial assets at fair value through the consolidated income statement if the objective of the business model for initial recognition has changed and therefore the amortized cost method is not appropriate. The effective interest rate is the interest rate that is used to deduct future cash flows over the life of the debt instrument, or a shorter period in certain cases, equal to the book value at the date of initial recognition.

At initial recognition, the Company can irreversibly classify the instrument that fulfilled the conditions mentioned above as a financial asset at fair value through consolidated income statement if this removes or substantially decrease the inconsistency of accounting treatment if it is classified as amortized cost.

Financial Asset at Fair Value Through the statement of Profit or Loss (FVTPL)

Debt instrument financial assets that do not meet the amortized cost criteria or that meet the criteria but the Company has chosen to designate as at Fair Value Through the consolidated statement of Profit or Loss (FVTPL) at initial recognition, are measured at FVTPL. The Company has not designated a debt instrument financial asset as at FVTPL.

Later to the initial recognition, the company must reclassify the debt instruments classified at

FVTPL to debt instruments at amortized cost. When the objective of the business model changes, the conditions for amortized cost begin to achieve. The company have not to reclassify the debt instruments that the company chose upon initial recognition to classify as debt instruments at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading as at fair value through other comprehensive income (FVOCI) at initial recognition.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in the consolidated income statement.

Dividends income on investments in equity instruments at FVTPL is recognized in the income statement when the Company's right to receive the dividends is established.

Fair Value through Other Comprehensive Income (FVOCI)

Upon initial recognition, the company classifies equity instruments at fair value through other comprehensive income. This classification is made on a tool-by-tool basis and cannot be reversed, nor can a company classify property tools held in fair value through the consolidated income statement as financial instruments in fair value through other comprehensive income item.

Equity instruments are measured by other comprehensive income items in principle at fair value plus acquisition expenses. These assets are then measured at fair value and the gains or losses resulting from the change in fair value are recorded by other comprehensive income items in the reserve account for the accumulated change in fair value. In disposing of these assets, profits or losses previously recorded in the reserve account for the accumulated change in fair value are not reclassified to the income statement but are directly credited to the retained earning account.

Returns on equity distributions from investment in equity instruments from invested companies are credited when a right to receive them arises in the consolidated income statement, unless such returns are considered as a recovery of part of the value of the investment.

Impairment of financial assets recorded at amortized cost

On the date of the financial statements, assets are assessed at the amortized cost, including accounts receivable, to determine whether there is evidence of an Impairment. Assets are considered to be impaired when there is objective evidence, as a result of an event or events that occurred after the initial recognition of assets, and that affects anticipated future cash flows.

Exclusion of financial assets

Financial assets are eliminated when the contractual right to benefit from the cash flows of these assets expires, or when the financial assets and all risks and rewards of ownership are transferred to another entity. In the event that the company does not transfer or retain all the basic risks and returns and maintains control over the transferred assets, the company's remaining share in the assets is recorded and the liabilities are recorded at the amount expected to be paid. If the company retains all the risks and rewards of ownership of the transferred financial assets, the company continues to record the financial assets.

Fair value of financial instruments

The closing prices on the date of the consolidated financial statements of financial instruments in the active markets represent the fair value of the financial instruments that have market prices.

In case that published prices are not available, or there is no active trading for some financial instruments, or the market is inactive, the fair value is estimated in a number of ways, including:

- Comparing it to the current market value of a financial instrument that is substantially the same.
- Analyzing future cash flows and discounting the expected cash flows by a ratio used in a similar financial instrument.
- Valuation methods aim to obtain a fair value that reflects market expectations and takes into account market factors and any expected risks or benefits when evaluating the value of the financial instruments. In case that there are financial instruments whose fair value cannot be reliably measured, they are presented at cost after deducting any impairment in their value
- The fair value for the items subject to interest is estimated based on the expected cash flows deducted by using the same interest rates for items having the same terms and risk characteristics.

Impairment in the value of financial assets

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

The impairment value is determined as follows:

- Impairment in the financial instrument at amortization cost: Based on the estimate of cash flows discounted at the original actual interest rate.
- Impairment in the financial instrument at fair value: The decrease represents the difference between the original cost and the fair value, after reducing any previously recognized impairment loss in the consolidated income statement.
- Impairment in the financial instrument at cost: Based on the present value of expected cash flows, discounted by the current market price of proceeds on similar financial assets.

The impairment in value is recorded in the consolidated income statement and any savings in the subsequent period as a result of the previous decline in financial assets are recorded in the consolidated income statement, except for shares of companies available for sale.

Investment properties

Investments properties are measured initially at cost including transaction costs, being the fair value of the consideration given and acquisition charges associated with the property. Subsequent to initial recognition, investment properties are stated at fair value and changes in fair value are recognized in the consolidated income statement.

Real estate investments are excluded when disposed or permanently suspended from service, and there is no expectation for future economic benefits flowing as a result of disposal. Any gains or losses arising from the disposal of real estate investments are recorded in the consolidated income statement in the period the disposal occurs.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in book value if any. The properties and equipment are depreciated when they are ready to be used based on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives (years)
Buildings	40-42
Furniture, fixtures, decorations, and equipment	5-11
Computers	5
Motor vehicles	6-7
Clearance	40-42

The impairment of the book value of properties and equipment is examined when events or changes in circumstances indicate that there is no possibility of recovering their book value. When any of these evidences exist and when the book value exceeds the expected recoverable value, the book value is reduced to the expected recoverable value, which is the fair value minus the selling expenses or the "value in use", whichever is higher.

Costs of replacing components of properties and equipment are separately recognized and capitalized, and the book value of any component that is replaced is written off. Other subsequent expenditures are only capitalized when the future economic benefits related to property and equipment are increased. All other expenses are recognized in the consolidated income statement.

Reinsurance

The company limits insurance risks by entering into reinsurance agreements. Reinsurance contract assets represent amounts that can be recovered from the reinsurance companies. Amounts recoverable from the reinsurance companies are estimated in a manner proportionate to the provision for unpaid claims and in accordance with the reinsurance contracts and the reinsurance company's share of unearned premiums.

A review is performed for the impairment in the reinsurance contract assets outstanding at the consolidated financial statements date, or when an indication of impairment arises during the year. The decline occurs when awareness evidence appears that the company may not recover the amounts due according to the terms of the reinsurance contract, and when the impact on these amounts that the company will receive from the reinsurers can be measured reliably. The impairment loss is recorded in the consolidated income statement.

The reinsurance contract arrangement does not relieve the company of its obligations and liability towards policyholders.

Insurance premiums and claims are presented on the gross basis for both insurance burdens on the company and those reinsured.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less, net of restricted bank deposits and credit bank balances.

Insurance contracts liabilities

Insurance contract liabilities are recognized upon signing the insurance contract and charging premiums.

Unearned premiums represent the portion of written premiums relating to the subsequent financial period as a result of valid insurance policies and are recorded among liabilities as unearned insurance premiums (unexpired risk reserve), and are calculated on the basis of the number of days remaining to the expiry of the insurance policy period after the consolidated financial statements date.

The total gross reserve for outstanding claims represents the estimated cost of the unpaid claim incurred as at the date of the statement of financial position, whether notified or not, and this is to insurance contract holders and other parties, in addition to the related claims management expenses, minus the value of refunds from accidents and any other refunds.

Provisions are calculated for claims Incurred but Not Reported (IBNR) as at the date of the consolidated financial statements on the basis of estimating each case separately based on the reports of experts and lawyers and the company's experience and estimates.

The provision for claims Incurred but Not Reported (IBNR) is estimated and recorded based on the company's past experience and its estimates to pay accidents compensations that occurred but were not reported as at the date of the consolidated statement of financial position.

Liability adequacy test

At the date of the consolidated financial statements, the Company evaluates whether the insurance liabilities calculated, the Company assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance contract liabilities is inadequate in the light of estimated future cash flows, the entire deficiency is immediately recognized in the consolidated income statement.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Taxes provision

The company makes an income tax deduction in accordance with the Income Tax Act and International Accounting Standard No. 12 which requires the recognition of temporary time differences as on the date of the financial statements as deferred tax assets or liabilities.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary time differences between the values of assets or those required in the financial statements and the value on which the tax profit is calculated. Deferred taxes are calculated according to the tax ratios expected to be applied when the tax obligation is settled or deferred tax assets are achieved.

Incurred Tax expenses are calculated on the basis of taxable profits. Taxable profits differ from profits declared on financial statements because declared profits include non-taxable income or non-deductible expenses in the fiscal year but in subsequent years, or tax-acceptable accumulated losses or items not subject to or accepted for tax purposes.

Taxes are calculated according to the tax rates established in accordance with the valid laws and regulations.

Provision for Palestinian Road Accident Victims Compensation Fund and Provision for Palestinian Capital Market Authority

As of May 1, 2006, the allocation of the Palestinian Road Accident Victims Compensation Fund was calculated at 15% and the Capital Market Authority's allocation at 3% of the net compulsory car insurance premiums according to the instructions of the General Insurance Department.

Provision for employees end of service benefits

The allocation for the end of service compensation for employees is made in accordance with the labor law in effect in Palestine and on the basis of allocating one-third of the total salary for each year to the employee who has spent five years or less in the company, and two-thirds of the total salary for each year for the employee who has spent more than five years and less than ten years in the company, and a gross salary for each year for an employee who has spent more than ten years in the company.

Segments Information

A business segment consists of assets and operations providing goods or services that are exposed to risks and returns different from those of other business segments, which are measured based on the reports used by the executive management and the main decision makers in the company.

A geographic segment relates to goods or services within an economic environment exposed to risks and returns different from those of other segments working in other economic environments.

Foreign currencies

Transactions denominated in currencies other than USD, the basic currency, occurring during the year, are translated to USD using the exchange rate at the date of the transaction. Monetary assets and liabilities, which are denominated in foreign currencies, are translated into USD using the rate of exchange at the date of the consolidated financial statements. Gains or losses arising from exchange differences are recognized in the consolidated income statement.

	31 December 2024	31 December 2023	
	USD	USD	%
ILS	0.27385	0.28365	(4.6%)
JOD	1.41044	1.41044	--

Basic and diluted earnings per share of the current year profit

The basic earnings per share is calculated by dividing the profit of the year returned to the company's shareholders by the weighted average number of common shares during the year. The diluted earnings per share is calculated by dividing the year's profit return to the Company's shareholders (taking into consideration returns, interest and any income or expenses for convertible shares) by the weighted average number of common shares during the year plus the weighted average number rate of the number of common shares to be issued if convertible shares are converted into common shares.

Revenue recognition

Insurance Revenue:

As the company provides insurance services under a group of insurance contracts, the recognized amount of insurance revenue for the reporting period reflects the portion of expected consideration in exchange for those services, following the revenue allocation method adopted by the company to comply with International Financial Reporting Standard 17. The expected premiums for insurance revenue are allocated over time as the standard requires the recognition of losses immediately for contracts that are expected to be onerous (losses).

Insurance Contract Expenses:

The company allocates general administrative expenses and direct employee expenses to insurance portfolios related to insurance contracts and includes them in calculating the profitability of the contracts. On the other hand, it allocates general administrative expenses and indirect employee expenses unrelated to insurance contracts based on cost centers.

Insurance contract expenses include incurred claims, amortization of insurance acquisition costs, amortization of cash flows for the costs of acquiring insurance contracts, changes related to past service, representing adjustments in cash flows for insurance contracts that related to liabilities incurred claims, and changes related to future service, which represent adjustments in cash flows for insurance contracts that lead to losses from onerous insurance contracts.

Acquisition Costs

Acquisition costs represent expenses incurred by the company for selling, acquiring, or initiating new insurance contracts. The company recognizes acquisition costs by amortizing the costs over the coverage period of the insurance contract in the financial statements of the statement of financial position and income statement.

The acquisition costs related to insurance contracts written by the company include both the costs already paid and the expected future payments for issuing and acquiring the insurance contract. These acquisition costs in the company include:

1. Initial issuance and underwriting commissions, which are one-time payments made upon the issuance and signing of the insurance contract, including agent commissions and sales commissions.
2. Recurring commissions and fees, such as portfolio management expenses, retention bonuses, and reinsurance commissions.
3. Administrative expenses related to insurance contracts containing investment components.
4. Marketing and promotional expenses for insurance contracts and the company's insurance products.
5. Costs for developing the company's products to remain competitive in the Palestinian insurance market.
6. Subscription expenses, compensations, and other expenses directly related to the insurance contract portfolio of the company.

Interest and dividends income

The recognition of investment distribution revenues occurs when shareholders obtain the right to receive payments related to profit distributions, as approved by the General Assembly of Shareholders.

Interest income is recognized under the accrual basis over the accrued period and based on the originally granted amounts and interest rate earned.

Expenses recognition

Commissions paid to intermediaries and other direct costs incurred in relation to the acquisition and renewal of insurance contracts are amortized in the consolidated income statement when incurred. All other costs are recognized when incurred based on the accrual basis of accounting.

Insurance claims

Insurance claims consist of claims paid and change in outstanding claims provision.

Claims comprise of amounts paid during the year to policyholders whether related to current or prior years. Gross outstanding claims comprise of the highest gross estimate cost of claims incurred but not settled in the at the date of the consolidated statement of Financial Position. Claims also comprise of provision for claims Incurred but Not Reported (IBNR) and it is calculated based on best data available as of the consolidated financial statements date.

General and administrative expenses

The administrative and general expenses are distributed to the insurance branches in the proportion of the total premiums realized from each insurance branch to the total premiums realized.

4. Property and equipment

a- This item consists of:

	Land held for use	Buildings	Furniture, fixtures, decoration, and equipment	Computers	Motor vehicles	Clearance	Total
	USD	USD	USD	USD	USD	USD	USD
Cost and evaluation							
Balance, as of January 1, 2024	**3,805,825**	**18,201,215**	**4,675,396**	**3,243,172**	**2,612,638**	**59,408**	**32,597,654**
Additions	--	--	547,646	50,627	736,465	--	**1,334,738**
Disposals	--	--	(18,433)	(70,544)	(584,755)	--	**(673,732)**
Revalution of assets	112,689	193,242	--	--	--	--	**305,931**
Balance, as of December 31, 2024	**3,918,514**	**18,394,457**	**5,204,609**	**3,223,255**	**2,764,348**	**59,408**	**33,564,591**
Accumulated depreciation							
Balance, as of January 1, 2024	--	**4,459,494**	**3,738,363**	**3,040,804**	**1,391,179**	**49,052**	**12,678,892**
Depreciation for the year	--	348,608	431,224	159,142	343,547	3,273	**1,285,794**
Disposals	--	--	(15,246)	(67,888)	(239,492)	--	**(322,626)**
Balance, as of December 31, 2024	--	**4,808,102**	**4,154,341**	**3,132,058**	**1,495,234**	**52,325**	**13,642,060**
Net book value							
As at December 31, 2024	**3,918,514**	**13,586,355**	**1,050,268**	**91,197**	**1,269,114**	**7,083**	**19,922,531**

Property and equipment (Cont.)

This item consists of:

2023	Land held for use USD	Buildings USD	Furniture, fixtures, decoration, and equipment USD	Computers USD	Motor vehicles USD	Clearance USD	Total USD
Cost and evaluation							
Balance, as of January 1, 2023	**3,741,290**	**18,291,278**	**4,515,108**	**3,261,204**	**2,488,809**	**59,408**	**32,357,097**
Additions	--	--	339,238	65,790	389,686	--	**794,714**
Disposals	--	(29,473)	(178,950)	(83,822)	(265,857)	--	**(558,102)**
Revalution of assets	64,535	(60,590)	--	--	--	--	**3,945**
Balance, as of December 31, 2023	**3,805,825**	**18,201,215**	**4,675,396**	**3,243,172**	**2,612,638**	**59,408**	**32,597,654**
Accumulated depreciation	--	**4,299,221**	**3,497,161**	**2,847,037**	**1,267,723**	**45,779**	**11,956,921**
Balance, as of January 1, 2023	--	348,171	405,470	274,443	341,846	3,273	**1,373,203**
Depreciation for the year	--	(6,217)	(164,268)	(80,676)	(218,390)	--	**(469,551)**
Disposals	--	(181,681)	--	--	--	--	**(181,681)**
Balance, as of December 31, 2023	--	**4,459,494**	**3,738,363**	**3,040,804**	**1,391,179**	**49,052**	**12,678,892**
Net book value							
As at December 31, 2023	**3,805,825**	**13,741,721**	**937,033**	**202,368**	**1,221,459**	**10,356**	**19,918,762**

5. Investment properties

This item consists of:

	Area	31 December 2024	31 December 2023
	M^2	USD	USD
Gaza Lands - Al-Rasheed Street	3,301	9,319,823	9,319,823
Jenin land - Tanin	50,039	4,763,341	4,796,476
Gaza land- Al Nusierat	2,393	1,802,727	1,802,727
Al-Bireh Lands	2,416	1,900,710	1,887,790
Rented floors in HQ- Nablus	2,073	1,683,885	1,683,885
Rented floors in HQ- Ramallah	1,661	1,691,557	1,691,532
Nablus land - Al Rawda St.	1,765	2,053,283	2,020,925
Jenin land – Talfit	12,081	894,550	894,573
Nablus land - Salem	30,642	428,988	428,988
Investments of Takaful Subscribers			
Al-Bireh Lands	1,012	774,180	753,940
Balance, end of the year		**25,313,044**	**25,280,659**

Investment in properties are recorded at fair value according to the reports of three specialized appraisers. The company calculates the rate of three specialized appraisers to evaluate these investments properties. At the end of 2024, the valuations were carried out by independent appraisers accredited by the Palestinian capital market authority, who possess appropriate and recognized professional qualifications and experience in the investment property's locations under valuation, with the exception of the Gaza Lands. And as a result of this, the profits of evaluating real estate investments in the amount of USD 32,358 were recorded in the consolidated income statement.

6. Right of use assets

Following is a summary of the movement on the right of use assets:

	31 December 2024	31 December 2023
	USD	USD
Balance, beginning of the year	**560,404**	**1,077,110**
Additions	758,774	--
Amortization for the year	(560,085)	(516,706)
Adjustments to the movement throughout the year	319,656	--
Balance, end of year	**1,078,749**	**560,404**

7. Financial assets at fair value through other comprehensive income

a. Financial assets at fair value through the statement of comprehensive income include:

	Quoted	Unquoted	Total
31 December 2024	USD	USD	USD
Investments in shares of local companies	2,311,261	2,976,403	**5,287,664**
Investments in shares of foreign companies	6,611,467	4,054,601	**10,666,068**
Balance, end of year	**8,922,728**	**7,031,004**	**15,953,732**

	Quoted	Unquoted	Total
31 December 2023	USD	USD	USD
Investments in shares of local companies	2,779,163	3,026,403	**5,805,566**
Investments in shares of foreign companies	6,879,288	3,356,903	**10,236,191**
Balance, end of year	**9,658,451**	**6,383,306**	**16,041,757**

b. Following is a summary of the movement on the accumulated change in fair value:

	31 December 2024	31 December 2023
	USD	USD
Balance, beginning of year	**10,221,858**	**10,567,230**
Change in fair value	(282,256)	(504,846)
Change in lands and buildings fair value	255,080	159,474
Balance, end of year	**10,194,682**	**10,221,858**

8. Restricted cash

This item consists of:

	31 December 2024	31 December 2023
	USD	USD
Deposits restricted for the order of PCMA*	7,417,958	7,309,741
Cash restricted under courts' confiscation**	77,138	145,017
Balance, end of year	**7,495,096**	**7,454,758**

* The Company is subjected in accordance with Palestine Capital Market Authority (PCMA) order number (2020/45) In its session number (07/2020) for the year 2020, and the insurance law number (20) for the year 2005, to restricting deposits dictated to PCMA into local banks. The deposits can only be used with prior approval of the PCMA, which represents the lump-sum amount of the Authority's deposit in addition to 5% the total value of the annual insurance portfolio, which is reserved in accordance with the new instructions according to the decision mentioned above. Deposits can only be used with a prior approval by the Authority.

** This amount represents cash with local banks restricted by court decisions against insurance compensation cases against the Company and Al-Takaful Insurance Company (Subsidiary) filed within their normal business activities.

9. Deferred tax assets

Following is the movement on deferred tax assets during the year:

	31 December 2024	31 December 2023
	USD	USD
Balance, beginning of year	**4,534,888**	**4,300,960**
Additions	216,610	233,928
Balance, end of year	**4,751,498**	**4,534,888**

This amount represents deferred tax assets resulting from movements on the provision for employees end of service benefits, provision of doubtful accounts and employees' vacations provision.

10. Other current assets

This item consists of:

	31 December 2024	31 December 2023
	USD	USD
Program prepaid expenses	750,000	695,000
Prepaid expenses	1,142,724	1,138,010
Recovered Insurances	30,947	44,709
Accrued Revenues	1,023,652	583,840
Dividends receivable	--	--
Others	1,076,541	1,559,197
Balance, end of year	**4,023,864**	**4,020,756**

11. Cash and cash equivalents

a. This item consists of:

	31 December 2024	31 December 2023
	USD	USD
Cash in hand	102,340	69,076
Current accounts and short-term deposits at banks	23,730,663	24,061,124
Balance, end of year	**23,833,003**	**24,130,200**

b. The average interest rate return on USD bank deposits' balance was 4.25% during 2024 and 3.86% during 2023.

c. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of:

	31 December 2024	31 December 2023
	USD	USD
Cash in hand	102,340	69,076
Current accounts and short-term deposits at banks	23,730,663	24,061,124
	23,833,003	**24,130,200**
Less: Deposits held for more than three months	(18,413,677)	(23,068,941)
Balance, end of year	**5,419,326**	**1,061,259**

12. Insurance Contracts Assets and Liabilities:

This item consists of:

	Liabilities remaining coverage		Liabilities incurred claims for contracts are not measured by the premium allocation approach	Liabilities incurred claims for contracts measured under the premium allocation approach		
	Excluding loss component	Loss component		Present value of future cash flow	Non-financial risk adjustments	Total
31 December 2024	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Insurance contracts liabilities at the beginning of the year	--	--	--	(47,486,177)	(1,954,362)	(49,440,539)
Insurance contracts assets at the beginning of the year	978,652	--	--	--	--	978,652
Beginning Balance, Net	**978,652**	**--**	**--**	**(47,486,177)**	**(1,954,362)**	**(48,461,886)**
Insurance contract revenues	**118,191,690**	--	--	--	--	**118,191,690**
Insurance contract expenses:						
Incurred claims and other direct expenses	--	--	--	(82,989,694)	(318,082)	**(83,307,776)**
Amortization of cash flows for the acquisition of insurance contracts	(13,747,262)	--	--	--	--	**(13,747,262)**
Recognition of useless contracts and recovery of the loss component	--	--	--	--	--	--
Changes in insurance claims	--	--	--	(11,701,022)	--	**(11,701,022)**
Total of insurance contract expenses	**(13,747,262)**	--	--	**(94,690,716)**	**(318,082)**	**(108,756,060)**
Net results from insurance contracts retained reinsurance contracts:	**104,444,428**	--	--	**(94,690,716)**	**(318,082)**	**9,435,630**
Revenues / (expenses) financing of insurance contracts issued	--	--	--	(3,218,281)	40,247	(3,178,034)
Total changes in the statement of profits and loss	**104,444,428**	--	--	**(97,908,997)**	**(277,835)**	**6,257,596**
Cash flows :						
Cash received from written policy	(117,049,028)	--	--	--	--	**(117,049,028)**
Cash flows for the acquisition of insurance contracts	13,782,757	--	--	--	--	**13,782,757**
Claims and other direct expenses paid	--	--	--	87,686,731	--	**87,686,731**
Total cash Inflow / (outflow)	**(103,266,271)**	--	--	**87,686,731**	--	**(15,579,540)**
Insurance contracts						
Insurance contracts liabilities – Ending balance	--	--	--	(57,708,443)	(2,232,197)	**(59,940,640)**
Insurance contracts assets – Ending Balance	2,156,809	--	--	--	--	**2,156,809**
Ending Balance, Net	**2,156,809**	--	--	**(57,708,443)**	**(2,232,197)**	**(57,783,831)**

	Liabilities remaining coverage		Liabilities incurred claims for contracts are not measured by the premium allocation approach	Liabilities incurred claims for contracts measured under the premium allocation approach		
	Excluding loss component	**Loss component**		**Present value of future cash flow**	**Non-financial risk adjustments**	**Total**
31 December 2023	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Insurance contracts liabilities at the beginning of the year	--	--	--	(72,302,050)	(2,705,525)	**(75,007,575)**
Insurance contracts assets at the beginning of the year	**16,509,965**	--	--	13,220	--	**16,523,185**
Beginning Balance, Net	**16,509,965**	--	--	**(72,288,830)**	**(2,705,525)**	**(58,484,390)**
Insurance contract revenues	124,709,114	--	--	--	--	**124,709,114**
Insurance contract expenses:						
Incurred claims and other direct expenses	--	--	--	(72,718,515)	751,163	**(71,967,352)**
Amortization of cash flows for the acquisition of insurance contracts	(34,308,658)	--	--	--	--	**(34,308,658)**
Recognition of useless contracts and recovery of the loss component	--	--	--	--	--	**--**
Changes in insurance claims	--	--	--	9,373,049	--	**9,373,049**
Total of insurance contract expenses	**(34,308,658)**	--	--	**(63,345,466)**	**751,163**	**(96,902,961)**
Net results from insurance contracts retained reinsurance contracts:	**90,400,456**	--	--	**(63,345,466)**	**751,163**	**27,806,153**
Revenues / (expenses) financing of insurance contracts issued	--	--	--	(1,456,810)	--	**(1,456,810)**
Total changes in the statement of profits and loss	**90,400,456**		--	**(64,802,276)**	**751,163**	**26,349,343**
Cash flows :						
Cash received from written policy	(140,598,302)	--	--	--	--	**(140,598,302)**
Cash flows for the acquisition of insurance contracts	--	--	--	--	--	**--**
Claims and other direct expenses paid	34,666,533	--	--	89,604,929	--	**124,271,462**
Total cash Inflow / (outflow)	**(105,931,769)**	--	--	**89,604,929**	--	**(16,326,840)**
Insurance contracts						
Insurance contracts liabilities – Ending balance	--	--	--	(47,486,177)	(1,954,362)	(49,440,539)
Insurance contracts assets – Ending Balance	978,652	--	--	--	--	978,652
Ending Balance, Net	**978,652**	--	--	**(47,486,177)**	**(1,954,362)**	**(48,461,886)**

13. Reinsurance Contract Assets and Labilities

This item consists of:

	Liabilities remaining coverage		Liabilities incurred claims for contracts are not measured by the premium allocation approach	Liabilities incurred claims for contracts measured under the premium allocation approach		
	Excluding loss component	Loss component		Present value of future cash flow	Non-financial risk adjustments	Total
31 December 2024	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Reinsurance contracts liabilities at the beginning of the year	4,046,827	--	--	25,785,018	818,992	**30,650,837**
Reinsurance contracts assets at the beginning of the year	(28,723)	--	--	--	--	**(28,723)**
Beginning Balance, Net	**4,018,104**	--	--	**25,785,018**	**818,992**	**30,622,114**
Reinsurance contract revenues	**(24,463,269)**	--	--	-	-	**(24,463,269)**
Recoverable reinsurance amounts						
Recovered claims	--	--	--	21,723,364	282,452	**22,005,816**
Other direct expenses	10,897	--	--	--	--	**10,897**
The impact of the change in the risk of non-performance of the restorer	--	--	--	--	--	--
Changes related to previous service - adjustments to the assets of claims incurred	--	--	--	--	--	--
Recoverable reinsurance amounts	**10,897**	--	--	**21,723,364**	**282,452**	**22,016,713**
Net results from reinsurance contracts:						
Income / (expense) financing of retained reinsurance contracts	--	--	--	2,308,270	508	**2,308,778**
Total changes in the statement of profits and losses	**(24,452,372)**	--	--	**24,031,634**	**282,960**	**(137,778)**
Cash flows :						
Paid installments less waived commissions	23,131,465	--	--	--	--	**23,131,465**
Reinsurance refunds	--	--	--	(10,341,383)	(287,902)	**(10,629,285)**
Total cash Inflow / (outflow)	**23,131,465**	--	--	**(10,341,383)**	**(287,902)**	**12,502,180**
Reinsurance contracts						
Reinsurance contracts liabilities – Ending balance	--	--	--	--	--	**--**
Reinsurance contracts assets – Ending Balance	2,697,197	--	--	39,475,269	814,050	**42,986,516**
Ending Balance, Net	**2,697,197**	**--**	**--**	**39,475,269**	**814,050**	**42,986,516**

	Liabilities remaining coverage		Liabilities incurred claims for contracts are not measured by the premium allocation approach	Liabilities incurred claims for contracts measured under the premium allocation approach		
	Excluding loss component	Loss component		Present value of future cash flow	Non-financial risk adjustments	Total
31 December 2023	USD	USD	USD	USD	USD	USD
Reinsurance contracts liabilities at the beginning of the year	--	--	--	--	--	--
Reinsurance contracts assets at the beginning of the year	3,655,703	--	--	32,114,111	1,367,837	**37,137,651**
Beginning Balance, Net	**3,655,703**	--	--	**32,114,111**	**1,367,837**	**37,137,651**
Reinsurance contract revenues	**(24,681,595)**	--	--	--	--	**(24,681,595)**
Recoverable reinsurance amounts			--			
Recovered claims	--	--	--	8,737,521	(548,845)	**8,188,676**
Other direct expenses	--	--	--	--	--	--
The impact of the change in the risk of non-performance of the restorer	--	--	--	--	--	--
Changes related to previous service - adjustments to the assets of claims incurred	--	--	--	(3,271,723)	--	**(3,271,723)**
Recoverable reinsurance amounts	--	--	--	**5,465,798**	**(548,845)**	**4,916,953**
Net results from reinsurance contracts:	**(24,681,595)**	--	--	**5,465,798**	**(548,845)**	**(19,764,641)**
Income / (expense) financing of retained reinsurance contracts	--	--	--	(615,281)	--	**(615,281)**
Total changes in the statement of profits and losses	**(24,681,595)**	--	--	**4,850,517**	**(548,845)**	**(20,379,923)**
Cash flows :			--			
Paid installments less waived commissions	25,043,995	--	--	--	--	**25,043,995**
Reinsurance refunds	--	--	--	(11,179,610)	--	**(11,179,610)**
Total cash Inflow / (outflow)	**25,043,995**	--	--	**(11,179,610)**	--	**13,864,385**
Reinsurance contracts						
Reinsurance contracts liabilities – Ending balance	(28,723)	--	--	--	--	**(28,723)**
Reinsurance contracts assets – Ending Balance	4,046,827	--	--	25,785,018	818,992	**30,650,837**
Ending Balance, Net	**4,018,104**	--	--	**25,785,018**	**818,992**	**30,622,114**

14. Assets and liabilities of insurance and reinsurance contracts-levels of aggregation

	Motor	Workmen	Health	Third party personal liability	Other General Insurance	Fire	Marine	Engineering	Agricultural	Life	Total	Current portion	Non-Current portion	Total
Insurance Contracts														
Insurance contract assets	--	--	--	--	7,516	--	633,730	--	--	1,515,563	2,156,809	1,708,479	448,330	2,156,809
Insurance contract labilities	(28,240,897)	(10,846,587)	(3,265,297)	(99,863)	--	(16,626,274)	--	(861,722)	--	--	(59,940,640)	(15,854,647)	(44,085,993)	(59,940,640)
Reinsurance contracts														
Reinsurance contract assets	14,010,934	121,985	--	990,943	2,508,562	22,809,622	34,939	1,279,643	--	1,229,888	42,986,516	11,193,361	31,793,155	42,986,516
Liabilities of reinsurance contracts	--	--	--	--	--	--	--	--	--	--	--	--	--	--

15. Dividends

- The Board of Directors, in its meeting held on February 9, 2025, decided to raise a recommendation to the General Assembly to distribute cash dividends at a rate of 10% of the paid-up capital, amounting to 1,650,000 USD, after obtaining the necessary and required approvals as per the law.
- The General Assembly, during its ordinary meeting held on April 4, 2024, decided to distribute of cash dividends to shareholders by 10% of total par value of paid-in capital share, equivalent to USD 1,650,000 to be distributed from 2023 profits and to cover any outstanding amounts from retained earnings in previous years.
- The General Assembly, during its ordinary meeting held on March 30, 2023, to approve the distribution of cash dividends at a rate of 20% of the nominal paid-up capital, amounting to 3,000,000 USD. The distribution will be made from the profits earned in the year 2022 and will cover any deficits from the retained earnings of previous years.
- The General Assembly decided in its extraordinary meeting held on March 30, 2023, to approve increasing the company's capital by 10% of the company's nominal and paid-up capital through the distribution of free bonus shares, with a value of USD 1,500,000 from retained earnings.

16. Reserves

1. Statutory reserve

According to the Corporate Law, a deduction of 10% of the net profit is transferred to the statutory reserve account and will continue until the total reserve equals 25% of the paid-in capital. This percentage may be increased by a decision of the Board of Directors until the reserve equals the paid-in share capital, and then it must end. The statutory reserve is not available for distribution to shareholders.

2. Optional reserve

Optional reserve represents accumulation of profit transferred at a percentage not exceeding 20% of annual net profits. The reserve may be used for such purposes as deemed appropriate by the Board of Directors and the General Assembly, and it is available for distribution in full or in parts to shareholders.

17. Retained Earnings

This item represents the balanced profits for the results of the current year in addition to the undistributed profits to shareholders and balances from previous years.

18. Employees end of services benefits payments

This item consists of:

	31 December 2024	31 December 2023
	USD	USD
Balance, beginning of year	**6,038,371**	**5,319,080**
Additions	641,579	1,025,442
Utilization /Payments	(443,363)	(310,983)
Foreign currencies translation differences	278	4,832
Balance	**6,236,865**	**6,038,371**
Due from employees against settlement of shares capital *	(20,650)	(20,650)
Balance, end of year	**6,216,215**	**6,017,721**

* Based on the General Assembly resolution on April 1, 2006, and the Board of Directors' decision on March 12, 2006, a total of 220,000 shares were distributed to the Company’s employees at par value of USD 1. These shares are to be settled in cash or to be deducted from the employees end of service benefits balances upon the end of their employment.

19. Lease liabilities

Following is the movement on the lease liabilities:

	31 December 2024	31 December 2023
	USD	USD
Balance, beginning of year	**664,526**	**1,223,852**
Addition/ Disposal	696,205	(9,865)
Interest related to leasing contracts	127,096	51,643
Payments	(426,509)	(601,104)
Reclassification – Subsidiary Company	68,008	--
Balance, end of year	**1,129,326**	**664,526**

The liabilities related to rent contracts represent the recognition of the lease liabilities at the present value of the lease payments that must be paid over the life of the contract. Rental payments include fixed payments (that include payments that are within their contents fixed payments) minus incentives for the accrued rent and variable rent payments that depend on indicators or agreed upon rates as per the terms of the contract, and the amounts expected to be collected under the residual value guarantees. Rent contracts also include the accrued amount when implementing the purchase option that the entity will certainly implement and the termination amount for the rent contract, if the entity intends to implement the termination option as per the terms of the contracts.

The liabilities related to rent contracts are deducted using a 7% interest rate as of January 1, 2024.

	31 December 2024	31 December 2023
	USD	USD
Lease liability - Short term	475,485	588,374
Lease liability - Long term	653,841	76,152
Balance, end of year	**1,129,326**	**664,526**

20. Deferred tax liabilities

The movement at the expense of deferred tax liabilities was as follows:

	31 December 2024	31 December 2023
	USD	USD
Balance, beginning of year	**2,800,509**	**2,844,293**
Transfers (Recoveries)	6	(43,784)
Balance, end of year	**2,800,515**	**2,800,509**

21. Tax provisions

a. Following is the movement on the provision for income tax during the years ended December 31, 2024 and 2023:

	31 December 2024	31 December 2023
	USD	USD
Balance, beginning of year	**6,339,062**	**5,430,702**
Adjustment of the opening balance	(48,080)	--
Tax for previous years	1,823	--
Tax provision for the year	2,586,382	2,406,967
Payments during the year	(856,011)	(1,381,971)
Tax savings	--	(261,355)
Foreign currencies translation differences	54,587	144,719
Balance, end of year	**8,077,763**	**6,339,062**

b. Taxes as shown in the consolidated income statement comprise of the following:

	31 December 2024	31 December 2023
	USD	USD
Tax provision for the year	2,586,382	2,406,967
Deferred taxes	(216,610)	(233,928)
Tax savings	--	(261,355)
Balance, end of year	**2,369,772**	**1,911,684**

c. The Company did not reach a final settlement with the Income Tax and Value Added Tax Departments for their income results for the year 2019 - 2023. And Takaful Company (a subsidiary) did not reach final settlement with the Income Tax and Value Added Tax Departments on its income results for the years 2019-2023, and with respect to its other subsidiaries (Trust Real Estate, Trust for Tourism and Travel and Smart Health), these companies have reached a final settlement with the income tax and Value Added Tax departments on the income results of the year 2023.

22. Credit facilities

This item represents granted overdraft credit facilities from local banks with a limit of ILS 19,000,000 (equivalent to USD 5,260,448), with an average interest rate between % 3.9 and 5% annually. The purpose of these facilities is to finance the operating processes. The utilized amount as at December 31, 2024 and December 31, 2023 amounted to USD 3,559,574 and USD 1,508,958, respectively. These facilities were solely obtained by guaranteeing the company's legal guarantee.

23. Accounts payable

This item consists of:

	31 December 2024	31 December 2023
	USD	USD
Suppliers' payable	575,098	257,345
Others	484,378	4,376,200
Balance, end of year	**1,059,476**	**4,633,545**

24. Other current liabilities

a. This item consists of:

	31 December 2024	31 December 2023
	USD	USD
Palestine Compensation Fund for Road Accidents' Victims – b, c	1,101,172	1,173,420
Accrued expenses	3,486,486	4,299,135
Saving fund	363,973	138,129
Accrued vacations	562,932	599,576
Dividends accrued - policyholders	219,000	219,000
Unearned Revenues	68,437	248,602
Provision for Board of Directors' bonuses	240,000	160,000
Palestine Capital Market Authority	44,422	98,722
Dividends accrued - shareholders	110,901	100,000
Palestine Insurance Federation	13,262	67,187
Others	5,493,631	2,553,092
Balance, end of year	**11,704,216**	**9,656,863**

b. This item represents the amount due to the Palestinian Compensation Fund for Road Accidents' Victims (PCFRAV) and the results of the fees due as of December 31, 2024, considering that the above is matched by outstanding files with the PCFRAV at a value of ILS 7,878,072 (equivalent to USD 2,146,869) in favor of the Company. It was recorded in the balance of net contribution and recoveries reserve. The company did not reach any settlements regarding outstanding files as of the date of the consolidated financial statements.

c. The movement on the Palestine Compensation fund for road accident victims during the year is as follows:

	31 December 2024	31 December 2023
	USD	USD
Balance, beginning of year	**1,173,420**	**1,229,555**
Additions	4,402,182	4,600,374
Payments during the year	(4,453,128)	(4,646,861)
Foreign currencies translation differences	(21,302)	(9,648)
Balance, end of year	**1,101,172**	**1,173,420**

25. Segment information

For management purposes and based on the Palestine Capital Market Authority (Insurance General Directorate), the Company is organized into multiple business sectors which are motor, workmen, Civil liability, health, engineering, fire, marine, life, and Non-life. These segments form the basis of analytical reports of the Company.

Other operations of the Company include investments and cash management, and there are no inter-segment transactions. The following schedules represents a summary for insurance revenues and results of each operating segment of the Company.

A. The company's business results are divided into operational sectors:

The following schedule is a summary of the revenues and operating results for the Company operating segments for the year ended December 31, 2024:

	Motor	Workmen	Health	Third party personal liability	Other General Insurance	Fire	Marine	Engineering	Life	Investment Sector	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Insurance contract revenues	83,632,633	8,740,598	7,417,591	1,779,211	1,723,329	8,007,889	547,466	1,894,323	4,448,650	-	118,191,690
Insurance contract expenses	(72,776,631)	(5,021,772)	(7,989,715)	(1,258,228)	(608,941)	(16,601,599)	(230,634)	(1,367,708)	(2,900,832)	-	(108,756,060)
The result of insurance contract before retained reinsurance contracts	**10,856,002**	**3,718,826**	**(572,124)**	**520,983**	**1,114,388**	**(8,593,710)**	**316,832**	**526,615**	**1,547,818**	**-**	**9,435,630**
Reinsurance contract expenses	(10,147,605)	(897,595)	-	(329,104)	(1,314,772)	(6,597,727)	(288,372)	(1,092,193)	(3,171,955)	-	(23,839,323)
Refunds of reinsurance contracts	1,767,297	(227,443)	-	649,210	882,037	15,661,496	103,563	780,126	1,776,415	-	21,392,701
Result of reinsurance contract	**(8,380,308)**	**(1,125,038)**	**-**	**320,106**	**(432,735)**	**9,063,769**	**(184,809)**	**(312,067)**	**(1,395,540)**	**-**	**(2,446,622)**
Net results of insurance and reinsurance contracts	**2,475,694**	**2,593,788**	**(572,124)**	**841,089**	**681,653**	**470,059**	**132,023**	**214,548**	**152,278**	**-**	**6,989,008**
Investment income	-	-	-	-	-	-	-	-	-	1,837,806	1,837,806
Net (loss) impairment of investments	-	-	-	-	-	-	-	-	-	-	-
Net investment income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,837,806**	**1,837,806**
Finance cost / revenues Insurance contract	(1,702,951)	(701,200)	(122,578)	(106,485)	1,899	(364,652)	(6,658)	(109,609)	(65,800)	-	(3,178,034)
Finance cost / revenues reinsurance contract	1,901,461	22,329	-	(15,809)	(2,453)	298,601	2,205	66,792	35,652	-	2,308,778
Net finance cost / revenues result of insurance contracts	**198,510**	**(678,871)**	**(122,578)**	**(122,294)**	**(554)**	**(66,051)**	**(4,453)**	**(42,817)**	**(30,148)**	**-**	**(869,256)**
Net financial result of insurance and investment	**2,674,204**	**1,914,917**	**(694,702)**	**718,795**	**681,099**	**404,008**	**127,570**	**171,731**	**122,130**	**1,837,806**	**7,957,558**
Other revenues (expenses)	-	-	-	-	-	-	-	-	-	3,048,263	3,048,263
Gains (losses) on currency differences	-	-	-	-	-	-	-	-	-	(896,532)	(896,532)
Administrative and general expenses not distributed to insurance branches)	-	-	-	-	-	-	-	-	-	(4,479,761)	(4,479,761)
Profit (losses) for the period before tax	**2,674,204**	**1,914,917**	**(694,702)**	**718,795**	**681,099**	**404,008**	**127,570**	**171,731**	**122,130**	**(490,224)**	**5,629,528**
Deferred tax benefits	-	-	-	-	-	-	-	-	-	216,610	216,610
(Tax expense)	-	-	-	-	-	-	-	-	-	(2,586,382)	(2,586,382)
Net profit (loss) for the period after taxes	**2,674,204**	**1,914,917**	**(694,702)**	**718,795**	**681,099**	**404,008**	**127,570**	**171,731**	**122,130**	**(2,859,996)**	**3,259,756**

The following schedule is a summary of the revenues and operating results for the Company operating segments for the year ended December 31, 2023:

31 December 2023	Motor USD	Workmen USD	Health USD	Third party personal liability USD	Other General Insurance USD	Fire USD	Marine USD	Engineering USD	Life USD	Investment Sector USD	Total USD
Insurance contract revenues	90,190,277	9,814,963	7,283,707	1,954,726	1,227,501	8,201,748	661,224	1,912,315	3,462,653	-	**124,709,114**
Insurance contract expenses	(70,933,057)	(7,281,044)	(7,658,499)	(1,087,354)	49,773	(5,217,271)	(272,259)	(1,468,718)	(3,034,532)	-	**(96,902,961)**
The result of insurance contract before retained reinsurance contracts	**19,257,220**	**2,533,919**	**(374,792)**	**867,372**	**1,277,274**	**2,984,477**	**388,965**	**443,597**	**428,121**	**-**	**27,806,153**
Reinsurance contract expenses	(11,957,774)	(907,919)	-	(385,171)	(971,013)	(6,247,931)	(309,382)	(1,132,872)	(2,769,533)	-	**(24,681,595)**
Refunds of reinsurance contracts	(1,191,282)	510,213	-	124,010	(125,493)	2,714,537	142,152	820,575	1,922,242	-	**4,916,954**
Result of reinsurance contract	**(13,149,056)**	**(397,706)**	**-**	**(261,161)**	**(1,096,506)**	**(3,533,394)**	**(167,230)**	**(312,297)**	**(847,291)**	**-**	**(19,764,641)**
Net results of insurance and reinsurance contracts	**6,108,164**	**2,136,213**	**(374,792)**	**606,211**	**180,768**	**(548,917)**	**221,735**	**131,300**	**(419,170)**	**-**	**8,041,512**
Investment income	-	-	-	-	-	-	-	-	-	2,020,570	**2,020,570**
Net (loss) impairment of investments	-	-	-	-	-	-	-	-	-	-	-
Net investment income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,020,570**	**2,020,570**
Finance cost / revenues Insurance contract	(1,233,632)	(61,825)	(21,713)	(12,252)	(14,472)	(64,300)	(4,888)	(27,011)	(16,717)	-	**(1,456,810)**
Finance cost / revenues reinsurance contract	(910,525)	-	-	(4,430)	32,458	195,872	3,670	43,720	23,954	-	**(615,281)**
Net finance cost / revenues result of insurance contracts	**(2,144,157)**	**(61,825)**	**(21,713)**	**(16,682)**	**17,986**	**131,572**	**(1,218)**	**16,709**	**7,237**	**-**	**(2,072,091)**
Net financial result of insurance and investment	**3,964,007**	**2,074,388**	**(396,505)**	**589,529**	**198,754**	**(417,345)**	**220,517**	**148,009**	**(411,933)**	**2,020,570**	**7,989,991**
Other revenues (expenses)	-	-	-	-	-	-	-	-	-	4,765,367	**4,765,367**
Gains (losses) on currency differences	-	-	-	-	-	-	-	-	-	(1,288,939)	**(1,288,939)**
Administrative and general expenses not distributed to insurance branches)	-	-	-	-	-	-	-	-	-	(6,025,857)	**(6,025,857)**
Profit (losses) for the period before tax	**3,964,007**	**2,074,388**	**(396,505)**	**589,529**	**198,754**	**(417,345)**	**220,517**	**148,009**	**(411,933)**	**(528,859)**	**5,440,562**
Deferred tax benefits	-	-	-	-	-	-	-	-	-	261,355	**261,355**
(Tax expense)	-	-	-	-	-	-	-	-	-	(2,173,039)	**(2,173,039)**
Net profit (loss) for the period after taxes	**3,964,007**	**2,074,388**	**(396,505)**	**589,529**	**198,754**	**(417,345)**	**220,517**	**148,009**	**(411,933)**	**(2,440,543)**	**3,528,878**

B. Analysis of insurance and reinsurance revenues and expenses:

The following schedule is a summary of the analysis of insurance and reinsurance revenues and expenses distributed among the company's operating segments for the year ended December 31, 2024:

	Motor	Workmen	Health	Third party personal liability	Other General Insurance	Fire	Marine	Engineering	Life	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Insurance contract revenues from contracts measured under the premium allocation approach										
Total premiums written	82,104,265	8,390,043	6,868,183	1,675,084	1,776,237	7,627,445	540,708	1,881,625	4,036,316	114,899,906
Recovery of provision for expected credit losses	(632,759)	--	--	--	--	--	--	--	--	(632,759)
± Change in the reserve of valid notifications \ account Reserve	2,161,127	350,556	549,408	104,127	(52,908)	380,444	6,757	12,698	412,334	3,924,543
Net (loss) impairment gains on insurance	--	--	--	--	--	--	--	--	--	--
Insurance contract revenues	**83,632,633**	**8,740,599**	**7,417,591**	**1,779,211**	**1,723,329**	**8,007,889**	**547,465**	**1,894,323**	**4,448,650**	**118,191,690**
Insurance contract expenses										
Claims incurred	(52,716,072)	(4,711,947)	(6,889,730)	(1,093,282)	344,671	(1,244,501)	(113,311)	(1,240,589)	(2,289,844)	(69,954,605)
Other direct expenses	(11,083,209)	(655,820)	(986,067)	(193,092)	45,895	(160,426)	(17,487)	(98,465)	(204,500)	(13,353,171)
Changes related to previous service - amendments to the liabilities of claims incurred	1,397,889	1,407,108	(67,925)	223,195	(742,039)	(14,143,894)	(21,249)	274,231	(28,337)	(11,701,021)
Recognition of useless contracts and recovery of the loss component	-	-	-	-	-	-	-	-	-	-
Amortization of cash flows for the acquisition of insurance contracts	(10,375,239)	(1,061,112)	(45,992)	(195,049)	(257,468)	(1,052,779)	(78,587)	(302,884)	(378,153)	(13,747,263)
Insurance contract expenses	**(72,776,631)**	**(5,021,771)**	**(7,989,714)**	**(1,258,228)**	**(608,941)**	**(16,601,600)**	**(230,634)**	**(1,367,707)**	**(2,900,834)**	**(108,756,060)**
The results of insurance contract before retained reinsurance contracts	**10,856,002**	**3,718,828**	**(572,123)**	**520,983**	**1,114,388**	**(8,593,711)**	**316,831**	**526,616**	**1,547,816**	**9,435,630**
Reinsurance contract expenses from contracts measured under the premium allocation approach	**(10,147,605)**	**(897,595)**	**-**	**(329,104)**	**(1,314,772)**	**(6,597,727)**	**(288,372)**	**(1,092,193)**	**(3,171,955)**	**(23,839,323)**
Reinsurance contracts Refunds										
Recovered claims	1,992,710	(311,498)	-	611,811	160,203	1,427,574	94,609	1,074,061	1,758,336	6,807,806
Other direct expenses	-	-	-	-	-	-	-	-	-	-
The impact of the change in the risk of non-performance of the restorer	-	-	-	-	-	-	-	-	-	-
Changes related to previous service - adjustments to the assets of claims incurred	**(225,413)**	**84,054**	**-**	**37,399**	**721,834**	**14,233,922**	**8,953**	**(293,935)**	**18,081**	**14,584,895**
Refunds of reinsurance contracts	**1,767,297**	**(227,444)**	**-**	**649,210**	**882,037**	**15,661,496**	**103,562**	**780,126**	**1,776,417**	**21,392,701**
Net result of retained reinsurance contract business	**(8,380,308)**	**(1,125,039)**	**-**	**320,106**	**(432,735)**	**9,063,769**	**(184,810)**	**(312,067)**	**(1,395,538)**	**(2,446,622)**
Net results of insurance and reinsurance contracts	**2,475,694**	**2,593,789**	**(572,123)**	**841,089**	**681,653**	**470,058**	**132,021**	**214,549**	**152,278**	**6,989,008**

The following schedule is a summary of the analysis of insurance and reinsurance revenues and expenses distributed among the company's operating segments for the year ended December 31, 2023:

31 December 2023	Motor USD	Workmen USD	Health USD	Third party personal liability USD	Other General Insurance USD	Fire USD	Marine USD	Engineering USD	Life USD	Total USD
Insurance contract revenues from contracts measured under the premium allocation approach										
Total premiums written	87,010,554	9,572,706	8,392,346	2,050,127	1,224,475	10,218,204	561,194	1,945,730	3,251,499	124,226,835
Recovery of provision for expected credit losses	256,397	21,552	22,877	3,964	3,784	7,497	917	3,497	5,581	326,066
± Change in the reserve of valid notifications \ account Reserve	2,923,326	220,705	(1,131,516)	(99,365)	(758)	(2,023,953)	99,113	(36,912)	205,573	156,213
Net (loss) impairment gains on insurance	--	--	--	--	--	--	--	--	--	--
Insurance contract revenues	**90,190,277**	**9,814,963**	**7,283,707**	**1,954,726**	**1,227,501**	**8,201,748**	**661,224**	**1,912,315**	**3,462,653**	**124,709,114**
Insurance contract expenses										
Claims incurred	52,137,727	7,442,467	6,416,613	716,143	(206,763)	2,502,156	181,140	812,776	1,965,093	71,967,352
Other direct expenses	--	--	--	--	--	--	--	--	--	--
Changes related to previous service - amendments to the liabilities of claims incurred	(7,164,883)	(2,946,826)	(617,185)	(87,634)	(23,692)	1,031,199	(44,005)	221,276	258,701	(9,373,049)
Recognition of useless contracts and recovery of the loss component	--	--	--	--	--	--	--	--	--	--
Amortization of cash flows for the acquisition of insurance contracts	25,408,837	2,590,851	1,781,865	467,832	327,854	2,202,030	160,775	495,300	873,314	34,308,658
Insurance contract expenses	**70,381,681**	**7,086,492**	**7,581,293**	**1,096,341**	**97,399**	**5,735,385**	**297,910**	**1,529,352**	**3,097,108**	**96,902,961**
The results of insurance contract before retained reinsurance contracts	**19,808,546**	**2,728,471**	**(297,586)**	**858,385**	**1,130,102**	**2,466,363**	**363,314**	**382,963**	**365,545**	**27,806,153**
Reinsurance contract expenses from contracts measured under the premium allocation approach	(11,957,774)	(907,919)	--	(385,171)	(971,013)	(6,247,931)	(309,382)	(1,132,872)	(2,769,533)	(24,681,595)
Reinsurance contracts Refunds			--							
Recovered claims	3,370,415	105,987	--	124,010	(95,800)	2,096,372	181,893	690,716	1,715,084	8,188,677
Other direct expenses	--	--	--	--	--	--	--	--	--	--
The impact of the change in the risk of non-performance of the restorer	--	--	--	--	--	--	--	--	--	--
Changes related to previous service - adjustments to the assets of claims incurred	(4,561,697)	404,226	--	--	(29,693)	618,165	(39,741)	129,859	207,158	(3,271,723)
Refunds of reinsurance contracts	**(1,191,282)**	**510,213**	--	**124,010**	**(125,493)**	**2,714,537**	**142,152**	**820,575**	**1,922,242**	**4,916,954**
Net result of retained reinsurance contract business	**(13,149,056)**	**(397,706)**	--	**(261,161)**	**(1,096,506)**	**(3,533,394)**	**(167,230)**	**(312,297)**	**(847,291)**	**(19,764,641)**
Net results of insurance and reinsurance contracts	**6,659,540**	**2,330,765**	**(297,586)**	**597,224**	**33,596**	**(1,067,031)**	**196,084**	**70,666**	**(481,746)**	**8,041,512**

C. Analysis of financing revenues and expenses:

- This item consists of an analysis of financing revenues and expenses according to the company's business sectors for the period ending December 31, 2024:

	Motor	Workmen	Health	Third party personal liability	Other General Insurance	Fire	Marine	Engineering	Life	Investment Sector
Total revenues (expenses) from insurance contracts	(1,702,951)	(701,200)	(122,578)	(106,485)	1,899	(364,652)	(6,658)	(109,609)	(65,800)	(3,178,034)
Financing revenues from reinsurance contracts	1,901,461	22,329	-	(15,809)	(2,453)	298,601	2,205	66,792	35,652	2,308,778
Net results of insurance business financing	**198,510**	**(678,871)**	**(122,578)**	**(122,294)**	**(554)**	**(66,051)**	**(4,453)**	**(42,817)**	**(30,148)**	**(869,256)**

D. Net investment income:

This item consists of :

	31 December 2024	31 December 2023
	USD	USD
Change in the fair value of financial assets at fair value through profit or loss	(33,356)	(36,867)
(Losses) gains on the sale of financial assets at fair value through other comprehensive income	--	6,137
Interest income	1,057,172	1,037,886
Distribution revenues and other investments.	813,990	1,013,414
Net investment income	**1,837,806**	**2,020,570**

E. Assets and liabilities of insurance and reinsurance contracts distributed among operating sectors

31 December 2024	Motor	Workmen	Health	Third party personal liability	Other General Insurance	Fire	Marine	Engineering	Life	Investment sector	Other	Total	Current portion	Non-Current portion	Total
Assets															
Insurance contract assets	--	--	--	--	7,516	--	633,730	--	1,515,563	--	--	2,156,809	1,708,479	448,330	2,156,809
Insurance contract labilities	14,010,934	121,985	--	990,943	2,508,562	22,809,622	34,939	1,279,643	1,229,888	--	--	42,986,516	11,193,361	31,793,155	42,986,516
Investment	--	--	--	--	--	--	--	--	--	33,960,123	--	33,960,123	18,419,535	15,540,588	33,960,123
Other	--	--	--	--	--	--	--	--	--	9,657,640	--	9,657,640	1,908,621	7,749,019	9,657,640
Total Assets	**14,010,934**	**121,985**	**--**	**990,943**	**2,516,078**	**22,809,622**	**668,669**	**1,279,643**	**2,745,451**	**43,617,763**	**--**	**88,761,088**	**33,229,996**	**55,531,092**	**88,761,088**
Liabilities															
Insurance contract liabilities	(28,240,897)	(10,846,587)	(3,265,297)	(99,863)	--	(16,626,274)	--	(861,722)	--	--	--	(59,940,640)	(15,854,647)	(44,085,993)	(59,940,640)
Liabilities of reinsurance contracts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--	(12,032,562)	--	(12,032,562)	(6,108,587)	(5,923,975)	(12,032,562)
Total Liabilities	**(28,240,897)**	**(10,846,587)**	**(3,265,297)**	**(99,863)**	**--**	**(16,626,274)**	**--**	**(861,722)**	**--**	**(12,032,562)**	**--**	**(71,973,202)**	**(21,963,234)**	**(50,009,968)**	**(71,973,202)**

31 December 2023	Motor	Workmen	Health	Third party personal liability	Other General Insurance	Fire	Marine	Engineering	Life	Investment sector	Other	Total	Current portion	Non-Current portion	Total
Assets															
Insurance contract assets	--	--	--	--	553,128	--	425,524	--	--	--	--	**978,652**	775,222	203,430	**978,652**
Insurance contract labilities	18,139,557	329,076	--	216,624	849,268	8,006,303	135,545	1,574,375	1,400,089	--	--	**30,650,837**	11,120,363	19,530,474	**30,650,837**
Investment	--	--	--	--	--	--	--	--	--	64,600,272	--	**64,600,272**	23,277,856	41,322,416	**64,600,272**
Other	--	--	--	--	--	--	--	--	--	--	44,336,567	**44,336,567**	5,134,229	39,202,338	**44,336,567**
Total Assets	**18,139,557**	**329,076**	**--**	**216,624**	**1,402,396**	**8,006,303**	**561,069**	**1,574,375**	**1,400,089**	**64,600,272**	**44,336,567**	**140,566,328**	**40,307,670**	**100,258,658**	**140,566,328**
Liabilities															
Insurance contract liabilities	(28,405,783)	(14,302,908)	(746,385)	(1,656,669)	--	(2,572,796)	--	(1,342,672)	(413,326)	--	--	**(49,440,539)**	(16,775,675)	(32,664,864)	**(49,440,539)**
Liabilities of reinsurance contracts	--	--	--	(28,723)	--	--	--	--	--	--	--	**(28,723)**	(28,723)	--	**(28,723)**
Other	--	--	--	--	--	--	--	--	--	--	(31,621,184)	**(31,621,184)**	(22,726,802)	(8,894,382)	**(31,621,184)**
Total Liabilities	**(28,405,783)**	**(14,302,908)**	**(746,385)**	**(1,685,392)**	**--**	**(2,572,796)**	**--**	**(1,342,672)**	**(413,326)**	**--**	**(31,621,184)**	**(81,090,446)**	**(39,531,200)**	**(41,559,246)**	**(81,090,446)**

26. General and administrative expenses

The general and administrative expenses represent the undistributed general and administrative expenses to the insurance sectors, which constitute 10% of the total general and administrative expenses for the insurance activity. In addition to the administrative and general expenses for subsidiary companies.

The administrative and general expenses allocated to insurance expenses (acquisition of insurance contracts) by 90 % and other operating expenses by 10 %, and 77 % of the acquisition costs are charged as insurance contract expenses as follows:

	31 December 2024			
	Contract acquisition cost	Non-contract acquisition cost	Other operating expenses	Total
Salaries and related benefits	7,850,249	2,332,397	1,145,274	11,327,920
Depreciation of real estate and equipment	634,995	189,674	91,630	916,299
Right of Use Assets Amortization	388,139	115,937	56,009	560,085
Advertising and advertising expenses	173,331	51,565	25,221	250,117
Transportation and fuel	179,159	52,867	26,500	258,526
Mail, phone, fax	361,196	107,269	52,741	521,206
Board members ' expenses and management bonuses	166,320	49,680	24,000	240,000
Stationery and prints	171,022	50,948	24,815	246,785
Fees and subscriptions	90,133	26,797	13,132	130,062
Maintenance and repairs	114,173	33,676	16,902	164,751
Benefits of long-term contract obligations	58,908	17,596	8,500	85,004
Professional and consulting fees	246,436	73,282	35,889	355,607
Car expenses	293,394	87,451	42,523	423,368
Computer expenses	728,553	215,874	106,876	1,051,303
Water and electricity expenses	98,930	29,294	14,532	142,756
Training expenses	51,337	15,334	7,408	74,079
Travel expenses	43,673	13,045	6,302	63,020
Benefits and bank commissions	260,621	77,848	37,608	376,077
Hospitality and cleaning supplies	55,371	16,539	7,990	79,900
Provision expense for expected credit losses	768,284	222,791	117,562	1,108,637
Total	**12,734,224**	**3,779,864**	**1,861,414**	**18,375,502**

27. Assets / Liabilities of insurance contracts according to the remaining coverage balances and incurred claims for each aggregation level.

31 December 2024	Motor	Workmen	Health	Third party personal Liability	Other General Insurance	Fire	Marine	Engineering	Agricultural	Life	Total
Remaining coverage liability*	18,020,624	706,483	(408,808)	1,193,102	(601,655)	2,734,713	425,564	463,700	--	2,452,415	24,986,138
Incurred claims liability	(46,261,522)	(11,553,071)	(2,856,489)	(1,292,965)	609,171	(19,360,987)	208,166	(1,325,421)	--	(936,851)	(82,769,969)
Net	**(28,240,898)**	**(10,846,588)**	**(3,265,297)**	**(99,863)**	**7,516**	**(16,626,274)**	**633,730**	**(861,721)**	--	**1,515,564**	**(57,783,831)**

*The remaining coverage item includes the balance of receivables and 29. Cheques under collection arising from issued insurance contracts, in accordance with the requirements of International Standard No. 17 regarding the inclusion of items within the scope of insurance contracts. Below is the aging of receivables and cheques under collection, along with the provision for expected losses.

31 December 2023	Motor	Workmen	Health	Third party personal Liability	Other General Insurance	Fire	Marine	Engineering	Agricultural	Life	Total
Remaining coverage liability*	11,153,038	(339,162)	1,256,335	434,013	424,699	3,961,298	430,032	459,385	--	868,037	18,647,675
Incurred claims liability	(39,558,821)	(13,963,746)	(2,002,720)	(2,090,682)	128,429	(6,534,093)	(4,508)	(1,802,057)	--	(1,281,363)	(67,109,561)
Net	**(28,405,783)**	**(14,302,908)**	**(746,385)**	**(1,656,669)**	**553,128**	**(2,572,795)**	**425,524**	**(1,342,672)**	--	**(413,326)**	**(48,461,886)**

28. Receivables related to insurance contracts and the provision for expected credit losses.

31 December 2024	Receivables aged from 1 day to 90 days	Receivables aged from 91 day to 180 days	Receivables aged from 181 day to 270 days	Receivables aged from 271 day to 360 days	Receivables aged over 360 days	Receivables of Gaza Branch	Total
Insurance receivables	12,675,220	3,699,788	3,538,237	1,928,909	7,858,228	134,019	29,834,401
Expected loss ratio	1.92%	16.09%	18.76%	46.05%	72.08%	100%	%257
Provision for expected credit losses	(243,367)	(595,441)	(663,884)	(888,332)	(5,664,267)	(134,019)	(8,189,310)
Net	**12,431,853**	**3,104,347**	**2,874,353**	**1,040,577**	**2,193,961**	**--**	**21,645,091**

31 December 2023	Receivables aged from 1 day to 90 days	Receivables aged from 91 day to 180 days	Receivables aged from 181 day to 270 days	Receivables aged from 271 day to 360 days	Receivables aged over 360 days	Total
Insurance receivables	11,556,109	4,577,575	1,575,356	1,821,305	9,251,510	28,781,855
Expected loss ratio	2.93%	8.84%	21.02%	42.89%	67.41%	143.10%
Provision for expected credit losses	(338,058)	(404,808)	(331,202)	(781,165)	(6,236,637)	(8,091,870)
Net	**11,218,051**	**4,172,767**	**1,244,154**	**1,040,140**	**3,014,873**	**20,689,985**

29. Cheques under collection related to insurance contracts and the provision for expected credit losses.

31 December 2024	**Receivables and cheques under collection due within one year**	**Receivables and cheques under collection due after one year**	**Total**
Cheques under collection	44,038,438	1,527,196	45,565,634
Expected loss ratio	%2.7956	%16.8038	
Provision for expected credit losses	(1,231,151)	(256,627)	(1,487,778)
Net	**--**	**--**	

31 December 2023	**Receivables and cheques under collection due within one year**	**Receivables and cheques under collection due after one year**	**Total**
Cheques under collection	41,524,399	1,697,420	43,221,819
Expected loss ratio	%1.6707	%13.9433	
Provision for expected credit losses	(693,760)	(236,677)	(930,437)
Net	--	--	

30. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the year.

	31 December 2024	31 December 2023
	USD	USD
Profit for the year attributable to the Parent Company	2,607,734	2,766,293
	Shares	
Weighted average number of shares during the year	16,500,000	16,500,000
Basic and diluted earnings per share / Parent Company	**0.16**	**0.17**

31. Related Party Transactions

Related parties represent subsidiaries companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's Board of Directors.

Balances with related parties included in the consolidated statement of financial position are as follows:

	Nature of relationship	31 December 2024 USD	31 December 2023 USD
Bonuses provision	Members of Board of Directors	240,000	160,000
Outstanding claims	Key investor in Subsidiary	759,967	402,798
Cash at banks	Key investor in Subsidiary	8,855,459	14,764,000

Transactions with related parties included in the consolidated income statement are as follows:

	Nature of relationship	31 December 2024 USD	31 December 2023 USD
Key management salaries, related benefits and travel expenses	Key management	770,238	761,549
Board of Directors' bonuses	Members of Board of Directors	240,000	160,000
Written premiums	Key investor in Subsidiary	3,316,791	2,426,555
Paid Claims	Key investor in Subsidiary	715,011	1,102,528
Deposits income	Key investor in Subsidiary	319,151	524,624

32. Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. Following are quantitative disclosures fair value measurement hierarchy for assets as at December 31, 2024:

	Carrying amount		Fair value Measurement using		
	Date of Measurement	Total	Quoted Prices in active markets (Level 1)	Significant observable inputs (Level2)	Significant-non-observable inputs (Level3)
	USD	USD	USD	USD	USD
Financial assets measured at fair value:					
Financial assets at fair value through the statement of comprehensive income (Note 7):					
Quoted	December 31, 2024	**8,922,728**	8,922,728	--	--
Unquoted	December 31, 2024	**6,383,306**	--	--	6,383,306
Financial assets at fair value through profit or loss:					
Quoted	December 31, 2024	**175,559**	175,559		
Investments in properties (Note 5)	December 31, 2024	**25,313,044**			25,313,044
Property and equipment – Lands and Buildings (Note 4)	December 31, 2024				

Following are quantitative disclosures fair value measurement hierarchy for assets as at December 31, 2023:

	Carrying amount		Fair value Measurement using		
	Date of Measurement	Total	Quoted Prices in active markets (Level 1)	Significant observable inputs (Level2)	Significant-non-observable inputs (Level3)
		USD	USD	USD	USD
Financial assets measured at fair value:					
Financial assets at fair value through the statement of comprehensive income (Note 7):					
Quoted	December 31, 2023	**9,658,451**	9,658,451	--	--
Unquoted	December 31, 2023	**6,383,306**	--	--	6,383,306
Financial assets at fair value through profit or loss:					
Quoted	December 31, 2023	**208,915**	208,915	--	--
Investments in properties (Note 5)	December 31, 2023	**25,280,659**	--	--	25,280,659
Property and equipment – Lands and Buildings (Note 4)	December 31, 2023	**17,547,546**	--	--	**17,547,546**

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

Fair value hierarchy:

The company uses the following hierarchy to determine and disclose the fair value of financial instruments:

- Level 1 — Quoted (unadjusted) market prices in active markets.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

During the year, Level 1 was used to determine and disclose the fair value of Available-for-sale with readily determinable market value.

During the year, Level 3 was used to disclose the fair value of investment properties.

33. Fair values of financial instruments

The table below is a comparison of the carrying amounts and fair values of The Company's financial instruments carried in the financial statements as at December 31, 2024 and 2023:

The fair values of financial assets and liabilities are shown in accordance with the values at which exchanges can be carried out between interested parties, with the exception of compulsory sales or liquidation.

	Book Value		Fair Value	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	USD	USD	USD	USD
Financial assets				
Cash and cash equivalents	5,419,326	1,061,259	5,419,326	1,061,259
Bank Deposit	18,413,677	23,068,941	18,413,677	23,068,941
Restricted Deposits	7,495,096	7,454,758	7,495,096	7,454,758
Financial assets at fair value through other comprehensive income				
Quoted	8,922,728	9,658,451	8,922,728	9,658,451
Unquoted	7,031,004	6,383,306	7,031,004	6,383,306
Financial assets at fair value through income statement	175,559	208,915	175,559	208,915
Insurance contracts assets	2,156,809	978,652	2,156,809	978,652
Reinsurance contracts assets	42,986,516	30,650,837	42,986,516	30,650,837
Other financial assets	4,023,864	4,020,756	4,023,864	4,020,756
	96,624,579	**83,485,875**	**96,624,579**	**83,485,875**
Financial liabilities				
Accounts payable	1,059,476	4,633,545	1,059,476	4,633,545
Insurance contract liabilities	59,940,640	49,440,539	59,940,640	49,440,539
Reinsurance contracts liabilities	--	28,723	--	28,723
Credit facilities	3,559,574	1,508,958	3,559,574	1,508,958
Lease liabilities	1,129,326	664,526	1,129,326	664,526
Other financial liabilities	11,704,216	9,656,863	11,704,216	9,656,863
	77,393,232	**65,933,154**	**77,393,232**	**65,933,154**

- The fair values of cash and cash equivalents, some checks under collection, accounts receivable, reinsurance assets, other financial assets, accounts payable, insurance and reinsurance companies' payable, credit facilities, insurance contracts liabilities, and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- The fair values of quoted financial assets at fair value through OCI investments were based on their price quotations at the consolidated financial statements reporting date.
- Unquoted financial assets at fair value through OCI are stated at cost as their fair values cannot be reliably determined due to the unpredictable nature of future cash flows. The Company's management believes that the fair value of the financial assets is not materially different from their carrying values.

34. Risk management

The Company manages various risks through a strategy that identifies those risks and the procedures to mitigate them by applying a reporting system aiming to review and adopt appropriate risk mitigating procedures. In addition, the business units are responsible for identifying risks associated with their operations and to apply and monitor appropriate control procedures. The overall responsibility of managing and monitoring the risks of the Company rests with the Board of Directors.

Risk measurement and reporting systems

The Company maintains acceptable risk limits that are reviewed on a regular basis for each risk type. The limits reflect the acceptable risk for the Company's strategy and the market conditions.

Information is collected from the various departments of the company and analyzed to identify the expected risks that may result from it. This information is presented and explained to the company's Board of directors.

The company is exposed to insurance and financial risks, which are represented by market risks, liquidity risks and credit risks, which require the preparation of a sensitivity analysis of these risks, according to the following assumptions as of 31 December 2024:

A. Assuming an increase in the interest rate by 5% :

	Insurance contract Assets	Insurance contract Labilities	Reinsurance contract Assets	Reinsurance contract Labilities	Gain or Loss	Equity
Motor	--	(28,240,897)	14,010,934	--	(273,017)	(273,017)
Workmen	--	(10,846,587)	121,985	--	(60,681)	(60,681)
Health	--	(3,265,297)	--	--	(17,959)	(17,959)
Third party personal liability	--	(99,863)	990,943	--	(8,873)	(8,873)
Other general insurance	7,516	--	2,508,562	--	(21,072)	(21,072)
Fire	--	(16,626,274)	22,809,622	--	(283,045)	(283,045)
Marine	633,730	--	34,939	--	(293)	(293)
Engineering	--	(861,722)	1,279,643	--	(15,488)	(15,488)
Agriculture	--	--	--	--	--	--
Life	1,515,563	--	1,229,888	--	(10,331)	(10,331)
Total	**2,156,809**	**(59,940,640)**	**42,986,516**	--	**(690,759)**	**(690,759)**

B. Assuming a decrease in the interest rate by 5% :

	Insurance contract Assets	Insurance contract Labilities	Reinsurance contract Assets	Reinsurance contract Labilities	Gain or Loss	Equity
Motor	--	(28,240,897)	14,010,934	--	273,017	273,017
Workmen	--	(10,846,587)	121,985	--	60,681	60,681
Health	--	(3,265,297)	--	--	17,959	17,959
Third party personal liability	--	(99,863)	990,943	--	8,873	8,873
Other general insurance	7,516	--	2,508,562	--	21,072	21,072
Fire	--	(16,626,274)	22,809,622	--	283,045	283,045
Marine	633,730	--	34,939	--	293	293
Engineering	--	(861,722)	1,279,643	--	15,488	15,488
Agriculture	--	--	--	--	--	--
Life	1,515,563	--	1,229,888	--	10,331	10,331
Total	**2,156,809**	**(59,940,640)**	**42,986,516**	--	**690,759**	**690,759**

C. Assuming an increase in unpaid claims and direct expenses by 5% and a decrease in unpaid claims and direct expenses by 5%:

	Liabilities incurred claims at the end of the period	Effect on the liabilities of incurred claims	Effect on profit or loss	Effect on equity
Insurance contract liabilities	(59,940,640)			
Reinsurance contract assets	42,986,516			
Unpaid claims and direct expenses %5 increase				
Insurance contract liabilities	--	(2,997,032)	2,997,032	2,997,032
Reinsurance contract assets	--	2,149,326	(2,149,326)	(2,149,326)
Unpaid claims and direct expenses %5 decrease				
Insurance contract liabilities	--	2,997,032	(2,997,032)	(2,997,032)
Reinsurance contract assets	--	(2,149,326)	2,149,326	2,149,326

The results of the sensitivity analysis for market risks, liquidity risks, and credit risks as of December 31, 2023, are as follows:

A. Assuming an increase in the interest rate by 5% :

	Insurance contract Assets	Insurance contract Labilities	Reinsurance contract Assets	Reinsurance contract Labilities	Gain or Loss	Equity
Motor	--	(28,405,783)	18,139,557	--	(308,604)	(308,604)
Workmen	--	(14,302,908)	329,076	--	(81,430)	(81,430)
Health	--	(746,385)	--	--	(4,105)	(4,105)
Third party personal liability	--	(1,656,669)	216,624	(28,723)	(10,931)	(10,931)
Other general insurance	553,128	--	849,268	--	(7,134)	(7,134)
Fire	--	(2,572,796)	8,006,303	--	(81,403)	(81,403)
Marine	425,524	--	135,545	--	(1,139)	(1,139)
Engineering	--	(1,342,672)	1,574,375	--	(20,609)	(20,609)
Agriculture	--	--	--	--	--	--
Life	--	(413,326)	1,400,089	--	(14,034)	(14,034)
Total	**978,652**	**(49,440,539)**	**30,650,837**	**(28,723)**	**(529,389)**	**(529,389)**

B. Assuming an decrease in the interest rate by 5%:

	Insurance contract Assets	Insurance contract Labilities	Reinsurance contract Assets	Reinsurance contract Labilities	Gain or Loss	Equity
Motor	--	(28,405,783)	18,139,557	--	308,604	308,604
Workmen	--	(14,302,908)	329,076	--	81,430	81,430
Health	--	(746,385)	--	--	4,105	4,105
Third party personal liability	--	(1,656,669)	216,624	(28,723)	10,931	10,931
Other general insurance	553,128	--	849,268	--	7,134	7,134
Fire	--	(2,572,796)	8,006,303	--	81,403	81,403
Marine	425,524	--	135,545	--	1,139	1,139
Engineering	--	(1,342,672)	1,574,375	--	20,609	20,609
Agriculture	--	--	--	--	-	-
Life	--	(413,326)	891,400,0	--	14,034	14,034
Total	**978,652**	**(49,440,539)**	**30,650,837**	**(28,723)**	**529,389**	**529,389**

C. Assuming an increase in unpaid claims and direct expenses by 5% and a decrease in unpaid claims and direct expenses by 5%:

	Liabilities incurred claims at the end of the period	Effect on the liabilities of incurred claims	Effect on profit or loss	Effect on equity
Insurance contract liabilities	(49,440,539)			
Reinsurance contract assets	30,650,837			
Unpaid claims and direct expenses %5 increase				
Insurance contract liabilities	--	(2,472,027)	2,472,027	2,472,027
Reinsurance contract assets	--	1,532,542	(1,532,542)	(1,532,542)
Unpaid claims and direct expenses %5 decrease				
Insurance contract liabilities	--	2,472,027	(2,472,027)	(2,472,027)
Reinsurance contract assets	--	(1,532,542)	1,532,542	1,532,542

Following is a summary of the Company's risks and the mitigating procedures applied.

Insurance risks

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these claims.

The company works is mitigated by diversification across a large portfolio of insurance contracts. In addition, the variability of risks is also improved by careful selection as well as the use of reinsurance arrangements.

The main insurance sectors of the company are insurance against motors risks, marine transportation, fire and theft, workers and civil liability, general insurance, engineering and health insurance. Such insurance contracts are considered short-term and are usually repaid within one year from the date of the insured event, this helps to minimize the insurance risk.

Reinsurance risk

In order to minimize financial exposure arising from large claims, the Company, in the normal course of business, enters into agreements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allows management to control exposure to potential losses arising from large risks, and provide additional capacity

for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess-of-loss reinsurance contracts.
Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders and as a result, the Company remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.
To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk. where the maximum exposure to credit risks has been determined on the assets and liabilities of reinsurance contracts as of 31 December 2024 and 31 December 2023 according to the classification groups of reinsurers as follows:

31 December 2024	**First group**	**Second group**	**Third group**	**Fourth group (not classified)**	**Total**
Reinsurance contracts					
Reinsurance contract assets	24,462,227	8,156,780	10,197,131	170,378	42,986,516
Liabilities of reinsurance contracts	--	--	--	--	--
Maximum exposure to credit risk					**42,986,516**
31 December 2023	**First group**	**Second group**	**Third group**	**Fourth group (not classified)**	**Total**
Reinsurance contracts					
Reinsurance contract assets	19,050,496	6,391,980	4,918,981	289,380	**30,650,837**
Liabilities of reinsurance contracts	(28,723)	--	--	--	**(28,723)**
Maximum exposure to credit risk					**30,622,114**

Regulatory framework risk
Regulators are primarily interested in protecting the rights of the policyholders and monitoring them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unexpected liabilities.

The operations of the company are also subject to regulatory requirements within Palestine. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet the unexpected liabilities as they arise.

Financial risk
The Company follows financial policies in managing risks as a part of certain strategies. Management manages and controls risks and ensures strategic and optimal allocation of assets and liabilities. These risks include market risk (interest rate risk, equity price risk and foreign currency risk), liquidity risk and credit risk.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, equity price risk and currency risk. Market risk results from the effect of open positions for interest prices and investment in shares and foreign currencies, and are monitored by management’s specific policies and procedures.

Interest rate risk
The sensitivity of the consolidated income statement is the effect of the possible assumed changes in interest rates on the company's profit for one year, and it is calculated on financial assets and liabilities that carry a variable interest rate.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with insurance contracts and financial liabilities as they fall due. To mitigate this risk, management diversifies sources of finances, manages assets and liabilities and adapts its maturities, and maintains an adequate level of cash and cash equivalents.

Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise. Most of the time deposits belonging to the company at the date of the consolidated statement of financial position are due within a period not exceeding three months.

The liquidity risk analysis of the assets and liabilities items in the financial position has been carried out according to the periods that management expects to be appropriate to determine the liquidity risk as follows:

a. Insurance and reinsurance contract requirements:

31 December 2024	Less than a year USD	1 Year USD	2 Years USD	3 Years USD	4 Years USD	5 Years USD	More than 5 years USD	Total USD
Insurance contract Liabilities	--	(15,854,647)	(22,811,458)	(11,093,354)	(5,439,696)	(1,192,092)	(3,549,393)	**(59,940,640)**
Reinsurance contract Liabilities	--	--	--	--	--	--	--	**--**
Discounted or undiscounted cash flows	**--**	**(15,854,647)**	**(22,811,458)**	**(11,093,354)**	**(5,439,696)**	**(1,192,092)**	**(3,549,393)**	**(59,940,640)**

31 December 2023	Less than a year	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 years	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Insurance contract Liabilities	**(9,394,614)**	**(9,219,511)**	**(19,214,303)**	**(4,270,233)**	**(3,748,302)**	**(1,434,186)**	**(2,159,390)**	**(49,469,262)**
Reinsurance contract Liabilities	--	(28,723)	--	--	--	--	--	**(28,723)**
Discounted or undiscounted cash flows	**(9,394,614)**	**(9,248,234)**	**(19,214,303)**	**(4,270,233)**	**(3,748,302)**	**(1,434,186)**	**(2,159,390)**	**(49,469,262)**

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all categories of financial assets held by the Company, the maximum exposure to credit risk to the Company is the carrying value as disclosed in the consolidated statement of financial position.

35. Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in light of changes in economic and business conditions. No changes were made in the objectives, policies or processes during the current year.

The items included in the capital structure consist of paid-in capital, retained earnings, reserves, and non-controlling interests, totaling USD 60,542,154 as of 31 December 2024, compared to USD 59,475,882 as of 31 December 2023.

The operations of the Company are also subject to regulatory requirements within the jurisdictions when it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (i.e. capital adequacy) to minimize the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as they arise the company's solvency margin ratio as of December 31, 2023 (189%)

as of the date of issuing the financial statements, the solvency margin certificate issued by the Palestinian capital market Authority has not been received.

36. Legal cases against the Company

In the normal course of business, the Company appears as a defendant in a number of lawsuits. The Company's management, based on legal the advice, does not believe that the outcomes of these lawsuits will have a material impact on the Company's income nor its financial position.

37. Comparative Figures

Some financial statement balances have been reclassified as at 31 December 2023 to conform to the classification adopted in accordance with IFRS 17 and to match the presentation of financial statement balances as at 31 December 2024.

38. Going concern

The company has conducted an assessment of its ability to continue as a going concern in the current economic conditions using all available information about future risks and uncertainties. Forecasts have been prepared that address the future performance of the company, Capital and liquidity. The information indicates that the company has sufficient resources, as well as that its position regarding continuity has not been significantly affected and has not changed materially to continue operating its business since the beginning of the fiscal year. As a result, these financial statements have been prepared in accordance with the principle of continuity. The company's management also concluded that there is no need to make material adjustments to liabilities, assets or business results within these financial statements for the year ended December 31, 2024.

39. Concentration of risk in geographical area

The company is operating in Palestine. The instability of the political and economic situation in the region increases the risk of the company exercising its activities and adversely affects its performance.

40. Gaza Branch losses:

The company operates in Palestine, including the Gaza Strip, where it owns an operational branch. Due to the political and economic instability in Gaza and recent events, the company's Gaza branch was completely destroyed in events following October 7, 2024. This led to a complete cessation of the company's operations in the Gaza Strip. The company recorded a 100% provision for expected credit losses on receivables in Gaza in addition to fully depreciating all fixed assets of the branch as of December 31, 2024. The net book value of fixed assets and receivables for the company's Gaza branch were as follows:

	December 31, 2024
	USD
Net book value for Furniture and equipment	13,445
Net book value for Computers and systems	568
Accounts Receivables	778,278
Checks under collection	211,916
Balance, end of year	**1,004,207**

The company has made a provision for recoveries at a rate of 100% for all recoveries required from the company's customers and has maintained all suspended provisions and accounts payable.