

Jordan International Insurance Company
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan
Interim Condensed Consolidated Financial
Statements (Unaudited)
and Independent Auditor's review Report
For the Three-Months Ended March 31, 2025

Jordan International Insurance Company
(Public Shareholding Limited Company)
Amman- The Hashemite kingdom of Jordan
Interim Condensed Financial Statements (Unaudited) and Independent Auditor's review Report
For the Three-Months Ended March 31, 2025

Table of Content

	<u>Page</u>
Independent Auditor's Review Report	1
Interim Condensed Consolidated statement of Financial Position As of March 31, 2025 (Unaudited)	2
Interim Condensed Consolidated statement of Profit or Loss For the Three-Months Ended March 31, 2025 (Unaudited)	3
Interim Condensed Consolidated statement of Other Comprehensive Income For the Three-Months Ended March 31, 2025 (Unaudited)	4
Interim Condensed Consolidated statement of Changes in Shareholders' Equity For the Three-Months Ended March 31, 2025 (Unaudited)	5
Interim Condensed Consolidated statement of Cash Flows For the Three-Months Ended March 31, 2025 (Unaudited)	6
Notes to the Interim Condensed Consolidated Financial Statements For the Three-Months Ended March 31, 2025 (Unaudited)	7-42

Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying interim condensed Consolidated statement of financial position of **Jordan International Insurance Company ("the Company")** as of March 31, 2025 and the related interim condensed Consolidated statements of profit or loss, other comprehensive income, changes in shareholders' equity, and cash flows for the three months period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim condensed Consolidated financial statements in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting as endorsed in the Hashemite Kingdom of Jordan and the instructions of Central Bank of Jordan. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Hashemite Kingdom of Jordan. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements for the period ended March 31, 2025 are not prepared in all material respects, in accordance with IAS (34) "Interim Financial Reporting" as endorsed in the Hashemite Kingdom of Jordan.

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

Date: April 29, 2025
Amman - Jordan



Jordan International Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Consolidated statement of Financial Position
As of March 31, 2025 (Unaudited)
(Jordanian Dinars)

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Assets</u>			
Deposits at banks, net	3	4,150,633	4,275,038
Financial assets at fair value through profit or loss statement	4	1,485,148	1,544,505
Financial assets at fair value through other comprehensive income	5	1,821,395	1,881,641
Property investments	6	7,274,929	7,278,361
Total investments		14,732,105	14,979,545
Cash on hand and at banks	7	439,467	256,450
Receivables	16	681,094	478,400
Insurance contract assets, net (Premium allocation approach)	9	-	84,230
Reinsurance contract assets held, net	10	22,873,567	23,619,443
Settlement Guarantee Fund Secretariats	11	26,188	99,232
Deferred tax assets	13	1,706,610	1,758,304
Property and equipment, net		1,875,319	1,889,741
Intangible assets, net	14	310,872	322,998
Other assets	15	1,854,150	1,747,754
Total Assets		44,499,372	45,236,097
<u>Liabilities and Shareholders' Equity</u>			
<u>Liabilities</u>			
Insurance contract liabilities-Net (Premium allocation approach)	9	26,580,344	27,672,102
Total insurance contract liabilities		26,580,344	27,672,102
Reinsurance contract liabilities held, net	10	508,661	872,712
Provision for income tax	13	8,214	2,376
Other provisions	17	43,948	43,948
Trade settlement		1,268	-
Accrued expenses		13,000	12,500
Overdraft bank		700,261	486,869
Other liabilities	18	762,188	343,364
Total liabilities		28,617,884	29,433,871
<u>Shareholders' Equity</u>			
Authorized and paid-up share capital	19	18,150,000	18,150,000
Statutory reserve	20	2,774,111	2,774,111
Special reserve	20	2,225	2,225
Differences for purchase of non-controlling shares		351,302	351,302
Fair value reserve	23	(2,481,332)	(2,483,641)
Accumulated losses		(3,764,112)	(3,842,903)
Total equity attributable to the shareholders of a company		15,032,194	14,951,094
Non-controlling interests	24	849,294	851,132
Total Shareholders' Equity		15,881,488	15,802,226
Total Liabilities and Shareholders' Equity		44,499,372	45,236,097

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated financial statements

Jordan International Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Consolidated statement of Profit or Loss
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

	Note	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Revenues:			
Insurance contract revenues	25	3,474,450	3,388,697
Insurance contract expenses	26	(2,717,268)	(2,842,077)
Insurance contract service result		757,182	546,620
Reinsurance contracts expenses		(1,308,904)	(2,249,309)
Reinsurance contracts revenues		664,459	1,414,335
Reinsurance contracts results		(644,445)	(834,974)
Net insurance operations results		112,737	(288,354)
Finance (expenses) /revenue- insurance contracts	27	(355,728)	30,376
Finance revenues/ (expenses) – reinsurance contracts	28	315,488	(57,387)
Net financing results of insurance operations		(40,240)	(27,011)
Interest income	29	65,198	59,656
Profit from financial assets and investments	30	55,336	(12,496)
Other revenues	31	61,614	47,111
Rental revenues		5,850	2,725
Net investment revenue		187,998	96,996
Net Insurance and investment result (Total Revenue)		260,495	(218,369)
Undistributed Depreciation and amortization		3,816	3,838
Undistributed general and administrative expenses		120,037	84,710
Other Expenses		2,157	3,715
Total expenses		126,010	92,263
Profit /(loss) for the period before income tax		134,485	(310,632)
Income tax	13	57,532	28,760
Profit /(loss) for the period after income tax		76,953	(339,392)
It goes back to:			
Company shareholders		78,791	(336,859)
Non-controlling interests		(1,838)	(2,533)
		76,953	(339,392)
		Fils/Dinar	Fils/Dinar
Earnings per share from Profit /(loss) for the period (basic and diluted)	32	0.004	(0.019)

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated financial statements

Jordan International Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Consolidated statement of Other Comprehensive Income
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Profit /(loss) for the period	<u>76,953</u>	<u>(339,392)</u>
Items of other comprehensive income that are not subsequently transferable to the consolidated statement of profit or loss		
Change in fair value reserve	<u>2,309</u>	<u>(7,050)</u>
Total comprehensive (loss)/profit for the period	<u>79,262</u>	<u>(346,442)</u>
It goes back to:		
Company shareholders	<u>81,100</u>	<u>(343,909)</u>
Non-controlling interests	<u>(1,838)</u>	<u>(2,533)</u>
	<u>79,262</u>	<u>(346,442)</u>

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated financial statements

Jordan International Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Consolidated statement of Changes in Shareholders' Equity
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

	Authorized and paid- up share capital	Statutory Reserve	Special Reserve	Differences for purchase of non- controlling shares	Fair value reserve	Accumulated losses/ Retained earnings		Total equity attributable to the shareholders of a company	Non- controlling interests	Total equity
						Realized	Unrealized			
<u>For the Three-Months Ended March 31, 2024 (Unaudited)</u>										
Balance as of December 31, 2023 (Audited)	18,150,000	2,768,119	2,225	351,302	(2,479,910)	(3,716,544)	688,991	15,764,183	844,587	16,608,770
Loss for the period	-	-	-	-	-	(278,381)	(58,478)	(336,859)	(2,533)	(339,392)
Change in fair value reserve	-	-	-	-	(7,050)	-	-	(7,050)	-	(7,050)
Balance as of March 31, 2024 (Unaudited)	18,150,000	2,768,119	2,225	351,302	(2,486,960)	(3,994,925)	630,513	15,420,274	842,054	16,262,328
<u>For the Three-Months Ended March 31, 2025 (Unaudited)</u>										
Balance as of December 31, 2024 (Audited)	18,150,000	2,774,111	2,225	351,302	(2,483,641)	(4,526,884)	683,981	14,951,094	851,132	15,802,226
Loss for the period	-	-	-	-	-	73,917	4,874	78,791	(1,838)	76,953
Change in fair value reserve	-	-	-	-	2,309	-	-	2,309	-	2,309
Balance as of March 31, 2025 (Unaudited)	18,150,000	2,774,111	2,225	351,302	(2,481,332)	(4,452,967)	688,855	15,032,194	849,294	15,881,488

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated financial statements

Jordan International Insurance Company
(Public Shareholding Limited Company)
Interim Condensed Consolidated statement of Cash Flows
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
<u>Cash flow from Operating Activities:</u>		
Profit / (Loss) for the year before income tax	134,485	(310,632)
Adjustments to reconcile net profit before income tax to net cash flow used in operating activities:		
Depreciation and amortization	35,596	44,274
Net change in fair value of financial assets through profit or loss statement	(4,874)	58,478
Gain on the valuation of financial assets at fair value through the income statement	(40,827)	(37,277)
	124,380	(245,157)
<u>Changes in working capital:</u>		
Bank deposits (maturity after three months)	(55,694)	-
Insurance contract assets	84,230	81,196
Accounts receivables	(202,694)	(266,819)
Reinsurance contract assets	745,876	1,113,326
Insurance contract liabilities	(1,091,758)	(1,876,664)
Due from related party	-	1,285
Adjustment guarantees deposits	73,044	63,145
Other assets	(54,702)	(33,950)
Accounts payable	-	(29,027)
Accrued expenses	500	20,125
Reinsurance contract liabilities	(364,051)	2,017
Other liabilities	424,662	190,517
Income tax paid	-	(27)
Net cash flows (used in) operating activities	(316,207)	(980,033)
<u>Cash flow from Investing Activities:</u>		
Sale of financial assets at fair value through profit or loss statement	105,058	1,228
Sale of financial assets at fair value through other comprehensive income	62,555	2,885
Purchase of property and equipment	(5,616)	-
Proceeds from the sale of property and equipment	-	14,327
Net cash flows provided by/ (used in) investing activities	161,997	18,440
<u>Cash flow from Financing Activities</u>		
overdraft bank	213,392	78,122
Trade settlement	1,268	79,905
Non-controlling interests	(1,838)	-
Cash flows used in financing activities	212,822	158,027
Net cash used during the period	58,612	(803,566)
Cash and cash equivalent at beginning of the period	3,278,391	3,824,847
Cash and cash equivalent at the end of the period	3,337,003	3,021,281

The accompanying notes from 1 to 33 are an integral part of these Interim Condensed Consolidated financial statements

Jordan International Insurance Company

(Public Shareholding Limited Company)

Notes to the Interim Condensed Consolidated Financial Statements

For the Three-Months Ended March 31, 2025 (Unaudited)

(Jordanian Dinars)

1- Legal Status and Activities

The Jordan International Insurance Company was established in 1996 under the Jordanian Corporate Law and its amendments under No. (301) as a Public Joint-Stock Limited Company. As a Several amendments were made to the capital, the latest was during 2010, so that the authorized and paid-up capital amounted to JD 18,150,000 divided into 18,150,000 shares, with a nominal value of JD 1 per share.

The Company's address is at Amman - Sixth Circle, P.O. Box (3253), Amman 11181, Jordan.

The Company aims to practice all types of insurance, including the field of life insurance, and to own movable and immovable property for the purpose of conducting the company's business, to invest the company's surplus funds in the manner it deems appropriate, and to borrow the necessary funds from banks.

The financial statements were approved by the Board of Directors' decision held on April 29, 2025.

2-1 Basis of Preparation

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

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

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

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

The preparation of the financial statements in accordance with International Financial Reporting Standards ("IFRS") requires the use of significant and specific accounting estimates, and also requires management to use its own estimates in the process of applying the Company's accounting policies.

2-2 Basis of consolidation of financial statements

The consolidated financial statements include the financial statements of the company and its subsidiaries under its control. Control is established when the company has the ability to control the financial and operational policies of the subsidiaries in order to derive benefits from their activities. Transactions, balances, revenues, and expenses between the company and its subsidiaries are eliminated.

Company Name	Nature of the company's business	Ownership percentage	Capital	Year of Establishment
Ibdaa Company for Financial Investments	Financial brokerage	100%	2,500,000	2005
Jordan International Investment Company	Real-estate investments	91.020%	10,000,000	2006
Tilal Salem Real Estate Company	Real-estate investments	99.999%	150,000	2008

- The results of operations of subsidiaries are consolidated in the consolidated profit or loss statement from the date of acquisition, which is the date on which the company effectively gains control over the subsidiaries. The results of operations of subsidiaries that have been disposed of are consolidated in the profit or loss statement until the date of disposal, which is the date the company loses control over the subsidiaries. The financial statements of subsidiaries are prepared for the same financial period as the parent company, using the same accounting policies followed by the parent company. If the subsidiaries follow accounting policies that differ from those of the parent company, necessary adjustments are made to the subsidiaries' financial statements to align with the accounting policies of the parent company.
- Non-controlling Equity represent the portion of equity in subsidiaries that is not owned by the parent company. Non-controlling Equity are shown in the net assets of the subsidiary in a separate line item within the equity section of the consolidated financial statements.

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)

2-2 Basis of consolidation of financial statements (continued)

The most important financial information for the subsidiaries for the year ending December 31, 2024 is as follows:

<u>Company Name</u>	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total revenue</u>	<u>Total expenses</u>
Ibdaa Company for Financial Investments	2,959,032	244,763	60,574	(44,965)
Jordan International Investment Company	9,033,006	19,800	18,735	(39,719)
Tilal Salem Real Estate Company	306,657	1,261	692	(169)

2-3 Application of international accounting standards for preparing new and amended financial reports

The International Financial Reporting Standards, along with new interpretations and amendments issued but not yet effective as of the date of the consolidated financial statements, are presented below. The Company will apply these amendments starting from their mandatory effective date:

1. **Amendments to IAS 21 – Lack of Exchangeability**

These amendments define how to assess the exchangeability of a currency and determine the spot exchange rate.

Effective date: January 1, 2025.

2. **Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments**

These include clarifications and additional disclosure requirements.

Effective date: January 1, 2026, with early application permitted.

3. **Amendments to IFRS 9 and IFRS 7 – Nature-Based Electricity Contracts**

These clarify the accounting treatment of contracts related to renewable energy.

Effective date: January 1, 2026, with early application permitted.

4. **IFRS 18 – Presentation and Disclosure in Financial Statements**

This standard replaces the previous presentation standard and introduces new categories in the statement of profit or loss.

Effective date: January 1, 2027, with early application permitted.

5. **IFRS 19 – Subsidiaries without Public Accountability: Disclosures**

This standard provides reduced disclosure requirements for eligible entities.

Effective date: January 1, 2027, with early application permitted.

2-4 Use of Estimates and Assumptions

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

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

2-4 Use of Estimates and Assumptions (continued)

2-4-1 Expected Credit Loss

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

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

The Company recognizes a provision for insurance receivables due from local insurance companies and foreign reinsurance companies that remain unresolved and have been outstanding for more than one year.

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

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

2-4-3 Income Tax

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

Accrued Tax

Income tax expense is calculated based on taxable profits, which differ from the reported profits in the statement of profit or loss. The reported profits include income that is not subject to tax, or expenses that are not deductible in the current fiscal year but may be deductible in future years, as well as tax-deductible accumulated losses or items that are not taxable or not deductible for tax purposes. Taxes are calculated in accordance with the tax rates prescribed by the laws, regulations, and instructions in force in the Hashemite Kingdom of Jordan.

Deferred Tax

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. Taxes are calculated using the compliance method in the financial statements. Deferred taxes are calculated according to the tax rates that are expected to be applied upon settlement. Tax liability or realization of deferred tax assets.

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

2-4-4 Property, equipment and intangible assets

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

2-4-5 The present value of future cash flows

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

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

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)

2-4 Use of Estimates and Assumptions (continued)

2-4-5 The present value of future cash flows(continued)

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

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

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

2-4-6 Non-financial risk adjustments

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

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

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

- 1- Third party insurance (6.629%)
- 2- Insurance of complexes at a rate of (6.629%)
- 3- Comprehensive insurance (6.629%)
- 4- Medical insurance at a rate of (6.43%)
- 5- Life insurance at a rate of (5.022%)
- 6- Fire insurance at a rate of (6.631%)
- 7- Engineering insurance at a rate of (6.631%)
- 8- Liability insurance at a rate of (6.631%)
- 9- Marine insurance (6.631%)
- 10- Other insurances (6.631%)

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

2-4 Use of Estimates and Assumptions (continued)

2-4-7 Non-insurance Components

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

2-4-8 Lawsuits

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

2-4-9 Fair Value Levels

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

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

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

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

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

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

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

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

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

2-5 Significant Accounting Policies

2-5-1 Segments Information

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

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

2-5-2 Goodwill

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

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

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

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

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

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)

2-5 Significant Accounting Policies (continued)

2-5-3 Definition of insurance contract

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

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

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

Main Insurance Type	Sub-Insurance Type
Medical Insurance	Group, Individual, Travel
Life Insurance – Individual	Level Term Insurance, Profit Guaranteed Multiplier, Profit Guaranteed Education, Mixed Profit Guaranteed, Protection & Savings Program, Revolving Timer
Life Insurance – Group	accidents, group life, borrowers, critical illnesses
Motor Insurance – Comprehensive	Comprehensive, Supplementary, Quotas, Roadside Assistance
Motor Insurance – Third Party	Against Third Parties, Union Missions
Motor Insurance – Centers & Limits	Transit, against third parties Centers and limits, orange card
Motor Insurance – Bus Complex	Bus complex against third parties / inclusive
Motor Insurance – Tenders	Bus complex against third parties / inclusive
Marine Insurance – Cargo	Marine cargo (open documents, floating)
Marine Insurance – Hull	Marine hulls, container hulls
Fire Insurance	Marine hulls, container hulls
Other General Insurance	Aviation, Personal Accident, Cash Insurance, Glass, Dishonesty, Political Risks, Pharmaceutical Studies, Maids, Home Insurance Help
General Insurance Liability	Third Party Civil Liability, Workers' Injury Compensation, Professional Liability, Comprehensive Bank Insurance, Employer's Liability, Medical Errors, Administrators and Executives Liability Insurance, Cybercrime & Commercial Crimes
Engineering Insurance	contractors' risks, contractors' machinery insurance, stock damage, machinery failure, installation hazards, boilers, electronic devices

2-5 Significant Accounting Policies (continued)

2-5-3 Definition of insurance contract(continued)

Direct participating feature

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

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

Types of direct participating feature

Investment contracts:

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

Investment contracts that contain the feature of voluntary participation, which are investment contracts that have a legal form similar to an insurance contract, but do not transfer significant insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified in accordance with International Financial Reporting Standard No (17).

Self-insurance:

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

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

- Medical insurance contract for employees of the Jordan International Insurance Company.
- Life insurance contract for employees of the Jordan International Insurance Company.

Separation of non-insurance components

The investment component

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

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

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

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

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)

2-5 Significant Accounting Policies (continued)

2-5-3 Definition of insurance contract(continued)

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

The Company issues the following contracts, which are classified according to International Standard No. (15) as follows:

- Medical insurance contract for Jordan International Insurance Company employees.
- Life insurance contract for Jordan International Insurance Company employees.
- All-risk insurance contracts for buildings owned by the Jordan International Insurance Company.

Components of services and goods

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

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

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

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

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

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

2-5 Significant Accounting Policies (continued)

2-5-4 Reinsurance contracts held

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

Proof of reinsurance contracts held:

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

Aggregation of reinsurance contracts:

The Company segments its reinsurance contract portfolios in accordance with paragraphs 14 to 24 of IFRS 17, except that references to onerous contracts in those paragraphs should be replaced with a reference to contracts for which there is a net gain on recognition. Initial. For some reinsurance contracts held, application of paragraphs 14 to 24 of IFRS 17 will result in a group consisting of a single contract.

The Company collects reinsurance contracts held into separate portfolios (Portfolio) to be classified and processed independently for the year of underwriting (Cohort) and then profitability (Group) at the portfolio level.

Determine the portfolios of reinsurance contracts held:

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

Proof of aggregation level (Cohort):

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

- 1- A group of contracts that are unlikely to generate net profit.
- 2- A group of contracts that are likely to become net profit.
- 3- A group of other contracts.

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

Reinsurance contract commissions

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

Reinsurance contract assets

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

2-5-5 Liabilities versus remaining coverage

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

2-5-6 Liabilities versus claims incurred

It is the total value of the expected costs incurred by the Company as a result of risks covered by the insurance contract that occurred before the end of the fiscal year, and includes those reported and unreported claims, in addition to the expenses related to them.

2-5-7 Contractual service margin

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

2-5 Significant Accounting Policies (continued)

2-5-8 Initial recognition of insurance contracts / general measurement approach / variable cost approach

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

1. Cash flows to fulfill obligations arising from contracts, which include:

- Estimates of future cash flows.
- Adjustments for the time value of money and the financial risks associated with future cash flows by not including those financial risks in future cash flow estimates.
- Non-financial risk adjustments.

2. Contractual service margin.

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

1- Premium allocation approach:

It applies to the group of insurance contracts shown below:

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

2- General approach:

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

3- Variable cost approach:

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

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

2-5-9 Subsequent measurement of insurance contracts - General measurement model - Variable cost approach

The company recognizes the carrying value of any group of insurance contracts at the end of each period, and it is the sum of the following:

1. Liabilities for remaining coverage.
2. Liabilities for incurred claims.

2-5-10 Initial recognition of insurance contracts - Premium Allocation Approach (PAA)

IFRS 17 requires the Company to recognize a group of insurance contracts it issues at the earliest of:

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

The company, upon initial recognition, records the carrying amount of the liability, which includes the following:

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

2-5 Significant Accounting Policies (continued)

2-5-10 Initial recognition of insurance contracts - Premium Allocation Approach (PAA) (continued)

The company recognizes the carrying amount of the liabilities for the groups of insurance contracts at the end of each period, which represents the sum of the following:

- 1- Provision for liabilities for in-force contracts**, which includes the net value of internal and external cash flows (after applying the discount rate), plus adjustments for non-financial risks and the contractual service margin.
- 2- Provision for liabilities for incurred claims**, which is calculated based on the best estimate of future cash flows for settling claims, plus adjustments for non-financial risks, with the discount rate applied to claims expected to be settled after more than one year.

2-5-11 Subsequent measurement / Premium Allocation Approach (PAA)

The company, at the end of each subsequent year, measures the carrying amount of the liability, taking into account the following adjustments to the liability balance:

- Adding the insurance premiums received during the period.
- Subtracting the cash flows for the acquisition of insurance contracts.
- Adding any amounts related to the exhaustion of cash flows for the acquisition of insurance contracts that have been recognized as an expense.

The company recognizes assets for insurance contracts for contracts where service has been provided but premiums have not yet been collected. Credit losses expected for these assets are treated in accordance with IFRS 9 (Financial Instruments).

- 3- Liabilities for incurred claims**, which are calculated based on the best estimate of future cash flows for settling claims, plus adjustments for non-financial risks, with the application of the discount rate on claims."

Materiality

The materiality threshold adopted by the company is 3% of net equity.

2-5-12 Amending Insurance Contracts

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

2-5-13 Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

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

2-5-14 Insurance Contracts Expected to be Loss-making

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

Jordan International Insurance Company

(Public Shareholding Limited Company)

Notes to the Interim Condensed Consolidated Financial Statements**For the Three-Months Ended March 31, 2025 (Unaudited)****2-5 Significant Accounting Policies (continued)****2-5-15 Summary of Measurement Approaches****1- Classification of insurance contracts as follows**

Portfolio	Classification Contract	Measurement Approaches
Medical Insurance	Group, Individual, Travel	Premium Allocation Approach
Life Insurance – Individual	Fixed Timer, Profit Guaranteed Multiplier, Profit Guaranteed	Premium Allocation Approach
Life Insurance – Group	accidents, group life, borrowers,	Premium Allocation Approach
Motor Insurance – Comprehensive	Comprehensive, Supplementary, Quotas, Roadside Assistance	Premium Allocation Approach
Motor Insurance – Third Party	Against Third Parties, Union Missions	Premium Allocation Approach
Motor Insurance – Bus Complex	Bus complex against third parties / inclusive	Premium Allocation Approach
Marine Insurance – Cargo	Marine cargo (open documents, floating)	Premium Allocation Approach
Marine Insurance – Hull	Marine hulls, container hulls	Premium Allocation Approach
Fire Insurance	Marine hulls, container hulls	Premium Allocation Approach
Other General Insurance	Aviation, Personal Accident, Cash Insurance, Glass, Dishonesty, Political Risks, Pharmaceutical Studies, Maids, Home Insurance Help	Premium Allocation Approach
General Insurance Liability	Third Party Civil Liability, Workers' Injury Compensation, Professional Liability, Comprehensive Bank Insurance, Employer's Liability, contractors' risks, contractors'	Premium Allocation Approach
Engineering Insurance	machinery insurance, stock damage, machinery failure, installation hazards, boilers, electronic devices	Premium Allocation Approach

* The insurance portfolios underwritten by the company are stated.

* The classification of contracts is mentioned in the presence of non-insurance components (such as an investment or service component). If such components are absent and need to be separated, the contracts are classified as insurance contracts only.

* The insurance portfolios are classified according to the appropriate measurement approach, and if non-insurance components exist, the most relevant accounting standard is clarified.

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)

2-5 Significant Accounting Policies (continued)

2-5-15 Summary of Measurement Approaches(continued)

2- Classification of Reinsurance contracts as follows

Portfolio (level one)	Measurement Approaches
Medical Insurance – Proportional Reinsurance	Premium Allocation Approach
Travel Insurance – Proportional Reinsurance	Premium Allocation Approach
Group Life Insurance – Proportional Reinsurance	Premium Allocation Approach
Individual Life Insurance – Proportional Reinsurance	Premium Allocation Approach
Marine Insurance – Cargo – Proportional Reinsurance	Premium Allocation Approach
Marine Insurance – Cargo War – Proportional Reinsurance	Premium Allocation Approach
Marine Insurance – Hull – Proportional Reinsurance	Premium Allocation Approach
Fire Insurance – Proportional Reinsurance	Premium Allocation Approach
General Insurance – Proportional Reinsurance	Premium Allocation Approach
Engineering Insurance – Proportional Reinsurance	Premium Allocation Approach
Vehicle Insurance – Proportional Reinsurance	Premium Allocation Approach
Vehicle Insurance – Non-Proportional Reinsurance	Premium Allocation Approach
Marine Insurance – Cargo – Non-Proportional Reinsurance	Premium Allocation Approach
Marine Insurance – Hull – Non-Proportional Reinsurance	Premium Allocation Approach
Fire insurance – Non-Proportional reinsurance	Premium Allocation Approach
General insurance – Non-Proportional reinsurance	Premium Allocation Approach
Engineering insurance – Non-Proportional reinsurance	Premium Allocation Approach

* The portfolios of reinsurance contracts retained by the company are mentioned.

* The portfolios of reinsurance contracts retained by the company are classified according to the appropriate measurement approach, with consideration for disclosing the minimum portfolios (complementary vehicles – mandatory – bus pool – engineering – tenders for more than one year) as per the applicable regulations.

2-5-16 Aggregation of level

Insurance contract portfolios are detailed into groups according to the underwriting year, where insurance portfolios with similar risks and managed together are aggregated.

2-5-17 Profitability level

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

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

2-5-18 Financial assets

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

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

Financial assets at amortized cost:

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

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

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

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)

2-5 Significant Accounting Policies (continued)

2-5-18 Financial assets (continued)

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

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

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

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

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

Reclassification

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

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

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

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

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)

2-5 Significant Accounting Policies (continued)

2-5-19 Investment Properties

Investment Properties are shown at cost after subtracting accumulated depreciation (excluding lands).

These investments are depreciated over their useful life at a rate of 2%. Any decline in their value is recorded in the statement of profit or loss. The operating revenues or expenses of these investments are also recorded in the statement of profit or loss.

2-5-20 Investments in Affiliated Companies

Affiliated Companies are those companies in which the company exerts significant influence over financial and operational policies (but does not control), typically holding between 20% and 50% of the voting rights. Investments in affiliated companies are presented using the equity method. Revenues and expenses arising from transactions between the company and its affiliated companies are excluded, based on the company's share of ownership in those companies.

2-5-21 Property and equipment

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

Asset	Depreciation Rate (%)
Furniture & fixtures	10%-15%
Computers	10%-15%
Transportation	15%
Equipment and tools	10%-15%
Buildings	2%

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

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

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

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

2-5-22 Intangible assets

- Intangible assets obtained through the merger are recorded at fair value on the date of acquisition.
- Intangible assets that are acquired through a method other than a merger are recorded at cost.
- Other intangible assets are classified based on estimating their lifespan for a specific year or for specific periods. Intangible assets that have a specific lifespan are amortized during this life and are amortized in the statement of profit or loss.
- As for intangible assets whose useful life is indefinite, the decline in their value is reviewed at the date of

Jordan International Insurance Company

(Public Shareholding Limited Company)

Notes to the Interim Condensed Consolidated Financial Statements

For the Three-Months Ended March 31, 2025 (Unaudited)

2-5 Significant Accounting Policies (continued)**2-5-22 Intangible assets (continued)**

the financial statements, and any decline in their value is recorded in the statement of profit or loss.

- Intangible assets generated internally in the Company are not capitalized and are recorded in the statement of profit or loss in the same current year.
- Any indications of impairment of the value of intangible assets at the date of the financial statements are reviewed. The estimate of the chronological life of those assets is also reviewed and any adjustments are made for subsequent periods.

2-5-23 Right-of-Use Assets

The company recognizes right-of-use assets at the date when the asset becomes available for use. The right-of-use assets are recognized at cost, after deducting accumulated depreciation and impairment losses, and the value is adjusted when revalued.

2-5-24 Cash and its equivalent

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

2-5-25 Offsetting

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

2-5-26 Date of recognition of financial assets

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

2-5-27 Fair value

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

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

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

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

**Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)**

2-5 Significant Accounting Policies (continued)

2-5-28 Financial liabilities

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

1- Creditors:

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

2- Creditor banks:

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

3- Allocations:

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

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

2-5-29 Insurance Contract Liabilities

Insurance contract liabilities are recognized when the company has obligations at the financial statement date arising from past events related to insurance contracts, and the settlement of these obligations is probable and can be reliably measured.

The amounts recognized as insurance contract liabilities represent the best estimate of the amounts needed to settle the liability at the financial statement date, considering the risks and uncertainties associated with insurance contract liabilities. When determining the value of the liabilities based on the estimated cash flows required to settle the current obligation, the carrying amount represents the present value of those cash flows.

When it is expected that some or all of the economic benefits required for settlement of claims will be recovered from third parties, a receivable is recognized under assets if the receipt of reimbursements is virtually certain, and the amount can be reliably measured.

2-5-30 End of service benefits provision:

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

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

**Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)**

2-5 Significant Accounting Policies (continued)

2-5-31 Foreign currency

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

2-5-32 Treasury stocks

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

2-5-33 Costs of issuing or purchasing insurance Company shares

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

2-5-34 Realize revenue

1- Dividend and interest income:

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

2- Rental revenue:

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

Jordan International Insurance Company

(Public Shareholding Limited Company)

Notes to the Interim Condensed Consolidated Financial Statements

For the Three-Months Ended March 31, 2025 (Unaudited)

2-5 Significant Accounting Policies (continued)

2-5-35 Acquisition costs

The acquisition costs incurred by the Company in exchange for selling, subscribing, or starting new insurance contracts represent acquisition costs, as the Company recognizes all acquisition costs directly when the insurance contract is recognized in the statement of profit or loss, while the Company recognizes acquisition costs by amortizing the costs incurred over a period of time. Coverage of the insurance contract in the statement of financial position.

Acquisition costs are estimated during the preparation of budget forecasts based on the Company's historical data. These costs are recognized when incurred and are amortized over the coverage period of the insurance contract

2-5-36 Insurance contract expenses

The Company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the Company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the statement of profit or loss.

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

3- Deposits at Banks

This item consists of the following:

	March 31, 2025 (Unaudited)				December 31, 2024 (Audited)
	Deposits due within a month	Deposits due from 1 to 3 months	Deposits due from 3 months to 1 year	Total	Total
Inside Jordan	169,559	-	3,987,977	4,157,536	4,281,941
Less:					
Expected credit loss provision	(330)	-	(6,573)	(6,903)	(6,903)
	169,229	-	3,981,404	4,150,633	4,275,038

- This item includes cash insurance amounting to 460,000 JOD for guarantees in favor of the Securities and Depository Center at Creativity Financial Intermediation Company (a subsidiary) at the Investment Bank.
- Interest rates on bank deposits balances in Jordanian Dinar ranges from 1% to 6.75%.
- The pledged deposits under the custody of the Central Bank Governor, in addition to his position, amounted to (800,000) JOD as of March 31, 2025, compared to 800,000 JOD as of December 31, 2024, at the Investment Bank.

The following is the distribution of the Company's deposits at banks:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment Bank	1,429,559	1,553,964
Capital Bank of Jordan	1,600,000	1,600,000
Egyptian Arab Land Bank	7,717	7,717
Housing Bank	1,120,260	1,120,260
	4,157,536	4,281,941

The following is a summary of the movement in the provision for expected credit losses for the balance of deposits with banks:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	6,903	6,903
Provision during the period/year	-	-
Balance at the end of the period/year	6,903	6,903

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Inside Jordan</u>		
Shares listed	1,362,990	1,404,329
Shares un-listed	122,158	140,176
Total	1,485,148	1,544,505

5- Financial Assets at Fair Value through Other Comprehensive Income

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
<u>Inside Jordan</u>		
Shares listed	58,021	118,267
Bank al Etihad Bonds	49,700	49,700
Shares un-listed	1,713,674	1,713,674
Total	1,821,395	1,881,641

6- Investment Properties

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Land	6,830,254	6,830,254
Building	467,119	467,119
Apartments	120,697	120,697
Wadi Saqra Office	88,433	88,433
	7,506,503	7,506,503
Less:		
Accumulated Depreciation	(225,448)	(222,016)
Impairment of fair value for Investment	(6,126)	(6,126)
	7,274,929	7,278,361

- Investment buildings are depreciated at %2 annually and appears at net book value.
- The fair value of investment Properties was appraised by real estate experts at 8,180,951 dinars as of December 31, 2024 (8,400,746 dinars as of December 31, 2023).

7- Cash on Hand and at Banks

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	42,310	16,897
Cash at banks	397,157	239,553
	439,467	256,450

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

8- Receivables Related to Insurance Operations*

<u>Receivables Related to Insurance Operations (By Type)</u>	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Receivables from insurance contract holders	8,867,948	5,695,624
Agents' receivables	30,076	30,576
Brokers' receivables	565,984	567,413
Companies' receivables	27,844	18,900
Lawsuits receivables	1,041,526	1,030,138
Other receivables*	195,206	156,531
Total receivables	10,728,584	7,499,182
Less: Provision for expected credit loss	(950,525)	(950,525)
Receivables, Net	9,778,059	6,548,657

*Details of receivables related to insurance operations, which were taken into account in calculating the included assets/liabilities, are disclosed in note 9.

***The movement on the Provision for expected credit loss is as follows:**

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the Period/year	950,525	950,525
Disposals	-	-
Balance at the end of the Period/year	950,525	950,525

Analysis of receivables according to their time period:	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Payable during 0-30 days	7,597,568	5,061,297
Payable during 31-90 days	413,374	120,202
Payable during 91-180 days	659,904	291,897
Payable during 181-365 days	1,126,595	1,089,265
Repayable for more than a year	931,143	936,521
Total	10,728,584	7,499,182

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

8- Receivables Related to Insurance Operations (Continued)*

Cheques under collection:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
The total value of Cheques under collection related to insurance operations	502,594	612,209
Less: allowance for expected credit losses provision	(6,581)	(6,581)
Net value of Cheques under collection related to insurance operations	496,013	605,628

Analysis of cheques under collection according to their time period:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Payable during 0-6 months	455,086	537,480
Payable during 6-12 months	44,995	74,729
Payable during for more than 12 months	2,513	-
Total	502,594	612,209

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

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

	Liabilities for remaining coverage				Liabilities for Incurred Claims					
	March 31, 2025 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cashflow	Present value of cashflow	Risk adjustments Non- financial	Risk adjustments Non- financial	Total	Total
Insurance contracts liabilities-beginning	(2,386,712)	347,922	(2,172,877)	247,327	28,081,990	28,129,153	1,628,902	1,141,061	27,672,102	27,344,664
Insurance contracts assets-beginning	(98,600)	-	(313,683)	-	13,560	163,441	810	8,367	(84,230)	(141,875)
Net insurance contracts (liabilities)/Assets - beginning	(2,485,312)	347,922	(2,486,560)	247,327	28,095,550	28,292,594	1,629,712	1,149,428	27,587,872	27,202,789
Insurance contracts revenues	(3,474,450)	-	(13,179,250)	-	-	-	-	-	(3,474,450)	(13,179,250)
Claims incurred	-	-	-	-	2,661,142	10,683,041	66,201	109,956	2,727,343	10,792,997
Change in onerous contracts	-	-	-	-	(684,870)	(2,944,587)	(92,855)	370,328	(777,725)	(2,574,259)
Employee expenses	-	-	-	-	227,036	890,838	-	-	227,036	890,838
Amortization of acquisition cost	284,300	-	914,935	-	-	-	-	-	284,300	914,935
Administrative expenses and other expenses	-	-	-	-	256,314	902,148	-	-	256,314	902,148
Losses resulting from contracts expected to be lost and the recovery of these losses	-	-	-	100,595	-	-	-	-	-	100,595
Insurance contracts expense	284,300	-	914,935	100,595	2,459,622	9,531,440	(26,654)	480,284	2,717,268	11,027,254
Insurance service results	(3,190,150)	-	(12,264,315)	100,595	2,459,622	9,531,440	(26,654)	480,284	(757,182)	(2,151,996)
Finance costs – from insurance contracts	-	-	-	-	355,728	2,857,499	-	-	355,728	2,857,499
Net change – other comprehensive income	(3,190,150)	-	(12,264,315)	100,595	2,815,350	12,388,939	(26,654)	480,284	(401,454)	705,503
Cash received from written contracts	2,901,779	-	13,198,002	-	-	-	-	-	2,901,779	13,198,002
Claims incurred	-	-	-	-	(3,210,694)	(12,585,983)	-	-	(3,210,694)	(12,585,983)
Paid from acquisition costs	(297,159)	-	(932,439)	-	-	-	-	-	(297,159)	(932,439)
Total cashflows	2,604,620	-	12,265,563	-	(3,210,694)	(12,585,983)	-	-	(606,074)	(320,420)
Insurance contracts liabilities-Ending	(3,070,842)	347,922	(2,386,712)	347,922	27,700,206	28,081,990	1,603,058	1,628,902	26,580,344	27,672,102
Insurance contracts assets-Ending	-	-	(98,600)	-	-	13,560	-	810	-	(84,230)
Net insurance contracts (liabilities)/Assets – Ending	(3,070,842)	347,922	(2,485,312)	347,922	27,700,206	28,095,550	1,603,058	1,629,712	26,580,344	27,587,872

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

10- (Liabilities) / Assets Reinsurance Contracts Held

	Liabilities for remaining coverage (ARC)				Liabilities for Incurred Claims (AIC)					
	March 31, 2025 (Unaudited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	Excluding loss recovery. Component	Loss recovery component	Excluding loss recovery. Component	Loss recovery component	Present value of cashflow non- financial	Present value of cashflow non- financial	Risk adjustments- non financial	Risk adjustments- non financial	Total	Total
Reinsurance contracts liabilities-beginning	(1,241,274)	-	(1,491)	-	346,305	-	22,257	-	(872,712)	(1,491)
Reinsurance contracts assets-beginning	(113,827)	-	(537,884)	2,180	22,313,503	22,357,574	1,419,767	977,513	23,619,443	22,799,383
Net insurance contracts liabilities/(Assets) – beginning	(1,355,101)	-	(539,375)	2,180	22,659,808	22,357,574	1,442,024	977,513	22,746,731	22,797,892
Reinsurance payments	(1,671,584)	-	(8,714,831)	-	-	-	-	-	(1,671,584)	(8,714,831)
Commissions received	362,680	-	680,792	-	-	-	-	-	362,680	680,792
Losses resulting from onerous contracts and refunds from these losses	-	-	-	-	-	-	-	-	-	-
Reinsurance recoveries	-	-	-	-	966,475	5,902,162	29,034	73,485	995,509	5,975,647
Distributed expenses	-	-	-	-	-	-	-	-	-	-
Change in reinsurance contracts against obligations incurred	-	-	-	-	(288,876)	(1,468,920)	(40,868)	391,025	(329,744)	(1,077,895)
Change in onerous contracts	-	-	-	(2,180)	-	-	-	-	-	(2,180)
change in performance non-evaluation	-	-	-	-	(1,306)	(15,486)	-	-	(1,306)	(15,486)
Reinsurance contracts revenues	-	-	-	(2,180)	676,293	4,417,756	(11,834)	464,510	664,459	4,880,086
Reinsurance service contracts results	(1,308,904)	-	(8,034,039)	(2,180)	676,293	4,417,756	(11,834)	464,510	(644,445)	(3,153,953)
Finance cost - from reinsurance contracts	-	-	-	-	315,488	2,648,404	-	-	315,488	2,648,404
Net change - other comprehensive income	(1,308,904)	-	(8,034,039)	(2,180)	991,781	7,066,160	(11,834)	464,510	(328,957)	(505,549)
Cash received from written contracts paid to reinsurers	1,390,336	-	7,218,313	-	-	-	-	-	1,390,336	7,218,313
Incurred claims recovered from reinsurers	-	-	-	-	(1,443,204)	(6,763,926)	-	-	(1,443,204)	(6,763,926)
Total cashflows	1,390,336	-	7,218,313	-	(1,443,204)	(6,763,926)	-	-	(52,868)	454,388
Reinsurance contracts liabilities-Ending	(793,333)	-	(1,241,274)	-	267,124	346,305	17,548	22,257	(508,661)	(872,712)
Reinsurance contracts assets-Ending	(480,336)	-	(113,827)	-	21,941,261	22,313,503	1,412,642	1,419,767	22,873,567	23,619,443
Net reinsurance contracts liabilities/(Assets) - Ending	(1,273,669)	-	(1,355,101)	-	22,208,385	22,659,808	1,430,190	1,442,024	22,364,906	22,746,731

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

11-Settlement Guarantee Fund Manat

This item represents the balance of Ebdaa Financial Investments Company (a subsidiary) in the Settlement Guarantee Fund based on the provisions of Article (90) of the Securities Law No. (76) of 2002 and the Internal Regulations of the Settlement Guarantee Fund of 2004.

12-Related Parties Transactions

The Company entered into transactions with members of the Board of Directors and senior management within the normal activities of the Company and using insurance premiums and commercial commissions. All receivables from related parties are considered working and no allocations have been taken for them as of March 31, 2025

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

		March 31, 2025 (Unaudited)		March 31, 2024 (Unaudited)
	Major Shareholders	Members of the Board of Directors	Total	Total
<u>Items of profit or loss statement</u>				
Fees of the Chairman of the Board	-	22,500	22,500	45,000
Transportation expenses for members of the Board of Directors	-	13,500	13,500	13,500
Travel expenses for members of the Board of Directors	-	1,149	1,149	-
Medical expenses for board members	-	1,189	1,189	1,264

13- Income Tax

A- Provision for Income Tax:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the Period/year	2,376	2,131
Income tax paid	-	(411)
Income tax expense for the Period/year	5,838	656
Balance at the end of the Period/year	8,214	2,376

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

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Deferred tax assets	5,567	10,323
Deferred tax assets amortization	(57,261)	(35,581)
Income tax expense	(5,838)	(3,502)
Balance at the end of the year	(57,532)	(28,760)

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

13- Income Tax (continue)

- A final settlement was reached with the Income Tax Department for the year 2020 and the income tax return for the fiscal year 2023, 2022, 2021 was submitted to Jordan International Insurance Company (the parent company) within the legal period and was not audited by the Income and Sales Tax Department and no final decision was issued on it.
- A final settlement was made with the Income and Sales Tax Department until the end of the year 2021 for Jordan International Investment Company (a subsidiary), and the income tax return for the fiscal year 2023, 2022 was submitted within the legal period and was not audited by the Income and Sales Tax Department and no final decision was issued on it.
- A final settlement was made with the Income and Sales Tax Department until the end of the year 2022 for IbdAA Financial Investment Company (a subsidiary), except for the years 2021, 2020, 2019, where the income tax return for those years was submitted within the legal period and was not audited by the Income and Sales Tax Department and no final decision was issued on it.
- Clearance was made with the Income and Sales Tax Department of Talal Salem Company (subsidiary) until the end of the year
- In the opinion of the management and tax advisor of the Group, the provisions taken within the condensed interim consolidated financial information are sufficient to meet any tax liability.

A. Deferred tax assets / Liabilities

	March 31, 2025 (Unaudited)					December 31, 2024 (Audited)
Deferred tax assets:	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
Provision for expected credit loss	1,858,216	-	-	1,858,216	490,626	490,626
Provision for end of service benefits	38,500	-	-	38,500	10,012	10,012
Impairment of financial assets through profit and loss statement	969,957	-	26,085	996,042	229,862	224,295
Impairment of financial assets through other comprehensive income statement	1,514,693	-	-	1,514,693	393,223	393,223
Impairment in real estate investments	6,126	-	-	6,126	1,286	1,286
Lawsuits provisions	5,448	-	-	5,448	1,176	1,176
Provision for contingent liabilities	250,000	-	-	250,000	65,000	65,000
Unreported claims	587,419	25,427	-	561,992	145,718	152,329
Provision for premium deficiency	289,976	-	-	289,976	75,394	75,394
Tax-Deductible Accumulated Loss	1,315,099	164,806	-	1,150,293	299,077	341,926
Reversal of impairment losses on financial assets measured at amortized cost	-	30,000	-	(30,000)	(7,800)	-
Other items	11,674	-	-	11,674	3,036	3,037
	6,847,108	220,233	26,085	6,652,960	1,706,610	1,758,304

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

13- Income Tax (continue)

The Movement of Deferred Tax Assets through period/Year as below:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
The Beginning balance period/year	1,758,304	1,735,765
Add through period /year	5,567	30,395
Amortized through period/year	(57,261)	(7,856)
	1,706,610	1,758,304

14- Intangible Assets

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost		
Balance at the beginning of the period/year	782,912	765,134
Additions	-	17,778
Balance at the end of the period/year	782,912	782,912
Accumulated Amortization		
Balance at the beginning of the period/year	459,914	361,616
Amortization	12,126	98,298
Balance at the end of the period/year	472,040	459,914
Ner Book Value	310,872	322,998

15- Other Assets

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Refundable Insurances	98,051	71,333
Prepaid expenses	115,980	39,060
Secretariats of the Arab Fund for War Risks Insurance / Bahrain	1,255,930	1,255,930
Unreceived accrued revenue	27,057	67,469
Assets deposited with the Housing Bank (SIPC)	195,889	165,889
Income tax deposits prepaid interest	135,776	126,717
Other	25,467	21,356
	1,854,150	1,747,754

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

16- Account Receivable

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Receivables of brokerage clients	1,203,751	999,691
Trade receivables	71,550	72,916
Total account receivable	1,275,301	1,072,607
Less: Provision for expected credit losses*	(594,207)	(594,207)
	681,094	478,400

*The movement in the allowance for expected credit losses was as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	(594,207)	(594,207)
Additions	-	-
Disposal	-	-
Balance at the end of the period/year	(594,207)	(594,207)

17- Other provision

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
End of Service Gratuity for Legal Affairs	38,500	38,500
Contingent liabilities provision	5,448	5,448
	43,948	43,948

The following table shows the movement on the other provisions

	Balance at the beginning of the period	Charge during the period	used during the period	Refunded from revenues	Balance at the end of the period
End of Service Gratuity for Legal Affairs	38,500	-	-	-	38,500
Contingent liabilities provision	5,448	-	-	-	5,448
	43,948	-	-	-	43,948

18- Other Liabilities

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Payable (Related to Subsidiary Company)	245,170	53,982
Claims under settlement deposits	23,339	23,339
Other deposits	302,045	73,498
Outstanding Checks	191,634	192,545
	762,188	343,364

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

19- Authorized and paid-up share capital

The Authorized and paid-up share capital at the end of the period amounted to JD 18,150,000, divided into 18,150,000 shares, with a nominal value of one dinar per share, as on March 31, 2025 (Unaudited) and March 31, 2023(unaudited).

20- Reserves

Statutory Reserve

The amounts accumulated in this account represent the transferred annual profits before tax by 10% in accordance with the Companies Law and is not distributable to shareholders, provided that the value of the amounts collected in this account does not exceed 25% of the capital of the company.

Special Reserve

This item represents the increase in the value of the assets of the merged company that formed Jordan International Investment Company (a subsidiary) over the capital of the company after the merger according to the merger report approved by the General Controller of Companies.

Non-controlling rights purchase teams

During the year 2022 and 2021, a company purchased part of the non-controlling stake in Jordan International Investment Company, and the difference between the value paid and the share of these shares of the net assets purchased for the years since 2011 until the end of the period was recorded directly within the shareholders' equity in line with Standard No. 3 for business merger.

21- Accounts Receivable* (Reinsurance Contracts Held)

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets reinsurance contracts held (Internal)	220,857	245,158
Assets reinsurance contracts held (External)	723,936	907,221
Total accounts receivable value related to insurance operations	944,793	1,152,379
Less: Expected credit losses provision	(300,000)	(300,000)
Net accounts receivable value related to insurance operations	644,793	852,379

* Details of accounts receivable related to reinsurance operations, which were taken into account in calculating the assets/liabilities included in the note 10.

Analysis of accounts receivable according to their time period:	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Payable during 0-30 days	132,562	304,900
Payable during 31-90 days	48,212	69,911
Payable during 91-180 days	69,238	107,398
Payable during 181-365 days	412,938	392,459
Payable during for more than one year	281,843	277,711
Total	944,793	1,152,379

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

22- Accounts Payable (Reinsurance Contracts Held)

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Liabilities reinsurance contracts held (Internal)	221,048	134,999
Liabilities reinsurance contracts held (External)	4,252,837	2,657,414
Total accounts payable value related to insurance operations	4,473,885	2,792,413

23- The Fair Value of Financial Assets and Liabilities That are not Stated at Fair Value

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period/year	(2,483,641)	(2,479,910)
Change during the period/year	2,309	(3,731)
Balance at the end of the period/year	(2,481,332)	(2,483,641)

24- Non-controlling interests

This clause represents the non-owned portion of the Company's equity in the subsidiary (Jordan International Investment Company)

	Contribution Percentage	paid-up share capital	Statutory Reserve	Special Reserve	Accumulated losses	Profit(loss)	Non- controlling interests	Share of non- controlling interest from profit(loss)
March 31, 2025	91.02	10,000,000	55,628	2,225	(710,644)	(20,461)	849,294	(1,838)
December 31, 2024	91.02	10,000,000	55,628	2,225	(690,183)	72,879	851,132	6,545

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

28- Insurance Contracts Revenue

March 31, 2025 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Life Group	Life individual	Medical	marine goods	marine ship hulls	Fire	General Insurance	Public liabilities	Engineering	Total
Insurance contracts revenue	-	-	29	64,038	15,496	2,490,084	203,305	13,191	237,433	139,217	20,978	77,320	3,261,091
Insurance contracts issuance fees	-	-	-	1,375	14	139,751	3,809	-	55,788	7,596	1,055	3,971	213,359
Expected incurred expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in adjustments for non- financial risks.	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow recovery from acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of a portion of the	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total insurance contracts revenue	-	-	29	65,413	15,510	2,629,835	207,114	13,191	293,221	146,813	22,033	81,291	3,474,450

March 31, 2024 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Life Group	Life individual	Medical	marine goods	marine ship hulls	Fire	General Insurance	Public liabilities	Engineering	Total
Insurance contracts revenue	(1)	-	167	54,332	12,999	2,291,911	237,137	61,323	265,405	90,122	38,982	144,669	3,197,046
Insurance contracts issuance fees	-	-	-	1,974	2	114,936	4,664	-	61,579	3,813	719	2,942	190,629
Expected incurred expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in adjustments for non- financial risks.	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow recovery from acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of a portion of the	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	1,022	-	-	-	-	-	-	-	-	-	1,022
Total insurance contracts revenue	(1)	-	1,189	56,306	13,001	2,406,847	241,801	61,323	326,984	93,935	39,701	147,611	3,388,697

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

26- Insurance Contracts Expenses

March 31, 2025 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Life Group	Life individual	Medical	marine goods	marine ship hulls	Fire	General Insurance	Public liabilities	Engineering	Total
Insurance claims incurred	(18,921)	145,729	9,725	98,160	-	2,218,974	144,601	10,409	116,306	13,565	30,676	19,287	2,788,511
Amortization of acquisition costs	-	-	-	(809)	-	(3,954)	(3,498)	-	(5,543)	(257)	1,201	-	(12,860)
Administrative expenses and other expenses distributed	2,966	14,608	1,196	23,742	1,389	543,872	23,609	2,557	135,398	21,106	6,847	3,220	780,510
Recovered from the loss of onerous contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments - non-financial risk	(3,707)	(17,846)	360	508	-	2,119	(11,332)	(809)	(4,469)	8,966	339	(784)	(26,655)
The summary of risk adjustments -	2,097	15,031	(150)	(65)	-	(254)	3,518	161	21,041	(4,227)	364	331	37,847
Change in insurance contract liabilities for insurance coverage	(61,649)	(304,262)	4,556	5,292	-	(31,775)	(179,148)	(12,521)	(364,500)	126,532	(17,347)	(15,263)	(850,085)
Total insurance contracts expenses	(79,214)	(146,740)	15,687	126,828	1,389	2,728,982	(22,250)	(203)	(101,767)	165,685	22,080	6,791	2,717,268

March 31, 2024 (Unaudited)	Vehicles- Comprehensive	Vehicles- Third party liability	Vehicles- Pool	Life Group	Life individual	Medical	marine goods	marine ship hulls	Fire	General Insurance	Public liabilities	Engineering	Total
Insurance claims incurred	24,035	211,004	36,726	21,311	-	2,154,518	46,958	-	312,241	281,246	735,402	26,740	3,850,181
Amortization of acquisition costs	-	-	-	732	-	(10,651)	3,909	-	(7,101)	2,159	(1,725)	-	(12,677)
Administrative expenses and other expenses distributed	11,445	56,865	4,159	11,723	-	488,489	25,377	-	116,294	14,599	7,118	3,373	739,442
Recovered from the loss of onerous contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments - non-financial risk	65	(6,486)	(203)	(8)	-	(7,730)	(561)	(2,039)	(12,625)	(12,603)	(32,382)	(4,683)	(79,255)
The summary of risk adjustments -	(394)	4,176	373	(115)	-	1,935	666	1,314	(43,441)	15,490	47,673	5,692	33,369
Change in insurance contract liabilities for insurance coverage	(2,978)	(163,434)	(3,820)	(1,276)	-	(158,729)	(20,220)	(45,702)	(160,574)	(285,731)	(739,672)	(106,844)	(1,688,983)
Total insurance contracts expenses	32,173	102,125	37,235	32,367	-	2,467,832	56,129	(46,427)	204,794	15,160	16,414	(75,722)	2,842,077

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

27- Financing (Expenses) Revenues– Insurance Contracts

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Financing (expenses) /revenues– Insurance contracts	(355,728)	30,376
	(355,728)	30,376

28- Financing Revenues/(Expenses) – Reinsurance Contracts

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Financing revenues/(expenses) – Reinsurance contracts	315,488	(57,387)
	315,488	(57,387)

29- Interest payable

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Bank Interest	65,198	59,656
	65,198	59,656

30- Net Profit of Financial Assets and Investments

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Cash dividend returns (through profit or loss statement)	9,635	8,705
Profit from selling financial assets at fair value through the statement of profit or loss	40,827	37,277
Net change in the fair value of financial assets through profit or loss statement	4,874	(58,478)
	55,336	(12,496)

31- Other Income

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

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Brokerage commission revenues	25,144	18,706
Margin financing commissions	6,038	687
Profit from sales investments properties	-	14,548
Other Medical - net	150	-
Other	30,282	13,170
	61,614	47,111

Jordan International Insurance Company
(Public Shareholding Limited Company)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three-Months Ended March 31, 2025 (Unaudited)
(Jordanian Dinars)

32- Earnings per share for the year

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Net profit for the year	78,791	(336,859)
Weighted Average for Share	18,150,000	18,150,000
Earnings per share for the year	0.004	(0.019)
Basic and diluted	0.004	(0.019)

33- Cash and cash equivalent

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Cash on hand and at bank	439,467	296,912
Bank deposit	4,157,536	3,984,369
Restricted Deposits	(800,000)	(800,000)
Less: Deposits (cash deposits in exchange for guarantees)	(460,000)	(460,000)
	3,337,003	3,021,281