



القدس للتأمين
JERUSALEM INSURANCE

الإثنين، 19 أيار، 2025
رقم الإشارة: م/2025/290

السادة / هيئة الأوراق المالية المحترمين ،
السادة / بورصة عمان المحترمين ،

الموضوع: البيانات المالية المرحلية للفترة المنتهية في 2025/03/31

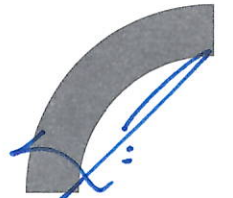
تحية طيبة وبعد،

مرفق طياً نسخة من البيانات المالية المرحلية لشركة القدس للتأمين المساهمة المحدودة كما بتاريخ
2025/03/31 والمعدة وفقاً لمعيار الإبلاغ المالي رقم (17) باللغة الإنجليزية .

وتفضلوا بقبول فائق الاحترام والتقدير

الرئيس التنفيذي

عماد مرار



Jerusalem Insurance Company

Public Limited Shareholding Company

**Interim Condensed Financial Statements (Unaudited)
and the Independent Auditor's Review Report**

For the three months period ended 31 March 2025

Jerusalem Insurance Company
Public Limited Shareholding Company

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Independent Auditor's Review Report

To, The Shareholders of
Jerusalem Insurance Company PLC
(Public Limited Shareholding Company)
Amman – Jordan

Introduction

We have reviewed the accompanying interim condensed Consolidated statement of financial position of **Jerusalem 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 in charge of the audit resulting in this auditor's report was Hasan Amin Othman; license number 674.

Date: April 29, 2025
Amman - Jordan



Jerusalem Insurance Company
Public Limited Shareholding Company
Interim Condensed Statement of Financial Position as of 31 March 2025 (Unaudited)
(In Jordanian Dinar)

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Bank deposits	3	16,830,282	17,401,325
Financial assets at fair value through profit or loss	4	1,594,241	1,455,090
Financial assets at fair value through other comprehensive income	5	54,669	54,207
Financial assets measured at amortized cost	6	6,853,062	6,852,550
Investment properties	7	1,188,378	1,191,880
Total Investments		26,520,632	26,955,052
Cash on hand and at banks	8	1,019,214	592,787
Insurance contracts assets	9	27	-
Reinsurance contracts assets	10	4,326,203	4,571,800
Deferred tax assets	11	1,820,834	1,806,827
Property and equipment - net	12	7,526,992	7,559,985
Intangible assets - net	13	129,108	132,809
Other assets	14	1,420,200	1,284,768
Total Assets		42,763,210	42,904,028
Liabilities and Equity			
Liabilities			
Insurance contracts liabilities	9	23,779,510	24,388,627
Reinsurance contracts liabilities	10	1,007,809	895,846
Income tax provision	11	423,836	347,867
Other provisions	15	419,081	370,175
Other liabilities	16	1,083,372	1,497,326
Total Liabilities		26,713,608	27,499,841
Equity			
Authorized Share Capital		16,000,000	8,000,000
Paid – in capital	17	8,000,000	8,000,000
Statutory reserve	18	2,089,651	2,089,651
Voluntary reserve	18	1,668,538	1,668,538
Fair Value Reserve	19	(14,973)	(15,435)
Retained earnings	20	4,306,386	3,661,433
Total Equity		16,049,602	15,404,187
Total Liabilities and Equity		42,763,210	42,904,028

“The accompanying notes from (1) to (41) form an integral part of these condensed interim financial statements and should be read in conjunction with the attached review report.”

Jerusalem Insurance Company
Public Limited Shareholding Company
Interim statement of profit or loss for the three months period ended at 31 March 2025 (Unaudited)
(In Jordanian Dinar)

		31 March 2025	31 March 2024
	Note	(Unaudited)	(Unaudited)
<u>Revenues</u>			
Insurance contracts revenues	22	8,432,483	7,965,236
Insurance contracts expenses	23	(6,912,653)	(6,791,720)
Insurance contracts service results		1,519,830	1,173,516
Reinsurance contracts expenses	24	(1,753,938)	(1,724,566)
Reinsurance contracts revenues	25	767,084	1,073,447
Reinsurance contracts service results		(986,854)	(651,119)
Net insurance and reinsurance service results		532,976	522,397
Finance (expenses) income - insurance contracts	26	(217,311)	(90,137)
Finance income (expenses) - reinsurance contracts	27	68,949	23,742
Net insurance and reinsurance contract financing results		(148,362)	(66,395)
Net Results of Insurance and Reinsurance Contracts' Operations and Financing		384,614	456,002
Interest income	28	340,876	426,235
Net gains from financing assets and investments	29	233,411	41,458
Other revenues	30	33,258	30,076
Total Revenues		607,545	497,769
Undistributed general and administrative expenses	33	(153,463)	(113,482)
Undistributed depreciation and amortization	33	(15,627)	(6,471)
Provision for expected credit losses – account receivables	14	(510)	(3,503)
Provision for expected credit losses – bank deposit	3	(6,166)	103
Provision for expected credit losses – financial assets through other comprehensive income	5	-	-
Provision for expected credit losses – financial assets measured at amortized cost	6	(50)	(55)
Gains on the sale of property and equipment		-	-
Other expenses	33	-	-
Total expenses		(175,816)	(123,408)
Profit from investing activities before tax		816,343	830,363
Income tax for the year		(171,390)	(213,676)
Profit from investing activities after tax	11	644,953	616,687
Attributable to shareholders of the Company		-	-
Basic and diluted earnings per share for the period	34	0.081	0.077

“The accompanying notes from (1) to (41) form an integral part of these condensed interim financial statements and should be read in conjunction with the attached review report.”

Jerusalem Insurance Company
Public Limited Shareholding Company
Interim statement of profit or loss - Life Insurance for the three months period ended at 31 March 2025
(Unaudited)
(In Jordanian Dinar)

		31 March 2025	31 March 2024
	Note	(Unaudited)	(Unaudited)
<u>Revenues</u>			
Insurance contracts revenues	22	1,171,569	1,036,245
Insurance contracts expenses	23	(1,155,016)	(1,382,984)
Insurance contracts service results		16,553	(346,739)
Reinsurance contracts expenses	24	(908,250)	(765,886)
Reinsurance contracts revenues	25	841,679	1,057,975
Reinsurance contracts service results		(66,571)	292,089
Net insurance and reinsurance service results		(50,018)	(54,650)
Finance (expenses) income - insurance contracts	26	(28,703)	14,590
Finance income (expenses) - reinsurance contracts	27	11,012	13,408
Net insurance and reinsurance contract financing results		(17,691)	27,998
Net of operations and financing of insurance and reinsurance contracts results		(67,709)	(26,652)
Credit Interest	28	12,424	11,207
Total Revenues		12,424	11,207
Undistributed general and administrative expenses	33	(15,093)	(8,584)
Undistributed depreciation and amortization	33	(1,537)	(490)
Provision for expected credit losses – bank deposit	3	618	988
Total expenses		(16,012)	(8,086)
Loss from investing activities before tax		(71,297)	(23,531)
Income tax for the year	11	(7,239)	23,251
Loss from investing activities after tax		(78,536)	(280)
Attributable to shareholders of the Company			
Basic and diluted earnings per share for the period	34	(0.010)	(0.000)

“The accompanying notes from (1) to (41) form an integral part of these condensed interim financial statements and should be read in conjunction with the attached review report.”

Jerusalem Insurance Company
Public Limited Shareholding Company
Interim statement of comprehensive income for the three months period ended at 31 March 2025
(Unaudited)
(In Jordanian Dinar)

	Note	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Profit for the period		644,953	616,687
Other comprehensive income items:			
Changes in fair value reserve	19	462	(660)
Total comprehensive income for the period		<u>645,415</u>	<u>616,027</u>

“The accompanying notes from (1) to (41) form an integral part of these condensed interim financial statements and should be read in conjunction with the attached review report.”

Jerusalem Insurance Company
Public Limited Shareholding Company
Interim statement of changes in equity for the three months ended 31 March 2025 (Unaudited).
(In Jordanian Dinar)

	Paid - In Capital	Reserves		Fair Value Reserve	Retained Earnings*	Total Equity
		Statutory	Voluntary			
Balance at 1 January 2025 (Audited)	8,000,000	2,089,651	1,668,538	(15,435)	3,661,433	15,404,187
Comprehensive income for the period	-	-	-	-	644,953	644,953
Changes in fair value of financial assets in fair value through other comprehensive income	-	-	-	462	-	462
Balance at 31 March 2025 (Unaudited)	8,000,000	2,089,651	1,668,538	(14,973)	4,306,386	16,049,602
Balance at 1 January 2024 (Audited)	8,000,000	2,089,651	1,668,538	(12,728)	2,968,884	14,714,345
Comprehensive income for the period	-	-	-	-	616,687	616,687
Changes in fair value of financial assets in fair value through other comprehensive income	-	-	-	(660)	-	(660)
Balance at 31 March 2024 (Unaudited)	8,000,000	2,089,651	1,668,538	(13,388)	3,585,571	15,330,372

* The retained earnings at the end of the year exclude revaluation gains on financial assets at fair value through profit or loss.

“The accompanying notes from (1) to (41) form an integral part of these condensed interim financial statements and should be read in conjunction with the attached review report.”

Jerusalem Insurance Company
Public Limited Shareholding Company
Interim statement of cash flows for the three months ended at 31 March 2025 (Unaudited)
(In Jordanian Dinar)

	Note	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Cash flows from operating activities			
Profit for the period before tax		816,343	830,363
Adjustments:			
Depreciation and amortization		81,635	32,485
Credit Interest		(340,876)	(426,235)
Cash Dividends		(91,545)	(73,889)
Change in fair value of financial assets through profit or loss		(139,151)	34,597
Provision for expected credit losses –account receivables		510	3,503
Provision for expected credit losses - bank deposits		6,166	(103)
Provision for expected credit losses - financial assets measured at amortized cost		50	55
Provision for employees rewards		25,000	25,000
Provision of earnings share - life		15,886	-
Deposits Provision for Central Bank fees		149,225	87,843
Cash flows from operating activities before changes in working capital items		523,243	513,619
Insurance contracts assets		(27)	(112,222)
Reinsurance contracts assets held		245,597	162,489
Other assets		(77,843)	(1,390,396)
Insurance contracts liabilities		(609,117)	(661,898)
Reinsurance contracts liabilities held		111,963	(544,058)
Other liabilities		(413,954)	5,692
Paid other provision		(141,205)	(98,133)
Net cash flows (used in) operating activities before paid income tax		(361,343)	(2,124,907)
Income tax paid	11	(109,428)	(187,887)
Net cash flows (used in) operating activities		(470,771)	(2,312,794)
Cash flows (used in)/from investing activities			
Bank deposits in advance		(1,874,706)	639,890
(Purchase) of financial assets measured at amortized cost		(562)	(512)
(Purchase) of property and equipment and intangible assets		(41,439)	(31,763)
Interest income received		282,777	266,630
Dividends received		91,545	73,889
Net cash flows (used in)/from investing activities		(1,542,385)	948,134
Net increase in cash and cash equivalents		(2,013,156)	(1,364,660)
Cash and cash equivalents, beginning of period		8,492,236	7,591,256
Cash and cash equivalents, end of period	35	6,479,080	6,226,596

“The accompanying notes from (1) to (41) form an integral part of these condensed interim financial statements and should be read in conjunction with the attached review report.”

Jerusalem Insurance Company
Public Limited Shareholding Company
Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)
(In Jordanian Dinar)

1. General

Jerusalem Insurance Company was established during 1975 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (93) with paid up capital of JOD (16,000,000)/share and the paid-in capital amounts to eight million (8,000,000) Jordanian Dinars/shares, and the company's place of registration is the Hashemite Kingdom of Jordan.

The Company is engaged in insurance activity including motor, fire, accidents, marine, Aviation, transportation, Health insurance, life insurance, and liability insurance business.

The accompanying financial statements have been approved for issue by the Company's Board of Directors on its meeting number (5/2025) held at 24 April 2025.

2. Summary of Significant Accounting Policies

2 /1 Basis of Preparation of Financial Statements

The accompanying condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting.

The financial statements have been prepared on a historical cost basis except for the financial assets through statements of profit or loss and other comprehensive income the details of which are disclosed in its accounting policies.

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

The most important accounting policies followed in the preparation of the financial statements, which have been disclosed, were applied consistently in accordance with the principle of consistency for all the years presented.

The preparation of the financial statements in accordance with International Financial Reporting Standards 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 Applying the New and Amended International Financial Reporting Standards

The International Accounting Standards Board issued the International Financial Reporting Standard No. (17) "Insurance Contracts" in 2017 as an alternative to International Financial Reporting Standard No. (4) Which carries the same name. This standard was applied retrospectively for financial periods beginning on or after 1 January 2023, with an early application permitted, provided that the facility has applied IFRS No. (9) And IFRS No. (15) Before or with IFRS No (17).

The objective of the standard is to ensure that the entity provides appropriate information about these contracts, and this information provides users of the financial statements with the necessary basis for evaluating the impact of insurance contracts on the Company's financial position and cash flows.

2/3 Changes in Accounting Policies

2/3/1 New Standards, Interpretations, and Amendments Effective

The newly issued and not yet effective International Financial Reporting Standards (IFRS), interpretations, and amendments up to the date of the consolidated financial statements are listed below. The Group will apply these amendments as of their mandatory effective dates:

1-Amendments to IAS 21 – Lack of Exchangeability

Defines how to assess whether a currency is exchangeable and how to determine the spot exchange rate.

Effective date: 1 January 2025.

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

Include additional clarifications and disclosure requirements.

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

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

Clarify the accounting treatment of contracts related to renewable energy.

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

4-IFRS 18 – Presentation and Disclosure in Financial Statements

Replaces the previous presentation standard and introduces new classifications in the income statement.

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

5-IFRS 19 – Subsidiary Disclosures Without Public Accountability

Provides reduced disclosure requirements for qualifying entities.

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

2/4 Use of Estimates and assumptions

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

That the estimates are reasonable and are as follows:

2/4/1 Expected credit losses

A provision for expected credit losses is formed based on principles and assumptions approved by the company's management to estimate the required provision in accordance with the requirements of the International Financial Reporting Standards, as imposed by International Financial Reporting Standard No. (9), to recognize impairment by measuring expected credit losses over the lifetime of receivables and contractual assets based on credit risk and homogeneous aging.

The expected loss rates are based on the company's historical credit losses incurred over the past three years up to the end of the current period. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the company's customers.

The company allocates a provision for receivables arising from insurance transactions with local insurance companies and external reinsurance companies. Additionally, the company allocates a provision for expected credit losses for the full receivables of insurance companies (under liquidation) or those with a solvency margin of less than 100%.

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

The company reviews the values recorded in the registers for financial assets at the date of the financial statements to assess whether there are any indicators of impairment, either individually or as a group. If such indicators are identified, the fair value is estimated to determine the impairment loss.

2/4/3 Income tax

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

The Income and National Contribution tax provision for the year ended at 31 December 2024 was calculated in accordance with the Income Tax Law.

1. Accrued income tax

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

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

2. Deferred taxes

Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the value of assets or liabilities in the financial statements and the value on which taxable profit is based. Taxes are calculated using the method in the financial statements, and deferred taxes are calculated according to the tax rates expected to be applied when the tax liability is settled or the deferred tax assets are realized.

The balance of deferred tax assets is reviewed at the financial statement date and is reduced if it is expected that the deferred tax assets cannot be benefited from, partially or fully, or if the tax liability is settled or no longer needed.

2/4/4 Property & equipment & intangible assets

Management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization, based on the general condition of these assets and estimated future useful lives. Any impairment loss (if any) is recognized in the statement of profit or loss.

2/4/5 the present value of future cash flows

The 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 managing a group of insurance contracts /reinsurance contracts held.

Future cash flows are recognized at present value, taking into consideration when developing assumptions related to estimating cash flows for groups of insurance contracts, as follows:

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

A combination of bottom-top and top-bottom approaches are applied in determining discount rates for different products. The bottom-top approach is used to derive the discount rate for cash flows that do not change based on the returns of the underlying items in participating contracts (except for investment contracts without a development policy loan which are not within the scope of IFRS 17). Under this approach, the discount rate is determined as the risk-free return adjusted for the differences in liquidity characteristics between the financial assets used to derive the risk-free return and the cash flows of the related liabilities (known as the illiquidity premium). The risk-free return is derived using swap rates available in the market that are denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with AAA credit ratings are used. Management uses judgment to evaluate the liquidity characteristics of the liabilities cash flows. Direct participation contracts and investment contracts with a development policy loan are less liquid financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated on the basis of the market observable liquidity premium of the financial asset adjusted to reflect the illiquidity characteristics of the cash flows of the liability.

The top-down approach is used to derive discount rates for cash flows that do not change based on the returns of the underlying items in all other contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the return implicit in the fair value of a reference portfolio, adjusted for the differences between the reference portfolio of assets and the cash flows of the related liabilities. The reference portfolio consists of a mix of sovereign and corporate bonds available in the markets. Assets are selected to match the cash flows of the liabilities. The return of the reference portfolio is adjusted to eliminate expected and unexpected credit risk. These adjustments are estimated using information from historical observed levels of credit default swaps and credit defaults related to the bonds included in the reference portfolio. For the unobservable period, the yield curve between the final rate and the last observable point is approximated using the Smith-Wilson method.

The Company will not calculate a present value of future cash flows on insurance and reinsurance premiums that have a duration of less than 12 months.

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

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

Risk free yield curve:

The risk-free yield curve will be derived based on the reference portfolio.

For this purpose, in the absence of any reference portfolio, the prices of highly rated bonds (above AA+) issued from the Hashemite Kingdom of Jordan will be used.

Market risk premium for credit risk:

The market risk premium for credit risk will be removed from yield curves to account for "non- payment", in insurance contracts.

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

Illiquidity premium:

The illiquidity premium is used to calculate the following: -

- Uncertainty in cash flows for subsequent periods.
- Uncertainty in the management of assets and liabilities in subsequent periods.

2/4/6 Risk adjustments for non-financial

An amount set aside by the company to account for the uncertainty of the amount and timing of cash flows arising from non-financial risks, based on actuarial assumptions and the company's experience in managing a 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 when fulfilling an insurance contract. It reflects the Company's degree of risk reduction.

The Company makes an adjustment estimate for non-financial risk 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 the cost rate to the present value of expected capital attributable to non-financial risks.

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

Motor – TPL	6.2%
Motor –Pool	6.2%
Motor - Comprehensive	9.6%
Marine	9.4%
Aviation	9.4%
Fire	9.4%
Engineering	9.4%
General Accidents	9.4%
Medical	5.7%
Travel	9.4%
Life	7.7%

Capital is set at a confidence rate of 75% and is expected to be in accordance with the business. A diversification feature is included to reflect the diversification of contracts sold across geographic regions as this reflects the compensation required by the entity. The adjustments for non-financial risks shall be re-evaluated annually by the actuary.

2/4/7 Non insurance components

Definition of the 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.

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

Primary insurance type	Sub- insurance type	
Engineering	- Boilers Explosions - Contractors Plant and Machinery - Electronic Equipment - Machinery Breakdown	- Contractor's All Risk - Deterioration Of Stock - Erection All Risk - Loss of Profit /Machinery Breakdown
General Accident & Liability	- Cash - Theft - Workmen's Compensation - Public Liability	- Fidelity Guarantee - Personal Accident - Plate Glass - Personal Guard
Motor	- Borders - Comprehensive - TPL - Comprehensive Buses	- Orange Card - Comprehensive /Complementary - Buses Pool - New Special
Life	- Credit Life - Individual - Regular Premium101% (Individual)	- Group - Regular Premium*5 (Individual)
Fire	- Darna - Fire	- House Holder - All Risk
Marine	- Marine Open Cover - Ship hulls	- Marine Cargo Direct
Medical	- Individual	- Group
Travel	- Travel	

The definition of insurance risk is represented by the possibility of the occurrence of the insured event (risk) and the uncertainty regarding the amount of the claim related to that event, due to the nature of the insurance contract, as the risks are volatile and unpredictable. For insurance contracts related to an insurance category, where probability theory can be applied in pricing and reserving, the main risk facing the Company is that the claims incurred and payments related to them may exceed the book value of the insurance liabilities. This may occur if the likelihood and severity of the claims exceed expectations, because insurance events are not fixed and vary from period to period, and the estimates may differ from the related statistics. Studies have shown that the more similar the insurance contracts are, the closer the expectations are to the actual loss rate. The existence of diversification in the insurance risks covered leads to a decrease in the probability of total loss in insurance coverage.

Separation of non-insurance components

1- Investment component

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

- The investment component and the insurance component are not correlated to a large extent.
- The contract is sold on equivalent terms, or may be sold, separately in the same market or in the same legal jurisdiction, either by the entities issuing the insurance contracts or by other parties.

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

- The entity was unable to measure one component without looking at the other. Thus, if the value of one component differs from the value of the other component, the entity shall apply IFRS 17 to calculate the investment element and co-insurance component, or.
- The policyholder cannot benefit from one of the components unless the other is also present. Thus, if the expiry or maturity of one contract component causes the expiry or maturity of the other, the entity shall apply IFRS 17 to account for the investment component and the pooled insurance component.

The Company has products that contain an investment component (single installment *5 and single installment 101%).

2- Goods and services components

The Company shall separate any commitments 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:

- Separate the cash inflows between the insurance component and any promises to provide distinct goods or services other than insurance contract services, and
- Separate the cash outflows between the insurance component and any promised goods or services other than insurance contract services, so that:
 1. The cash outflows that relate directly to each component are attributable to that component.
 2. 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:

- 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 the entity provides an important service in linking the good or service with the components of the insurance.

Materiality:

The materiality in the Company is 2% of the total written premiums.

2/4/8 Lawsuits against the Company

A provision is recorded for lawsuits filed against the Company based on a legal study prepared by the Company's lawyer, according to which potential future risks are identified, and those studies are reviewed periodically.

2/4/9 Fair value level

The level of the fair value hierarchy that categorizes the fair value measures is fully disclosed, and the fair value measurements are separated according to the levels specified in the International Financial Reporting Standards. The difference between Level 2 and Level 3 of fair value measurements represents the assessment of whether the information or inputs are observable and the significance of the unobservable information, which requires judgment and careful analysis of the inputs used to measure fair value, including taking into account all factors relating to the asset or liability.

2 /5 The most important accounting policies used

2/5/1 Sectors Information

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

The geographical sector 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 excess of the cost of acquiring or purchasing a subsidiary or jointly-owned companies over the company's share of the fair value of the assets, liabilities, and contingent liabilities of that company at the acquisition date. Goodwill arising from investments in subsidiaries is recorded separately as intangible assets.

Goodwill arising from investments in associates is included as part of the investment in the associate, and the goodwill is subsequently reduced by any impairment in the value of the investment.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

A goodwill impairment test is performed at the date of each financial statement, and the carrying amount of goodwill is reduced if there is evidence that its value has declined. This occurs if the estimated recoverable amount of the cash-generating unit(s) to which the goodwill belongs is lower than the carrying amount of the cash-generating unit(s). The impairment loss is recognized in the statement of profit or loss.

Impairment losses on goodwill are not reversed in subsequent periods. In the event of the sale of a subsidiary or a jointly-owned company, the goodwill value is taken into account when determining the amount of profit or loss from the sale.

2/5/3 Definition of an insurance contract

A contract which the insurance Company accepts substantial insurance risks from the insured, by agreeing to compensate the contract holder in the event of the occurrence of a specific and uncertain future event (the insured event) that adversely affects the contract holder, and at the following deadlines, whichever is earlier:

- The beginning of the coverage period for the contracts.
- From the date of maturity of the first premium for the insured in the group of insurance contracts.
- From the date of the group becoming an expected loss group, with respect to any of the groups of contracts that are expected to be lost.

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

- 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 pool of insurance contracts.
- The Company expects that a significant proportion of any change in the amounts to be paid to a contract holder will vary with the change in the fair value of the pool of insurance contracts.

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

- Investment contracts that have a legal form of an insurance contract, but do not transfer significant insurance risks to the insurance Company and carry financial risks, for example, implicit derivatives, changes in the fair value of a financial instrument, changes in interest rates, changes in currency exchange rates, or credit rating, they are classified as investment contracts in accordance with International Financial Reporting Standard No. (9).
- Investment contracts that contain the feature of voluntary participation, which are investment contracts that have a legal form of 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 (i.e. keeping the risks that could have been covered by the insurance contract within the Company, i.e. there is no other party to the contract), for example, the Company issuing an insurance contract in the name of the Company or a subsidiary or associate Company, which is classified according to the International Financial Reporting Standard No. (15).

2/5/4 Reinsurance contracts held

It is an insurance contract issued by the reinsurer to compensate the insurance Company for claims arising from the insurance contracts issued by it.

Reinsurance contracts held are recognized:

- In the event that the held reinsurance contracts are proportional to the group of insurance contracts, then the held reinsurance contracts are recognized at the beginning of the coverage period for the group of these contracts or at the initial recognition of any of the base contracts, whichever is earlier.
- From the beginning of the coverage period of the group of held reinsurance contracts.

2/5/5 Liability for remaining coverage

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

2/5/6 Liability for incurred claims

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

2/5/7 Contractual service margin

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

2/5/8 Initial recognition of insurance contracts / General Measurement Model/ Variable cost

At initial recognition, the Company measures the group of insurance contracts according to the following:

- ❖ Cash flows to fulfill 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 these financial risks in the estimates of future cash flows.
 - Risk adjustments for non-financial.
- ❖ Contractual service margin

2/5/9 Subsequent measurement of insurance contracts / General Model/ Variable cost

The Company records the book value of any group of insurance contracts at the end of each period, which is the sum of the following:

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

2/5/10 Initial recognition of insurance contracts / premium allocation approach

The group of insurance contracts is measured at initial recognition as follows:

- Insurance premiums received upon initial recognition.
- Deducting any costs paid to acquire the insurance contracts on that date.
- Added or deducted from it any amount arising from the cash flows of the costs of acquiring insurance contracts

2/5/11 Subsequent measurement / premium allocation approach

At the end of each subsequent period, the Company records the book amount of the obligation, taking into account the following adjustments to the balance of the obligation:

- Add insurance premiums received for the period.
 - Deduct the cash flows for the acquisition of insurance contracts.
 - Adding any amounts related to the depletion of cash flows for the acquisition of insurance contracts that are proven as an expense.
 - Adding any emergency modification to the financing component.
 - Deduct the amount recognized as insurance income for the coverage provided in that period.
 - Deduct any paid or transferred investment component of the liability relating to claims incurred.
- Liabilities against incurred claims which are calculated according to the best estimate of future cash flows to settle claims plus risk adjustments for non-financial, taking into account the application of the discount rate to claims.

2/5/12 Modification of insurance contracts

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

2/5/13 Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

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

2/5/14 Insurance contracts that are expected to result in a loss (onerous contracts)

The Company recognizes insurance contracts as onerous contracts if, at the initial recognition date, the contract is expected to incur a loss. The loss component is measured if the expected cash flows to fulfill the contract's obligations or the group of contracts exceed the expected cash inflows from that contract or group of contracts.

The Company is required to disclose the loss component unless the contractual service margin is zero.

2/5/15 Summary of measurement approaches

1) The Company classify insurance contracts according to the following:

The Portfolio (Level 1)*	Contract Classification**	Measurement Approach***
Motor - Comprehensive	Insurance contracts	Premium Allocation Approach
Motor – TPL	Insurance contracts	Premium Allocation Approach
Motor –Pool	Insurance contracts	Premium Allocation Approach
Marine	Insurance contracts	Premium Allocation Approach
Aviation	Insurance contracts	Premium Allocation Approach
Fire	Insurance contracts	Premium Allocation Approach
Engineering	Insurance contracts	Premium Allocation Approach
General Accidents	Insurance contracts	Premium Allocation Approach
Personal Accidents	Insurance contracts	Premium Allocation Approach
Liability	Insurance contracts	Premium Allocation Approach
Medical - Group	Insurance contracts	Premium Allocation Approach
Medical - Individual	Insurance contracts	Premium Allocation Approach
Travel	Insurance contracts	Premium Allocation Approach
Life - Group	Insurance contracts	Premium Allocation Approach
Life - Borrowers	Insurance contracts	Premium Allocation Approach
Life - Individual	Insurance contracts	Premium Allocation Approach
Life - Saving	Insurance contracts	General Measurement Model

2) The Company classify reinsurance contracts held according to the following:

Portfolio	Portfolio Name	Measurement Model
1	Aviation -Facultative	Premium Allocation Approach
2	Catastrophe -Excess of Loss	Premium Allocation Approach
3	Comprehensive- Facultative	Premium Allocation Approach
4	Engineering - Facultative	Premium Allocation Approach
5	Engineering - Surplus and Quota Share	Premium Allocation Approach
6	Fire -Facultative	Premium Allocation Approach
7	Fire - Surplus and Quota Share	Premium Allocation Approach
8	Fire - Excess of Loss	Premium Allocation Approach
9	General Accidents - Facultative	Premium Allocation Approach
10	General Accidents - Surplus and Quota Share	Premium Allocation Approach
11	Liability - Facultative	Premium Allocation Approach
12	Marine - Facultative	Premium Allocation Approach
13	Marine - Surplus and Quota Share	Premium Allocation Approach
14	Marine - Excess of Loss	Premium Allocation Approach
15	Medical - Quota Share	Premium Allocation Approach
16	Motor - Excess of Loss	Premium Allocation Approach
17	Pool - Facultative	Premium Allocation Approach
18	TPL - Facultative	Premium Allocation Approach
19	Travel - Quota Share	Premium Allocation Approach
20	Credit Life - Facultative	Premium Allocation Approach
21	Group Life - Facultative	Premium Allocation Approach
22	Group Life - Surplus and Quota Share	Premium Allocation Approach
23	Individual Life - Quota Share	Premium Allocation Approach
24	Individual Life -Surplus and Quota Share	Premium Allocation Approach
25	Individual Life Saving -Surplus and Quota Share	General Measurement Model

2/5/16 Aggregation level

The portfolios of insurance contracts are divided into groups according to the year of underwriting and aggregate portfolios of insurance contracts with similar risks that are managed together.

2/5/17 Profitability level

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

- Contracts that have no likelihood of becoming onerous at initial recognition.
- Contracts that are onerous.
- Other contacts (if found).

2/5/18 Financial assets

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

- Financial assets at amortized cost
- Financial assets at fair value through statement of profit or loss
- Financial assets at fair value through statement of other comprehensive income

❖ Financial assets at amortized cost

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

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

The financial assets measured at amortized cost are recorded at their purchase cost, including acquisition expenses. Any premium/discount (if any) is amortized using the effective interest method as an entry to interest or for its account. Any provisions resulting from impairment in the value of these investments, leading to the inability to recover part or all of the investment, are deducted. Any impairment is recorded in the profit and loss statement.

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

The standard allows, in rare cases, the measurement of these assets at fair value through the profit and loss statement if it significantly eliminates or reduces inconsistency in measurement (sometimes referred to as accounting mismatch) arising from measuring assets or liabilities or recognizing profits or losses resulting from them on different bases.

Impairment losses for financial assets measured at amortized cost are recognized, with interest revenue, foreign exchange gains and losses, and impairment being included in the profit and loss statement. Gains or losses arising from derecognition of financial assets are also presented in the profit and loss statement.

❖ Financial assets at fair value through profit or loss

The remaining financial assets that do not meet the criteria for financial assets at amortized cost are measured as financial assets at fair value.

- Financial assets at fair value through profit or loss represent investments in equity instruments and debt instruments held for trading purposes, with the objective of generating profits from short-term market price fluctuations or trading margins.
- Financial assets at fair value through profit or loss are recorded at fair value upon purchase (acquisition expenses are recorded in the profit and loss statement at the time of purchase) and are revalued at fair value on the financial statement date. Subsequent changes in fair value are recognized in the profit and loss statement for the period in which the change occurs, including changes in fair value resulting from foreign currency translation differences of non-cash items. Dividends or returns are recorded in the profit and loss statement when earned (approved by the general assembly of shareholders).

Reclassification

Financial assets may be reclassified from amortized cost to financial assets at fair value through profit or loss and vice versa, only when the entity changes the business model under which the assets were classified, as mentioned above, taking into account the following:

- Any previously recognized profits, losses, or interest cannot be reversed.

- When financial assets are reclassified to be measured at fair value, their fair value is determined at the reclassification date, and any gains or losses resulting from differences between the previously recorded value and the fair value shall be 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 at the date of reclassification.

❖ **Financial Assets at fair value through other comprehensive income**

- It is allowed, upon initial recognition, for investments in equity instruments that are not held for trading, to adopt an irrevocable option to present all changes in the fair value of these investments on an individual basis (each share separately) in other comprehensive income. Under no circumstances can these changes, recognized in other comprehensive income, be reclassified to profit or loss at a later date. However, dividend income from these investments is recognized in net investment income, unless such distributions clearly represent a partial recovery of the entire investment.
- In the event of the sale of these assets or part of them, the gains or losses resulting from the sale are transferred from the accumulated fair value change balance in other comprehensive income to the retained earnings, and not through the profit or loss statement.

2/5/19 Investment property

Investment property is measured at cost less any accumulated depreciation (except for lands), these investments are depreciated over their useful life at a rate of 2%, and any decrease in their value is recorded in statement of profit or loss. Any revenue, operational expenses or impairment related to the investment properties is recorded in the statement of profit or loss.

Real estate investments are measured in accordance with applicable regulations, and their fair value is disclosed in the notes to the real estate investments

2/5/20 Investment in Associate companies

Associate companies are those in which the company exerts significant influence over decisions related to financial and operational policies (but does not control them), and in which it holds between (20%-50%) of the voting rights. Investments in associate companies are presented using the equity method.

Revenues and expenses resulting from transactions between the company and its associate companies are excluded, based on the company's share in these companies.

2/5/21 Property and equipment

Property and equipment are presented at net value after deducting accumulated depreciation and any accumulated impairment losses. Property and equipment (except for land) are depreciated when they are ready for use using the straight-line method over their expected useful life, with the following annual rates. Depreciation expense is recorded in the statement of profit or loss.

Buildings	2%
Furniture and equipment	10-30%
Vehicles	15%

Depreciation of property and equipment is calculated when these assets are available for use for the purposes intended for use. The depreciation expense for the period must be shown in the statement of profit or loss.

Property and equipment under construction for the Company's use are stated at cost after deducting any impairment losses.

When the expected recoverable amount of any property and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and the impairment loss is recorded in the statement of profit or loss.

The useful life of property and equipment is reviewed at the end of each year. If the expected useful life differs from the previously estimated life, the change in estimate is recorded for future years as a change in estimates.

Gains or losses resulting from the disposal or removal of any property and equipment, representing the difference between the proceeds from the sale and the book value of the asset, are recognized in the statement of profit or loss.

Property and equipment are derecognized when disposed of or when they no longer provide expected future economic benefits from either use or disposal.

2/5/22 Intangible assets

- Intangible assets acquired through business combinations are recorded at their fair value on that date. Other intangible assets are measured on initial recognition at cost.
- Other intangible assets are classified based on the estimated useful life, either for a definite or indefinite period. Intangible assets with a definite useful life are amortized over that period, and the amortization is recorded in the statement of profit or loss. As for intangible assets with an indefinite useful life, their impairment is reviewed at the date of the financial statements, and any impairment is recorded in the statement of profit or loss.
- Internally generated intangible assets are not capitalized and are recorded in the statement of profit or loss in the same current year.
- Any indicators of impairment of intangible assets are reviewed at the date of the financial statements.
- Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.
- The following are the accounting policies for each item of intangible assets held by the company.
- Intangible assets include computer systems and software, and the company's management estimates the useful life of each item, so that these assets are amortized using the straight-line method at a rate of 24%.

2/5/23 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, deposits with maturities less than three months, less restricted funds.

2/5/24 Offsetting

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

2/5/25 Recognition date of financial assets

The recognition of the purchase and sale of financial assets is made on the trade date (the date on which the company commits to buy or sell the financial assets).

2/5/26 Fair value

The closing prices (purchase of assets / sale of liabilities) on the financial statement date in active markets represent the fair value of financial instruments with market prices.

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

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

These valuation methods aim to determine a fair value that reflects market expectations, taking into account market factors and any anticipated risks or benefits when estimating the value of financial instruments. If it is not feasible to reliably measure their fair value, they are presented at cost, after any impairment in value has been recognized.

2/5/27 Financial liabilities

The company classifies financial liabilities based on the purpose for which the liability arises. The company initially recognizes bank borrowings at fair value, net of transaction costs related to obtaining the facilities. These interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method. Financing costs include initial transaction costs, premiums paid on settlement, and interest accruing over the life of the liability.

2/5/28 Insurance contracts liabilities

Insurance contract liabilities are recognized when the company has obligations at the date of the financial statements arising from past events related to insurance contracts, and the settlement of these obligations is probable and their value can be measured reliably. The amounts recognized as insurance contract liabilities represent the best estimate of the amounts required to settle the obligation as of the financial statement date, taking into account the risks and uncertainties associated with insurance contract liabilities. When the value of the liabilities is determined based on estimated cash flows to settle the current obligation, the carrying amount represents the present value of those cash flows. If it is expected that some or all of the economic benefits required to settle the liability will be recovered from other parties, the receivable is recognized as an asset if the receipt of compensation is virtually certain and its value can be measured reliably.

2/5/29 Provision for end of service indemnity

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

Annual compensation costs incurred for employees leaving the service are recorded as a provision for end-of-service benefits when paid, and a provision for the company's liabilities related to end-of-service benefits for employees is recognized in the statement of profit or loss

2/5/30 Foreign currency

- Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions.
- The balances of financial assets and financial liabilities are converted 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 stated at fair value are translated at the date when their fair value was determined.
- Foreign exchange gains or losses are reflected in the statement of profit or loss.
- Translation differences for non-monetary foreign currency assets and liabilities are recorded as part of the change in fair value.
- When consolidating financial statements, the assets and liabilities of foreign branches and subsidiaries are translated from the functional currency to the reporting currency using the average exchange rates for the date of the financial statements as published by the Central Bank of Jordan. Revenue and expense items are translated at the average exchange rate for the year. Any resulting foreign exchange differences (if any) are shown in a separate item within equity. In the case of the sale of any of these subsidiaries or branches, the amount of foreign currency translation differences related to them is recognized in the income statement under income/expenses.

2/5/31 Treasury stocks

The treasury stocks are shown at cost, and these stocks do not have any right to the profits distributed to the shareholders, and do not have the right to participate or vote in the meetings of the Company's general assembly. The profit or loss resulting from the sale of treasury stocks is not recognized in the statement of profit or loss, but the profit is shown in equity within the item of share premium (discount), while the loss is recorded on the retained earnings after depleting balance of the treasury shares premium.

2/5/32 Issuance or purchase insurance company shares

Any costs arising from the issuance or purchase of the insurance company's shares are recorded in the retained earnings account (net of any tax effect). If the purchase/issuance is not completed, the related expenses are charged to the statement of profit or loss.

2/5/33 Revenue recognition

Dividend and interests' revenue

Dividend revenues are recognized when the Company has the right to receive the payment, once declared by the general assembly of shareholders.

Interest revenues are recognized on an accrual basis, based on the applicable periods, principal amount, and the interest rate earned

Rent revenues

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

2/5/34 Insurance acquisition cost

It represents the acquisition costs incurred by the company in return for selling, underwriting, or starting new insurance contracts, where the company recognizes the full acquisition costs directly upon recognition of the insurance contract in the statement of profit or loss. While the company recognizes the acquisition costs by amortizing the costs incurred over the coverage period of the insurance contract in the statement of financial position.

Acquisition costs are estimated when preparing the budget forecasts based on the company's historical data, and these costs are recognized when incurred, with these costs amortized during the coverage period of the insurance contract.

2/5/35 Insurance contract expenses

The company allocates direct general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts across groups of insurance contracts and includes them in calculating contract profitability through an allocation mechanism that considers the principles of activity-based cost estimation, separating the expenses into acquisition expenses, compensation expenses, and other undistributed expenses. Meanwhile, indirect general administrative expenses and indirect employee expenses not related to insurance contracts are allocated based on the cost center.

3. Bank Deposits

This item consists of the following:

Bank	31 March 2025 (Unaudited)				31 December 2024 (Audited)
	Deposits mature within (1) month	Deposits and certificates mature within (1) to (3) months	Deposits and certificates mature within (3) months to (1) year	Deposits and certificates mature after (1) year	Total
Inside Jordan					
Arab Bank	-	-	6,082,757	-	6,082,757
Jordan Ahli Bank	-	1,750,691	-	-	1,750,691
Jordan Kuwait Bank	-	800,000	5,342	-	805,342
Capital Bank	-	1,681,722	2,806,633	-	4,488,355
Bank of Jordan	-	-	-	-	602,500
Cairo Amman Bank	862,200	-	-	-	862,200
Total deposits in banks within Jordan	862,200	4,232,413	8,894,732	-	13,989,345
Outside Jordan					
BARCLAYS BANK	-	365,253	2,493,648	-	2,858,901
Total deposits in banks outside Jordan	-	365,253	2,493,648	-	2,858,901
Provision for expected credit losses*	(141)	(1,506)	(16,317)	-	(17,964)
Total	862,059	4,596,160	11,372,063	-	17,401,325

- The interest rates on deposit balances with banks in Jordanian Dinar range from (4.50%) to (6.60%), and on deposit balances in foreign currencies from (4.12%) to (5.621%) during the year 2025.
- Deposits pledged to the favor of the Central Bank of Jordan Governor in addition to his duty JOD (800,000) as at 31 March 2025 against JOD (800,000) as at 31 December 2024 pledged to the favor of the Central Bank of Jordan Governor in addition to his duty at the following bank:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Jordan Kuwait Bank	800,000	800,000
Total	800,000	800,000

- Restricted cash balances against bank guarantees amounted to JOD (70) as at 31 March 2025 against JOD (10,070) as at 31 December 2024.

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the year	11,798	19,793
Additions	6,166	-
Deductions	-	(7,995)
Balance at end of the period/year	17,964	11,798

4. Financial Assets Measured at Fair Value Through Statement of Profit or Loss

The details of this item are as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<u>Inside Jordan:</u>		
Shares listed in financial markets	1,140,440	1,047,352
Shares unlisted in financial markets	80,573	80,573
Total	1,221,013	1,127,925
<u>Outside Jordan:</u>		
Shares listed in financial markets	184,928	138,865
Shares unlisted in financial markets	188,300	188,300
Total	373,228	327,165
Grand total	1,594,241	1,455,090

* The financial assets measured at fair value through statement of profit or loss include un-listed financial assets amounting to JOD (268,873) as at 31 March 2025 and are presented in fair value estimated by management.

The details of the financial assets at fair value through statement of profit or loss (un-listed) are as follow:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<u>Inside Jordan:</u>		
Saraya Aqaba for Real Estate Development Company*	80,570	80,570
Arab Engineering Industries Company	1	1
Modern Company for Food Industries and Vegetable Oil	1	1
United Integrated Company for Multiple Industries and Investment	1	1
<u>Outside Jordan:</u>		
Arab Reinsurance Company / Lebanon	188,300	188,300
Total	268,873	268,873

* The latest share valuation was based on the company's 2022 financial statements, as the 2023 financial statements had not been issued as of the date of preparing these statements.

5. Financial Assets Measured at Fair value Through Statement of Other Comprehensive Income

The details of this item are as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<u>Outside Jordan:</u>		
Units in investment funds	-	-
UNITS THE JUPITER GLOBAL FUND SICAV DYNAMIC BOND	54,805	54,343
Grand total	54,805	54,343
Less:		
Provision for expected credit losses - financial assets at fair value through other comprehensive income*	(136)	(136)
Net financial assets at fair value through other comprehensive income	54,669	54,207

* The movement in the expected credit loss allowance – financial assets at fair value through other comprehensive income (FVOCI).

Jerusalem Insurance Company PLC

Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)

(continued)

(Jordanian Dinars)

* The movement on the provision for expected credit losses-financial assets at fair value through other comprehensive income is as follow:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the year	136	136
Additions	-	-
Deductions	-	-
Balance at end of the period/year	136	136

6 . Financial Assets Measured at Amortized Cost

The details of this item are as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<u>Inside Jordan:</u>		
Treasury Bonds – Government of Jordan – JOD (1)	200,000	200,000
Treasury Bonds – Government of Jordan – JOD (2)	300,000	300,000
Bonds – Jordan Ahli Bank – JOD	1,200,000	1,200,000
Bonds – Capital Bank - USD	355,000	355,000
Bonds –Al Etihad Bank - USD	340,800	340,800
Permanent loan bond of the Alahli Bank - USD	639,000	639,000
Total	3,034,800	3,034,800
	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<u>Outside Jordan:</u>		
Treasury Bonds – Government of Jordan – USD (1)	355,000	355,000
Treasury Bonds – Government of Jordan – USD (2)	1,484,312	1,483,750
Bonds – Capital Bank - USD	923,000	923,000
Bonds – Arab Bank - USD	1,065,000	1,065,000
Total	3,827,312	3,826,750
Grand total	6,862,122	6,861,550
Provision for expected credit losses*	(9,050)	(9,000)
Net Financial Assets at Amortized Cost	6,853,062	6,852,550

* The movement on the provision for expected credit losses - financial assets at amortized cost is as follow:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the year	9,000	7,723
Additions	50	1,277
Deductions	-	-
Balance at end of the period/year	9,050	9,000

- The Jordanian government treasury bonds (1) are denominated in Jordanian Dinar and mature at 8/9/2026 and bear an interest rate of 6.099% per annum. The interest is paid in two equal installments per annum on 8 March and 8 September until the maturity date of the bonds.
- The Jordanian government treasury bonds (2) are denominated in Jordanian Dinar and mature at 26/9/2026 and bear an interest rate of 6.198% per annum. The Interest is paid in two equal installments per annum on 26 March and 26 September until the maturity date of the bonds.
- The Jordan Ahli Bank bonds – listed are denominated in Jordanian Dinar and mature at 13/11/2029 and bear a variable interest rate (7.5% per annum on the issue date and is recalculated every 6 months). The interest is paid in two installments per annum on 13 May and 12 November until the maturity date of the bonds.
- The Capital Bank bonds are mature at 15/3/2026 and bear an interest rate of 7% per annum, the interest is paid in two equal installments per year on 15 March and 15 September until the maturity date of the bonds.

Jerusalem Insurance Company PLC**Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)**
(continued)

(Jordanian Dinars)

- The Jordanian government treasury bonds (1) are denominated in US Dollar and mature at 31/1/2027 and bear an interest rate of 5.75% per annum. The interest is paid in two equal installments per year on 31 January and 31 July until the maturity date of the bonds.
- The Jordanian government treasury bonds (2) are denominated in US Dollar and mature at 29/1/2026 and bear an interest rate of 6.125% per annum. The interest is paid in two equal installments per year on 29 January and 29 July until the maturity date of the bonds.
- The Capital Bank bonds are mature at 24/2/2027, and bear an interest rate of 7% per annum. The interest is paid in two equal installments per year on 24 August and 24 February until the maturity date of the bonds (Perpetual bonds).
- The Arab Bank bonds are mature at 10/4/2029, and bear an interest rate of 8% per annum. The interest is paid in two equal installments per year on 10 April and 10 October until the maturity date of the bonds.
- Al Etihad Bank bonds are mature at 3/10/2028, and bear an interest rate of 8.50% per annum. The interest is paid in four installments per year on 3 January, 3 April, 3 July and 3 October until the maturity date of the bonds.
- The Alahli Bank loan bonds are permanent and non-redeemable except at the issuer's option after at least five years from the issuance date, subject to approval by the Central Bank, with an interest rate of 8.5%. Interest is due quarterly on 6 February, 6 May, 6 August, and 6 October.

7. Investment Properties

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Lands	1,132,933	1,132,933
Buildings	700,292	700,292
Accumulated depreciation	(644,847)	(641,345)
Net	1,188,378	1,191,880

- The fair value of the investment properties was estimated by real estate experts at JOD (4,792,638) as of March 31, 2025, compared to JOD (4,792,638) as of 31 December 2024, in accordance with the applicable regulations.

8. Cash on Hand and at Banks

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Cash on hand	5,453	2,100
Current bank accounts	1,013,761	590,687
Total	1,019,214	592,787

Jerusalem Insurance Company PLC

Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)

(continued)

(Jordanian Dinars)

9. Insurance Contract Assets / Liabilities

9 / A Assets / Liabilities of Insurance Contracts – Premium Allocation Approach

31 March 2025 (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	loss component	Present value of cash flows	Risk adjustments for non-financial	
	JOD	JOD	JOD	JOD	JOD
Insurance contracts liabilities at beginning of the year	(8,401,503)	(1,472,435)	(13,010,858)	(983,626)	(23,868,422)
Insurance contracts assets at beginning of the year	-	-	-	-	-
Net (liabilities) assets of insurance contracts at the beginning of the year	(8,401,503)	(1,472,435)	(13,010,858)	(983,626)	(23,868,422)
Insurance contracts revenues	8,415,587	-	-	-	8,415,587
Insurance contracts expenses	-	-	-	-	-
Incurred claims during the period	-	-	(5,143,381)	(142,708)	(5,286,089)
Changes related to previous service -adjustments to LFIC	-	-	(609,970)	227,191	(382,779)
Employees expenses	(214,036)	-	(241,434)	-	(455,470)
Cost amortization and Acquisition expenses	(218,274)	-	-	-	(218,274)
Administrative expenses	(213,811)	-	(299,054)	-	(512,865)
Other Expenses	(43,364)	-	(159,221)	-	(202,585)
Losses on onerous contracts and reversal of those losses	-	151,212	-	-	151,212
Insurance business results	7,726,102	151,212	(6,453,060)	84,483	1,508,737
Finance expenses from insurance contracts	-	-	(202,787)	-	(202,787)
Net change – Other comprehensive income-	7,726,102	151,212	(6,655,847)	84,483	1,305,950
Cash received from underwritten contracts	(7,962,813)	-	-	-	(7,962,813)
Paid from incurred claims	-	-	5,887,186	-	5,887,186
Paid from acquisition costs	239,264	-	-	-	239,264
Paid from expenses	471,211	-	699,709	-	1,170,920
Total cash flows	(7,252,338)	-	6,586,895	-	(665,443)
Details as follows:					
Insurance contracts liabilities at the end of the period	(7,927,766)	(1,321,223)	(13,079,810)	(899,143)	(23,227,942)
Insurance contracts assets at the end of the period	27	-	-	-	27
Net (liabilities) assets of insurance contracts at the end of the period	(7,927,739)	(1,321,223)	(13,079,810)	(899,143)	(23,227,915)

31 December 2024(Audited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	loss component	Present value of cash flows	Risk adjustments for non-financial	
	JOD	JOD	JOD	JOD	JOD
Insurance contracts liabilities at beginning of the year	(7,003,274)	(956,581)	(11,482,498)	(932,625)	(20,374,978)
Insurance contracts assets at beginning of the year	2,718	-	-	-	2,718
Net (liabilities) assets of insurance contracts at the beginning of the year	(7,000,556)	(956,581)	(11,482,498)	(932,625)	(20,372,260)
Insurance contracts revenues	32,197,117	-	-	-	32,197,117
Insurance contracts expenses	-	-	-	-	-
Incurred claims during the year	-	-	(26,174,858)	(707,245)	(26,882,103)
Changes related to previous service -adjustments to LFIC	-	-	1,419,685	656,244	2,075,929
Employees expenses	(918,423)	-	(1,062,565)	-	(1,980,988)
Cost amortization and Acquisition expenses	(854,262)	-	-	-	(854,262)
Administrative expenses	(548,188)	-	(819,118)	-	(1,367,306)
Other Expenses	(83,430)	-	(570,626)	-	(654,056)
Losses on onerous contracts and reversal of those losses	-	(515,854)	-	-	(515,854)
Insurance business results	29,792,814	(515,854)	(27,207,482)	(51,001)	2,018,477
Finance expenses from insurance contracts	-	-	(268,651)	-	(268,651)
Net change – Other comprehensive income-	29,792,814	(515,854)	(27,476,133)	(51,001)	1,749,826
Cash received from underwritten contracts	(33,561,594)	-	-	-	(33,561,594)
Paid from incurred claims	-	-	23,495,464	-	23,495,464
Paid from acquisition costs	817,792	-	-	-	817,792
Paid from expenses	1,550,041	-	2,452,309	-	4,002,350
Total cash flows	(31,193,761)	-	25,947,773	-	(5,245,988)
Details as follows:					
Insurance contracts liabilities at the end of the year	(8,401,503)	(1,472,435)	(13,010,858)	(983,626)	(23,868,422)
Insurance contracts assets at the end of the year	-	-	-	-	-
Net (liabilities) assets of insurance contracts at the end of the year	(8,401,503)	(1,472,435)	(13,010,858)	(983,626)	(23,868,422)

9 / A / 1 Accounts Receivable – Insurance Operation

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Insurance contract holders' receivables	8,640,841	6,881,943
Employees' receivables	11,631	5,094
Other receivables	236,717	221,822
Gross accounts receivable related to insurance operations	8,889,189	7,108,859
Less: Provision for expected credit losses	(1,674,488)	(1,689,430)
Net accounts receivable related to insurance operations	7,214,701	5,419,429

Analysis of accounts receivables according to its time period:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Undue	3,395,279	1,920,912
Due within 0-30 days	1,448,170	1,739,707
Due within 31-90 days	1,532,899	986,206
Due within 91-180 days	695,176	608,175
Due within 181-365 days	394,273	492,334
Due for more than one year	1,423,392	1,361,525
Total	8,889,189	7,108,859

9 / A / 2 Checks under Collection

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Gross checks under collection related to insurance operations	819,992	580,608
Less: Provision for expected credit losses	-	-
Net checks under collection related to insurance operations	819,992	580,608

Analysis of checks under collection according to its time period:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Due within (6) months	586,626	532,935
Due within (6-12) months	198,651	8,110
Due within more than (12) months	34,715	39,563
Total	819,992	580,608

9 / A / 3 Accounts Payable

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Gross accounts payable related to insurance operations	1,669,883	1,085,794
Gross accounts payable related to insurance operations	1,669,883	1,085,794

Jerusalem Insurance Company PLC
Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)
(continued)
(Jordanian Dinars)
9 / B Insurance Contract Assets / Liabilities – General Measurement Model

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	loss component	Present value of cash flows	Risk adjustments for non-financial	
31 March 2025 (Unaudited)					
Insurance contracts liabilities at beginning of the year	(520,205)	-	-	-	(520,205)
Insurance contracts assets at beginning of the year	-	-	-	-	-
Net (liabilities) assets of insurance contracts at the beginning of the year	(520,205)	-	-	-	(520,205)
Insurance contracts revenues	16,896	-	-	-	16,896
Insurance contracts expenses					
Incurred claims during the period	-	-	(2,826)	-	(2,826)
Changes related to previous service - adjustments to LfIC	-	-	-	-	-
Employees expenses	-	-	-	-	-
Cost amortization and Acquisition expenses	(2,977)	-	-	-	(2,977)
Administrative Expenses	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance business results	13,919	-	(2,826)	-	11,093
Finance expenses from insurance contracts	(14,524)	-	-	-	(14,524)
Investment component	2,120	-	(2,120)	-	-
Net change - comprehensive income-Other	1,515	-	4,946	-	(3,431)
Cash received from underwritten contracts	(34,202)	-	-	-	(34,202)
Paid from incurred claims	-	-	2,120	-	2,120
Paid from acquisition costs	1,324	-	-	-	1,324
Other expenses	-	-	2,826	-	2,826
Total cash flows	(32,878)	-	4,946	-	(27,932)

Details as follows:

Insurance contracts liabilities at the end of the period	(551,568)	-	-	-	(551,568)
Insurance contracts assets at the end of the period	-	-	-	-	-
Net (liabilities) assets of insurance contracts at the end of the period	(551,568)	-	-	-	(551,568)

	Liabilities for remaining coverage		Liabilities for remaining coverage		Total
	Excluding loss component	loss component	Present value of cash flows	Risk adjustments for non-financial	
31 December 2024(Audited)					
Insurance contracts liabilities at beginning of the year	(443,501)	-	-	-	(443,501)
Insurance contracts assets at beginning of the year	-	-	-	-	-
Net (liabilities) assets of insurance contracts at the beginning of the year	(443,501)	-	-	-	(443,501)
Insurance contracts revenues	41,880	-	-	-	41,880
Insurance contracts expenses					
Incurred claims during the year	-	-	(12,785)	-	(12,785)
Changes related to previous service - adjustments to LfIC	-	-	-	-	-
Employees expenses	-	-	-	-	-
Cost amortization and Acquisition expenses	(7,870)	-	-	-	(7,870)
Other expenses	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance business results	34,010	-	(12,785)	-	21,225
Finance expenses from insurance contracts	30,999	-	-	-	30,999
Investment component	16,762	-	(16,762)	-	-
Net change - comprehensive income-Other	81,771	-	(29,547)	-	52,224
Cash received from underwritten contracts	(166,242)	-	-	-	(166,242)
Paid from incurred claims	-	-	16,762	-	16,762
Paid from acquisition costs	7,767	-	-	-	7,767
Other expenses	-	-	12,785	-	12,785
Total cash flows	(158,475)	-	29,547	-	(128,928)

Details as follows:

Insurance contracts liabilities at the end of the year	(520,205)	-	-	-	(520,205)
Insurance contracts assets at the end of the year	-	-	-	-	-
Net (liabilities) assets of insurance contracts at the end of the year	(520,205)	-	-	-	(520,205)

9 / B / 1 Accounts Receivable – Insurance Operation

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Total receivables related to insurance operations	13,216	8,538
Less: Provision for expected credit losses	(1,845)	(1,599)
Net accounts receivable related to insurance operations	11,371	6,939

Analysis of accounts receivable according to its time period:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Due within 0-30 days	9,380	4,955
Due within 31-90 days	1,360	1,547
Due within 91-180 days	860	570
Due within 181-365 days	200	250
Due for more than one year	1,416	1,216
Total	13,216	8,538

9 / B / 2 Checks under Collection

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Gross checks under collection related to insurance operations	-	900
Net checks under collection related to insurance operations	-	900

Analysis of checks under collection according to its time period:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Due within (6) months	-	900
Due within (6-12) months	-	-
Due within more than (12) months	-	-
Total	-	900

9 /B/ 3 Accounts Payable

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Gross accounts payable related to insurance operations	1,274	1,006
Gross accounts payable related to insurance operations	1,274	1,006

Jerusalem Insurance Company PLC
Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)
(continued)
(Jordanian Dinars)
9 / B / 4 Insurance Contract Assets / Liabilities – General Measurement Model

	Best estimate for liabilities	Risk adjustments for non- financial	Contractual service margin	Total
31 March 2025 (Unaudited)				
Insurance contracts liabilities at beginning of the year	(231,502)	(10,573)	(278,130)	(520,205)
Insurance contracts assets at beginning of the year	-	-	-	-
Net (liabilities) assets of insurance contracts at the beginning of the year	(231,502)	(10,573)	(278,130)	(520,205)
Changes that relate to current services	-	-	-	-
Release of Contractual Service Margin	-	-	8,968	8,968
Experience adjustments	2,291	-	-	2,291
Change in risk adjustment for non-financial risk	-	(166)	-	(166)
Changes related to future services	-	-	-	-
Impact of contracts initially recognized in the period	-	-	-	-
Effect of Changes in Contractual Service Margin Assumptions	6,502	(36)	(6,466)	-
Impact of changes in estimates that result in losses and reversals of losses on onerous contracts	-	-	-	-
Changes related to previous services	-	-	-	-
Changes in liabilities for incurred claims	-	-	-	-
Insurance business results	8,793	(202)	2,502	11,093
Finance expenses from insurance contracts	(10,743)	-	(3,781)	(14,524)
Net change - comprehensive income	(1,950)	(202)	(1,279)	(3,431)
Cash received from underwritten contracts	(34,202)	-	-	(34,202)
Paid from incurred claims	2,120	-	-	2,120
Paid from acquisition costs	1,324	-	-	1,324
Other expenses	2,826	-	-	2,826
Total cash flows	(27,932)	-	-	(27,932)

Details as follows:

Insurance contracts liabilities at the end of the period	(261,384)	(10,775)	(279,409)	(551,568)
Insurance contracts assets at the end of the period	-	-	-	-
Net (liabilities) assets of insurance contracts at the end of the period	(261,384)	(10,775)	(279,409)	(551,568)

31 December 2024(Audited)

	Best estimate for liabilities	Risk adjustments for non- financial	Contractual service margin	Total
Insurance contracts liabilities at beginning of the year	(201,895)	(11,626)	(229,980)	(443,501)
Insurance contracts assets at beginning of the year	-	-	-	-
Net (liabilities) assets of insurance contracts at the beginning of the year	(201,895)	(11,626)	(229,980)	(443,501)
Changes that relate to current services	-	-	-	-
Release of Contractual Service Margin	-	-	25,120	25,120
Experience adjustments	(4,555)	-	-	(4,555)
Change in risk adjustment for non-financial risk	-	660	-	660
Changes related to future services	-	-	-	-
Impact of contracts initially recognized in the year	7,567	(250)	(7,317)	-
Impact of changes in estimates that adjust the contractual service margin	55,005	643	(55,648)	-
Impact of changes in estimates that result in losses and reversals of losses on onerous contracts	-	-	-	-
Changes related to previous services	-	-	-	-
Changes in liabilities for incurred claims	-	-	-	-
Insurance business results	58,017	1,053	(37,845)	21,225
Finance expenses from insurance contracts	41,304	-	(10,305)	30,999
Net change - comprehensive income	99,321	1,053	(48,150)	52,224
Cash received from underwritten contracts	(166,242)	-	-	(166,242)
Paid from incurred claims	16,762	-	-	16,762
Paid from acquisition costs	7,767	-	-	7,767
Other expenses	12,785	-	-	12,785
Total cash flows	(128,928)	-	-	(128,928)

Details as follows:

Insurance contracts liabilities at the end of the year	(231,502)	(10,573)	(278,130)	(520,205)
Insurance contracts assets at the end of the year	-	-	-	-
Net (liabilities) assets of insurance contracts at the end of the year	(231,502)	(10,573)	(278,130)	(520,205)

Jerusalem Insurance Company PLC
Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)
(continued)
(Jordanian Dinars)
10. Reinsurance Contract Assets / Liabilities
10 /A Reinsurance Contract Assets / Liabilities – Premium Allocation Approach

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Present value of cash flows	Risk adjustments for non-financial	
31 March 2025 (Unaudited)					
Reinsurance contracts liabilities at beginning of the year	(1,867,422)	-	898,220	73,356	(895,846)
Reinsurance contracts assets at beginning of the period	211,057	-	4,005,900	349,923	4,566,880
Net (liabilities) assets of reinsurance contracts at the beginning of the period	(1,656,365)	-	4,904,120	423,279	3,671,034
Reinsurance contracts expenses	(1,746,662)	-	-	-	(1,746,662)
Reinsurance contracts revenues	-	-	918,241	23,452	941,693
Changes related to past service – Adjustments to AfIC	-	-	(88,759)	(86,079)	(174,838)
Provision for the Risk of Reinsurers' Default	-	-	229	-	229
Reinsurance operations results	(1,746,662)	-	829,711	(62,627)	(979,578)
Finance expenses from reinsurance contracts	-	-	69,343	-	69,343
Net change - comprehensive income	(1,746,662)	-	899,054	(62,627)	(910,235)
Cash received from underwritten contracts and paid to the reinsurer	1,579,824	-	-	-	1,579,824
Recovered incurred claims from the reinsurer	-	-	(1,019,479)	-	(1,019,479)
Profit commission recovered from the reinsurer	-	-	-	-	-
Other recovered amounts	-	-	-	-	-
Total cash flows	1,579,824	-	(1,019,479)	-	560,345

Details as follows:

Reinsurance contracts liabilities at the end of the period	(2,206,151)	-	1,121,787	79,305	(1,005,059)
Reinsurance contracts assets at the end of the period	382,948	-	3,661,908	281,347	4,326,203
Net (liabilities) assets of reinsurance contracts at the end of the period	(1,823,203)	-	4,783,695	360,652	3,321,144

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Present value of cash flows	Risk adjustments for non-financial	
31 December 2024(Audited)					
Reinsurance contracts liabilities at beginning of the year	(4,638,599)	-	1,085,775	101,225	(3,451,599)
Reinsurance contracts assets at beginning of the year	46,267	-	1,138,563	108,380	1,293,210
Net (liabilities) assets of reinsurance contracts at the beginning of the year	(4,592,332)	-	2,224,338	209,605	2,158,389
Reinsurance contracts expenses	(7,119,887)	-	-	-	(7,119,887)
Reinsurance contracts revenues	-	-	6,161,667	351,731	6,513,398
Changes related to past service – Adjustments to AfIC	-	-	(74,246)	(138,057)	(212,303)
Provision for the Risk of Reinsurers' Default	-	-	(2,611)	-	(2,611)
Reinsurance operations results	-	-	-	-	-
Reinsurance business results	(7,119,887)	-	6,084,810	213,674	(821,403)
Finance expenses from reinsurance contracts	-	-	95,055	-	95,055
Net change - comprehensive income	(7,119,887)	-	6,179,865	213,674	(726,348)
Cash received from underwritten contracts and paid to the reinsurer	10,055,854	-	-	-	10,055,854
Recovered incurred claims from the reinsurer	-	-	(3,500,083)	-	(3,500,083)
Profit commission recovered from the reinsurer	-	-	-	-	-
Other recovered amounts	-	-	-	-	-
Total cash flows	10,055,854	-	(3,500,083)	-	6,555,771

Details as follows:

Reinsurance contracts liabilities at the end of the year	(1,867,422)	-	898,220	73,356	(895,846)
Reinsurance contracts assets at the end of the year	211,057	-	4,005,900	349,923	4,566,880
Net (liabilities) assets of reinsurance contracts at the end of the year	(1,656,365)	-	4,904,120	423,279	3,671,034

Jerusalem Insurance Company PLC

Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)

(continued)

(Jordanian Dinars)

10 / A / 1 Accounts Receivables –Reinsurance Contracts Held

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Reinsurance contracts assets held (Local)	36,057	7,952
Reinsurance contracts assets held (Foreign)	1,832,032	945,893
Total accounts receivables (reinsurance contracts held)	1,868,089	953,845
Less: Provision for expected credit losses	(7,052)	(2,660)
Net accounts receivables (reinsurance contracts held)	1,861,037	951,185

Analysis of accounts receivable (reinsurance contracts held) according to its time period:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Due within 0-30 days	626,517	429,882
Due within 31-90 days	773,593	81,667
Due within 91-180 days	50,346	186,053
Due within 181-365 days	304,621	143,508
Due for more than one year	113,012	112,735
Total	1,868,089	953,845

10 / A / 2 Accounts Payable -Reinsurance Contracts Held

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Reinsurance contracts assets held (Local)	143,208	84,960
Reinsurance contracts assets held (Foreign)	4,591,663	4,134,274
Total accounts payable (reinsurance contracts held)	4,734,871	4,219,234

Jerusalem Insurance Company PLC

Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)

(continued)

(Jordanian Dinars)

10 / B Reinsurance Contract Assets / Liabilities Held - General Measurement Model

	Assets for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Present value of cash flows	Risk adjustments for non-financial	
31 March 2025 (Unaudited)					
Reinsurance contracts liabilities at beginning of the year	-	-	-	-	-
Reinsurance contracts assets at beginning of the period	4,920	-	-	-	4,920
Net (liabilities) assets of reinsurance contracts at the beginning of the period	4,920	-	-	-	4,920
Reinsurance contracts expenses	(7,276)	-	-	-	(7,276)
Reinsurance contracts revenues					
Incurred claims recoveries	-	-	-	-	-
Changes related to previous service -adjustments to LFIC	-	-	-	-	-
Reinsurance business results	(7,276)	-	-	-	(7,276)
Finance expenses from reinsurance contracts	(394)	-	-	-	(394)
Net change - comprehensive income	(7,670)	-	-	-	(7,670)
Cash received from underwritten contracts paid to the reinsurer	-	-	-	-	-
Recovered incurred claims from the reinsurer	-	-	-	-	-
Profit commission recovered from the reinsurer	-	-	-	-	-
Other recovered amounts	-	-	-	-	-
Net cash flows	-	-	-	-	-
Details as follows:					
Reinsurance contracts liabilities at the end of the period	(2,750)	-	-	-	(2,750)
Reinsurance contracts assets at the end of the period	-	-	-	-	-
Net (liabilities) assets of reinsurance contracts at the end of the period	(2,750)	-	-	-	(2,750)

	Assets for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Present value of cash flows	Risk adjustments for non-financial	
31 December 2024(Audited)					
Reinsurance contracts liabilities at beginning of the year	(51,678)	-	-	-	(51,678)
Reinsurance contracts assets at beginning of the year	-	-	-	-	-
Net (liabilities) assets of reinsurance contracts at the beginning of the year	(51,678)	-	-	-	(51,678)
Reinsurance contracts expenses	(22,282)	-	-	-	(22,282)
Reinsurance contracts revenues					
Incurred claims recoveries	-	-	-	-	-
Changes related to previous service -adjustments to LFIC	-	-	-	-	-
Reinsurance business results	(22,282)	-	-	-	(22,282)
Finance expenses from reinsurance contracts	1,818	-	-	-	1,818
Net change - comprehensive income	(20,464)	-	-	-	(20,464)
Cash received from underwritten contracts paid to the reinsurer	77,062	-	-	-	77,062
Recovered incurred claims from the reinsurer	-	-	-	-	-
Profit commission recovered from the reinsurer	-	-	-	-	-
Other recovered amounts	-	-	-	-	-
Net cash flows	77,062	-	-	-	77,062
Details as follows:					
Reinsurance contracts liabilities at the ending of the year	-	-	-	-	-
Reinsurance contracts assets at the ending of the year	4,920	-	-	-	4,920
Net (liabilities) assets of reinsurance contracts at the end of the year	4,920	-	-	-	4,920

10 / B / 1 Accounts Receivables – Reinsurance Contracts Held

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Reinsurance contracts assets held (Local)	-	-
Reinsurance contracts assets held (Foreign)	-	-
Total accounts receivables (reinsurance contracts held)	-	-
Less: Provision for expected credit losses	-	-
Net accounts receivables (reinsurance contracts held)	-	-

Analysis of accounts receivables (reinsurance contracts held) according to its time period:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Due within 0-30 days	-	-
Due within 31-90 days	-	-
Due within 91-180 days	-	-
Due within 181-365 days	-	-
Due for more than one year	-	-
Total	-	-

10 / B / 2 Accounts Payable - Reinsurance Contracts Held

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Reinsurance contracts assets held – (Local)	-	-
Reinsurance contracts assets held – (Foreign)	2,510	-
Total accounts payable – (reinsurance contracts held)	2,510	-

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(continued)

(Jordanian Dinars)

10 / B / 3 Reinsurance Contracts Held - General Measurement Model

31 March 2025 (Unaudited)

	Best estimate for liabilities	Risk adjustments for non- financial	Contractual service margin	Total
Reinsurance contracts liabilities at beginning of the year	-	-	-	-
Reinsurance contracts assets at beginning of the year	(39,557)	4,011	40,466	4,920
Net (liabilities) assets of reinsurance contracts at the beginning of the year	(39,557)	4,011	40,466	4,920
Release of Contractual Service Margin	-	-	(1,680)	(1,680)
Experience adjustments	(5,533)	-	-	(5,533)
Change in risk adjustment for non-financial risk	-	(63)	-	(63)
Total Changes that relate to current services	(5,533)	(63)	(1,680)	(7,276)
Impact of contracts initially recognized in the period	-	-	-	-
Impact of changes in estimates that adjust the contractual service margin	(1,381)	108	1,273	-
Impact of recognizing the loss recovery component of contracts that are expected to be loss	-	-	-	-
Impact of recognition reversal of loss recovery component of contracts that are expected to be loss	-	-	-	-
Impact of changes in estimates that do not adjust the contractual service margin	-	-	-	-
Total Changes related to future services	(1,381)	108	1,273	-
Changes in recoverable amounts resulting from changes in liabilities for claims incurred	-	-	-	-
The Impact of Changes in the Risk of Non-Performance (Default) by Reinsurers	-	-	-	-
Total Changes related to previous services	-	-	-	-
Finance expenses from reinsurance contracts	-	-	-	-
Net change - comprehensive income	(909)	-	515	(394)
Cash received from underwritten contracts paid for reinsurers	(7,823)	45	108	(7,670)
Recovered incurred claims from the reinsurer	-	-	-	-
Profit commission recovered from the reinsurer	-	-	-	-
Other recovered amounts	-	-	-	-
Net cash flows	-	-	-	-
Details as follows:				
Reinsurance contracts liabilities at the end of the period	(47,380)	4,056	40,574	(2,750)
Reinsurance contracts assets at the end of the period	-	-	-	-
Net (liabilities) assets of reinsurance contracts at the end of the period	(47,380)	4,056	40,574	(2,750)

31 December 2024(Audited)

	Best estimate for liabilities	Risk adjustments for non- financial	Contractual service margin	Total
Reinsurance contracts liabilities at beginning of the year	(62,527)	911	9,938	(51,678)
Reinsurance contracts assets at beginning of the year	-	-	-	-
Net (liabilities) assets of reinsurance contracts at the beginning of the year	(62,527)	911	9,938	(51,678)
Release of Contractual Service Margin	(20,200)	-	(1,799)	(20,200)
Experience adjustments	-	(283)	-	(283)
Change in risk adjustment for non-financial risk	(20,200)	(283)	(1,799)	(22,282)
Total Changes that relate to current services	(46)	2	44	-
Impact of contracts initially recognized in the year	(35,135)	3,381	31,754	-
Impact of changes in estimates that adjust the contractual service margin	-	-	-	-
Impact of recognizing the loss recovery component of contracts that are expected to be loss	-	-	-	-
Impact of recognition reversal of loss recovery component of contracts that are expected to be loss	-	-	-	-
Impact of changes in estimates that do not adjust the contractual service margin	(35,181)	3,383	31,798	-
Total Changes related to future services	-	-	-	-
Changes in recoverable amounts resulting from changes in liabilities for claims incurred	-	-	-	-
The Impact of Changes in the Risk of Non-Performance (Default) by Reinsurers	-	-	-	-
Total Changes related to previous services	-	-	-	-
Finance expenses from reinsurance contracts	1,289	-	529	1,818
Net change - comprehensive income	(54,092)	3,100	30,528	(20,464)
Cash received from underwritten contracts paid for reinsurers	77,062	-	-	77,062
Recovered incurred claims from the reinsurer	-	-	-	-
Profit commission recovered from the reinsurer	-	-	-	-
Other recovered amounts	-	-	-	-
Net cash flows	77,062	-	-	77,062
Details as follows:				
Reinsurance contracts liabilities at the end of the year	-	-	-	-
Reinsurance contracts assets at the end of the year	(39,557)	4,011	40,466	4,920
Net (liabilities) assets of reinsurance contracts at the end of the year	(39,557)	4,011	40,466	4,920

11. Income Tax

A- Income Tax Provision

The movement on Income tax provision is as follow:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Balance at beginning of the year	347,867	568,634
Income tax paid	(109,428)	(783,649)
Income tax of the period/year *	185,397	562,882
Prior years income tax provision **	-	-
Balance at end of the period/year	423,836	347,867

* This item includes a increase of the deferred taxes amounting to JOD 14,007 as at 31 March 2025.

Income Tax in the Statement of Profit or Loss Represents:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Accrued income tax of the period profit	185,397	227,162
Deferred tax assets	(998,060)	(739,079)
Amortization of deferred tax assets	984,053	725,593
Total	171,390	213,676

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

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Accounting Profit	816,343	830,363
Nontaxable income	(247,060)	(139,084)
Nondeductible expenses	143,784	182,422
Taxable profit	713,067	873,701
Accrued Income tax of the period profit	185,397	227,162
Actual income tax rate	22,7%	%27,4
Income tax rate according to Law	26%	%26

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2020.
- The provision for income tax and national contribution on the company's operations results up to 31 March 2025 has been calculated in accordance with the current income tax law.
- According to the management and tax advisor of the Company the provision of Income and National Contribution tax is sufficient and there is no need for additional provisions.

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B - Deferred Tax Assets / Liabilities

This item consists of the following:

<u>Accounts included</u>	31 March 2025 (Unaudited)					31 December 2024(Audited)
	Beginning Balance	Released	Additions	Ending Balance	Deferred Tax	Deferred Tax
Deferred tax assets						
Provision for incurred but not reported claims	2,540,857	(2,540,857)	2,585,752	2,585,725	672,289	660,623
Premiums deficiency reserve	928,006	-	-	928,006	241,282	241,281
Provision for impairment in receivables	1,765,966	(10,730)	-	1,755,236	456,361	459,151
Provision for expected credit losses	25,572	-	7,154	32,726	8,509	6,649
Provision for employees rewards	100,000	(51,940)	25,000	73,060	18,995	26,000
Provision for employees' vacations	127,495	(24,994)	-	102,501	26,650	33,149
Provision for earning sharing – life	80,657	(2,248)	15,886	94,295	24,517	20,971
Changes in insurance contracts liabilities	1,154,052	(1,154,052)	1,204,929	1,204,929	313,281	300,053
Realized loss – foreign investment (12%)	491,247	-	-	491,247	58,950	58,950
Total	7,213,852	(3,784,821)	3,838,694	7,267,725	1,820,834	1,806,827

- Movements on deferred tax assets / liabilities are as follows:

	31 March 2025 (Unaudited)		31 December 2024 (Audited)	
	Assets	Liabilities	Assets	Liabilities
Beginning balance	1,806,827	-	1,757,091	-
Additions	998,060	-	1,152,614	-
Disposals	(984,053)	-	(1,102,878)	-
Ending balance of the period/year	1,820,834	-	1,806,827	-

- The Deferred tax assets is calculated 26% (24% Income Tax and 2% National Contribution Tax) starting from the year 2019, and according to the Company's management and it's tax advisor these deferred tax assets will be collectable in the future.

12. Property and Equipment – Net

This item consists of the following:

	Lands	Buildings	Furniture & Equipment	Transportation vehicles	Other Assets	Total
Cost						
Balance as at 1/1/2025	1,964,819	4,595,872	1,451,008	140,780	8,582	8,161,061
Additions	-	-	28,889	-	-	28,889
Disposal	-	-	-	-	-	-
Balance as at 31/3/2025	1,964,819	4,598,872	1,479,897	140,780	8,582	8,189,950
Accumulated depreciation						
Balance as at 1/1/2025	-	-	-	-	-	-
Depreciation	-	41,989	479,827	79,260	-	601,076
Disposal	-	22,979	34,478	4,425	-	61,882
Balance as at 31/3/2025	-	64,968	514,305	83,685	-	662,958
Net book value as at 31/3/2025(Unaudited)	1,964,819	4,530,904	965,592	57,095	8,582	7,526,992
Cost						
Balance as at 1/1/2024	192,022	684,856	483,726	132,781	8,582	1,501,967
Additions	1,964,819	4,584,736	967,282	8,000	-	7,524,837
Disposal	(192,022)	(673,720)	-	(1)	-	(865,743)
Balance as at 31/12/2024	1,964,819	4,595,872	1,451,008	140,780	8,582	8,161,061
Accumulated depreciation						
Balance as at 1/1/2024	-	614,366	408,224	59,968	-	1,082,558
Depreciation	-	46,175	71,603	19,293	-	137,071
Disposal	-	(618,552)	-	(1)	-	(618,553)
Balance as at 31/12/2024	-	41,989	479,827	79,260	-	601,076
Net book value as at 31/12/2024(Audited)	1,964,819	4,553,883	971,181	61,520	8,582	7,559,985

Property & Equipment fully depreciated amounted JOD (392,464) as at 31 March 2025, JOD (392,238) as at 31 December 2024.

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13. Intangible Assets – Net

This item consists of the following:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
	Computer software's and programs	Computer software's and programs
Balance at beginning of the year	132,809	139,974
Additions	12,550	63,131
Amortization	(16,251)	(70,296)
Balance at end of the period/year	129,108	132,809

14. Other Assets

This item consists of the following:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Accrued uncollected revenues	509,649	451,550
Prepaid expenses	91,171	90,042
Refundable deposits	17,497	17,497
Advance payments against building purchase	-	-
Warehouses of Promotional Materials and Stationery	10,094	25,683
Fees, Taxes and other receivables (other than insurance operations) *	774,587	682,288
Others	17,202	17,708
Total	1,420,200	1,284,768

* Analysis of debts according to its time period:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Due more than 0-30 days	464,236	390,943
Due more than 31-60 days	110,194	78,993
Due more than 61-90 days	36,732	26,330
Due more than 90 days	240,851	262,938
Total	852,013	759,204
Provision for expected credit losses	(77,426)	(76,916)
Net	774,587	682,288

15. Other Provisions

This item consists of the following:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Provision for employees vacations	102,501	127,495
Provision for employees rewards	73,060	100,000
Provision of earning share -life	94,295	80,657
Provision for Central Bank of Jordan Fees	149,225	62,023
Total	419,081	370,175

The movements on the other provision are as follow:

	Balance at beginning of the year	Addition during the year	Paid during the year	Balance at end of the year
Provision for employees vacations	127,495	-	(24,994)	102,501
Provision for employees rewards	100,000	25,000	(51,940)	73,060
Provision of earning share -life	80,657	15,886	(2,248)	94,295
Provision for Central Bank of Jordan Fees	62,023	149,225	(62,023)	149,225
Total	370,175	190,111	(141,205)	419,081

16. Other Liabilities

This item consists of the following:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Shareholders' withholdings	53,490	54,396
Board of directors' rewards	44,165	44,165
Social security withholdings	35,829	30,144
Ministry of Finance withholdings	25,497	16,945
Income and sales tax withholdings	82,032	184,817
Revenue Received in Advance	2,083	2,083
Agents' withholdings	1,000	1,000
Social Committee Trust Accounts	2,830	-
Accrued Expenses and Unpaid	44,156	127,387
Others	13,773	15,897
Employees Receivables	1,898	1,881
Other payables *	776,619	1,018,611
Total	1,083,372	1,497,326

* This item consists of the following:

	31 March 2025 (Unaudited)	31 December 2024(Audited)
Uncashed Checks	685,943	901,660
Other Suppliers payables *	90,676	116,951
Total	776,619	1,018,611

17. Paid-in Capital

The authorized share capital amounts to JD 16,000,000 (shares) and the paid-up share capital amounts to JD 8,000,000 (shares) as at 31 March 2025. The authorized and paid-up share capital amounted to JD 8,000,000 (shares) as at 31 December 2024.

The Extraordinary General Assembly held on 23 February 2025, approved the increase of the company's capital from JD 8,000,000 to JD 16,000,000, with the capital increase of JD 8,000,000 to be covered as follows:

1. Distribution of free shares through the transfer of JD 1,668,538 from the voluntary reserve.
2. Distribution of free shares through the transfer of JD 399,065 from retained earnings as at the end of the fiscal year 2023.
3. Offering JD 5,932,397 for private subscription to the company's shareholders.

*The legal procedures with the Securities Commission and the Securities Depository Center have not been completed as of the date of this report.

18. Reserves

A- Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. It is non-distributable to the shareholders, and the board of directors has decided to stop transferring any profits to this item, in accordance with the laws.

B- Voluntary Reserve

The accumulated amounts in this account represent what has been transferred from the annual profits before taxes, at a rate not exceeding 20% over the previous years. The discretionary reserve is used for purposes decided by the board of directors, and the general assembly has the right to distribute it entirely or in part as profits to the shareholders.

19. Cumulative Change in Fair Value

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the year	(15,435)	(12,728)
Gains (losses) realized and transferred to the retained earnings (losses)	-	-
Change during the year	462	(2,707)
Balance at end of the year	(14,973)	(15,435)

20. Retained Earnings

This item consists of the following:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the year	3,661,433	2,968,884
Profit for the year	644,953	1,492,549
Paid dividends	-	(800,000)
Balance at end of the year	4,306,386	3,661,433

- The retained earnings as of the end of the period do not include revaluation differences for financial assets at fair value through profit or loss.
- The retained earnings as at the end of the year include JOD (1,820,834) restricted against of deferred tax assets.
- The amount of (14,973) dinars from retained earnings as of 31/3/2025, representing the balance of accumulated negative fair value changes, is prohibited from being disposed of in accordance with the instructions of the Securities Commission.
- The retained earnings as of the end of the period include profits proposed to be distributed as bonus shares to the company's shareholders amounting to (399,065) dinars through capitalizing them, subject to the approval of the Central Bank of Jordan.
- Thus, the distributable profits amount to (2,071,514) dinars.

21. Dividends Distribution

The percentage of distributed dividends last year was (10%) of the capital of JOD (8) million, an amount was funded from the 2023 profits

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Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited) (continued)

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22. Insurance Contracts Revenues

31 March 2025 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	General Liability	Medical Insurance	Life	Total
Insurance contracts revenues	4,273,551	426,499	1,768	574,482	68,536	14,348	97,983	1,458,169	1,130,543	8,045,879
Expected incurred claims	-	-	-	-	-	-	-	-	4,330	4,330
Expected incurred expenses	-	-	-	-	-	-	-	-	1,829	1,829
Change in Risk adjustments for non-financial	-	-	-	-	-	-	-	-	(166)	(166)
Accrued contractual service margin	-	-	-	-	-	-	-	-	8,968	8,968
Recovery of insurance acquisition cash flows	-	-	-	-	-	-	-	-	2,977	2,977
Insurance contracts issuance fees	132,948	12,604	-	12,710	1,777	582	2,993	86,853	24,130	274,597
Experience adjustments	-	-	-	-	-	-	-	-	(1,042)	(1,042)
Allocating a portion of the premiums related to recovering cash flows to the acquisition of insurance	-	-	-	-	-	-	-	-	-	-
Other revenues	94,876	-	-	-	-	-	-	235	-	95,111
Total Insurance Contract Revenues	4,501,375	439,103	1,768	587,192	70,313	14,930	100,976	1,545,257	1,171,569	8,432,483

31 March 2024 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	General Liability	Medical Insurance	Life	Total
Insurance contracts revenues	3,786,686	486,098	18,111	632,347	80,664	29,483	132,627	1,394,806	963,748	7,524,570
Expected incurred claims	-	-	-	-	-	-	-	-	419	419
Expected incurred expenses	-	-	-	-	-	-	-	-	967	967
Change in Risk adjustments for non-financial	-	-	-	-	-	-	-	-	661	661
Accrued contractual service margin	-	-	-	-	-	-	-	-	20,003	20,003
Recovery of insurance acquisition cash flows	-	-	-	-	-	-	-	-	11,195	11,195
Insurance contracts issuance fees	128,963	14,440	183	13,898	2,095	1,547	3,527	85,055	21,026	270,734
Experience adjustments	-	-	-	-	-	-	-	-	(417)	(417)
Allocating a portion of the premiums related to recovering cash flows to the acquisition of insurance	-	-	-	-	-	-	-	-	-	-
Other revenues	106,526	-	-	11,645	-	-	-	290	18,643	137,104
Total Insurance Contract Revenues	4,022,175	500,538	18,294	657,890	82,759	31,030	136,154	1,480,151	1,036,245	7,965,236

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Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited) (continued)

(Jordanian Dinars)

23. Insurance Contracts Expenses

31 March 2025 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	General Liability	Medical Insurance	Life	Total
Incurring insurance claims	3,551,042	39,767	(11,580)	(55,684)	722	245	4,315	1,231,065	993,460	5,753,352
Amortization of acquisition costs	170,340	9,357	-	11,001	2,450	1,658	3,714	19,755	2,977	221,252
Allocated employees' expenses and other expenses	543,233	62,570	5,872	120,979	8,996	4,171	13,732	259,527	154,665	1,173,745
Losses of onerous contracts	-	-	-	-	-	-	-	-	-	-
Recovered from loss from onerous contracts	(151,212)	-	-	-	-	-	-	-	-	(151,212)
Risk adjustments for non-financial	103,890	4,152	-	1,516	397	58	656	10,057	21,982	142,708
Reversal of risk adjustments for non-financial	(124,135)	(1,246)	(5,427)	(68,589)	(713)	(54)	(509)	(8,451)	(18,068)	(227,192)
Transferred from acquisition costs / acquisition costs	-	-	-	-	-	-	-	-	-	-
Total Insurance Contract Expenses	4,093,158	114,600	(11,135)	9,223	11,852	6,078	21,908	1,511,953	1,155,016	6,912,653
31 March 2024 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	General Liability	Medical Insurance	Life	Total
Incurring insurance claims	3,237,730	8,752	-	(4,197)	2,229	382	9,200	1,154,577	1,244,486	5,653,159
Amortization of acquisition costs	156,646	16,353	-	13,956	2,552	3,527	5,302	19,528	29,098	246,962
Allocated employees' expenses and other expenses	423,913	38,675	1,028	66,253	8,776	2,991	11,133	239,926	107,644	900,339
Losses of onerous contracts	-	-	-	-	-	-	-	-	18	18
Recovered from loss from onerous contracts	-	-	-	-	-	-	-	-	-	-
Risk adjustments for non-financial	120,238	1,985	-	671	108	11	2,376	18,848	17,911	162,148
Reversal of risk adjustments for non-financial	(133,742)	(2,420)	-	(1,059)	(3,093)	88	(41)	(14,466)	(16,173)	(170,906)
Transferred from acquisition costs / acquisition costs	-	-	-	-	-	-	-	-	-	-
Total Insurance Contract Expenses	3,804,785	63,345	1,028	75,624	10,572	6,999	27,970	1,418,413	1,382,984	6,791,720

Jerusalem Insurance Company PLC
Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited) (continued)

(Jordanian Dinars)

24. Reinsurance Contract Expenses

31 March 2025 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	General Liability	Medical Insurance	Life	Total
The change in reinsurance contract liabilities - against remaining coverage	67,209	152,177	-	505,978	43,577	(4,524)	72,942	8,329	900,973	7,119,887
Expected Incurred Claims	-	-	-	-	-	-	-	-	15,988	12,406
The change in non-financial risk adjustments	-	-	-	-	-	-	-	-	63	283
Accrued contractual service margin	-	-	-	-	-	-	-	-	1,680	1,799
Experience adjustments	-	-	-	-	-	-	-	-	(10,454)	7,794
Total reinsurance contract expenses	67,209	152,177	-	505,978	43,577	(4,524)	72,942	8,329	908,250	1,753,938

31 March 2024 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	General Liability	Medical Insurance	Life	Total
The change in reinsurance contract liabilities - against remaining coverage	26,380	185,161	15,231	515,814	60,425	23,333	103,106	29,230	761,394	1,720,074
Expected Incurred Claims	-	-	-	-	-	-	-	-	3,242	3,242
The change in non-financial risk adjustments	-	-	-	-	-	-	-	-	189	189
Accrued contractual service margin	-	-	-	-	-	-	-	-	441	441
Experience adjustments	-	-	-	-	-	-	-	-	620	620
Total reinsurance contract expenses	26,380	185,161	15,231	515,814	60,425	23,333	103,106	29,230	765,886	1,724,566

Jerusalem Insurance Company PLC

Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited) (continued)

(Jordanian Dinars)

25. Reinsurance contract revenues

31 March 2025 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	General Liability	Medical Insurance	Life	Total
Insurance claims incurred	12,666	26,422	(9,176)	(38,953)	(70)	202	4,875	(4,375)	838,120	829,711
Risk adjustments - non-financial	393	3,189	-	1,201	389	55	470	46	18,103	23,846
The adjustment from non-financial risk modifications	-	(1,017)	(5,269)	(65,213)	(364)	(20)	-	(46)	(14,544)	(86,473)
Total insurance contract revenues	13,059	28,594	(14,445)	(102,965)	(45)	237	5,345	(4,375)	841,679	767,084

31 March 2024 (Unaudited)	Motors	Marine	Aviation	Fire	General Accident	Engineering	General Liability	Medical Insurance	Life	Total
Insurance claims incurred	(870)	7,338	-	(4,473)	2,560	438	9,108	22,820	1,054,578	1,091,499
Risk adjustments - non-financial	-	1,368	-	630	102	9	2,306	75	14,408	18,898
The adjustment from non-financial risk modifications	(20,026)	(1,687)	-	(942)	(2,890)	85	(2)	(477)	(11,011)	(36,950)
Total insurance contract revenues	(20,896)	7,019	-	(4,785)	(228)	532	11,412	22,418	1,057,975	1,073,447

26. Finance income (expenses) – Insurance contracts

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Finance (expenses) income	(217,311)	(90,137)
	(217,311)	(90,137)

- The Company used discount rates ranging between 4.22% and 5.65% as at 31 March 2025, compared to 4.13% and 6.39% as at 31 March 2024.
- The discount rate is determined at the level of the Company and not at the level of portfolios. The risk-free discount rate in US dollars issued by the European Insurance and Occupational Pensions Authority (EIOPA) was used, since the exchange rate of the Jordanian dinar is linked to the current exchange rate of the US dollar, and an additional margin was increased on discount rates of (1%), as the yield on Jordanian government bonds is higher than the yield on US government bonds.

27. Finance Income (Expenses) from Reinsurance Contracts

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Finance income (expenses)	68,949	23,742
	68,949	23,742

- The Company used discount rates ranging between 4.22% and 6.39% as at 31 March 2025, compared to 4.13% and 6.39% as at 31 March 2024.
- The discount rate is determined at the level of the Company and not at the level of portfolios. The risk-free discount rate in US dollars issued by the European Insurance and Occupational Pensions Authority (EIOPA) was used, since the exchange rate of the Jordanian dinar is linked to the current exchange rate of the US dollar, and an additional margin was increased on discount rates of (1%), as that the yield on Jordanian government bonds is higher than the yield on US government bonds.

28. Interest Income

This item consists of the following:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Earned interest on deposits	213,810	309,592
Interest from financial assets measured at amortized cost	127,066	116,643
Total	340,876	426,235

29. Net Gains of Financial Assets and Investments

This item consists of the following:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Net change in fair value of financial assets through statement of profit or loss	139,151	(34,597)
Cash dividends (financial assets through statement of profit or loss)	90,778	73,122
Cash dividends (financial assets through statement of other comprehensive income)	767	767
Net gains from sale of financial assets through statement of profit or loss	-	-
Foreign portfolio management fees – Julius Bar	-	(3,951)
Expenses and fees for managing the foreign investment portfolio – Capital Investment	(34)	-
Net rent revenues	2,749	6,117
Total	233,411	41,458

30. Other Revenues

This item consists of the following:

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Reversal of vacation provision no longer needed	24,995	30,076
Other revenues	8,263	-
Transferred amount to profit or loss statement	33,258	30,076

31. Employee expenses

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Salaries and rewards	419,045	369,794
End of service indemnity and vacations	-	-
Company's share in social security	62,139	54,747
Employees insurance expenses - Medical	44,182	28,320
Training and development	936	880
Travel and transportation	4,140	2,548
Employees insurance - Life	7,410	7,509
Total	537,852	463,798

32. General and administrative expenses

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Rents	7,009	17,770
Stationery and printing	21,067	16,247
Advertising and promotion	67,744	43,091
Bank fees	7,108	7,411
Water, electricity, and heating	19,085	12,435
Maintenance	24,592	24,457
Postage and communications	10,509	10,477
Professional fees - external audit	5,000	4,750
Professional fees - internal audit	5,250	5,250
Hospitality	3,895	5,463
Subscriptions	49,389	26,597
Board of Directors' travel allowances	13,500	13,500
Board of Directors' committee members' rewards	13,500	13,500
Tender expenses	-	144
Government fees and other charges	118,490	42,103
Donations	2,916	3,950
Company assets insurance	1,497	1,136
Medical examinations	2,693	1,248
Professional fees - Consulting and development	13,432	39,139
Board of Directors' Secretary fees	-	1,050
Cleaning services	12,937	5,206
Company vehicle expenses	2,264	3,598
Scholarships	2,075	2,800
Security and protection	7,755	5,370
Security and protection agreement - Public security	13,044	13,044
Production and inspections expenses	8	845
Non-refundable sales tax	25,579	15,079
Central Bank fees	122,565	67,103
Orange cards	-	400
Other miscellaneous expenses	13,659	1,000
Total	586,562	404,163

Jerusalem Insurance Company PLC

Notes to the condensed interim financial statements for three months ended at 31 March 2025 (Unaudited)

(continued)

(Jordanian Dinars)

33. Other Expenses

31 March 2025 (Unaudited)	Acquisition expenses	Expenses attributed to contracts (Direct)	Expenses attributed to contracts (Indirect)	Expenses not attributed to contracts	Total
Employee expenses	215,516	74,833	166,633	80,870	537,852
Administrative expenses	214,878	47,104	251,987	72,593	586,562
Agreement expenses	13,640	10,323	7,432	-	31,395
Board of Directors committees' rewards	-	-	-	-	-
Medical expense management expenses	-	108,894	-	-	108,894
Depreciation and amortization	29,930	-	32,576	15,627	78,133
Total	473,964	241,154	458,628	169,090	1,342,836

31 March 2024 (Unaudited)	Acquisition expenses	Expenses attributed to contracts (Direct)	Expenses attributed to contracts (Indirect)	Expenses not attributed to contracts	Total
Employee expenses	181,447	84,730	132,864	64,757	463,798
Administrative expenses	144,977	18,965	191,496	48,725	404,163
Agreement expenses	708	10,273	8,115	-	19,096
Board of Directors committees' rewards	-	-	-	-	-
Medical expense management expenses	-	100,885	-	-	100,885
Depreciation and amortization	12,422	-	13,459	6,471	32,352
Total	339,554	214,853	345,934	119,953	1,020,294

The direct expenses attributed to the contracts, including employee expenses, administrative expenses, and other expenses, including depreciation and amortization, are allocated based on the cost center of the insurance contract groups. Meanwhile, the indirect expenses attributed to the insurance contract groups are allocated based on loading rates calculated based on the company's historical experience.

34. Basic and Diluted Earnings per Share

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

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Profit for the period after tax	644,953	616,687
Weighted average number of shares *	8,000,000	8,000,000
Net profit per share for the year	0.081	0.077
Basic	0.081	0.077
Diluted	0.081	0.077

* The diluted earnings per share is equal to the basic earnings per share.

35. Cash and Cash Equivalents

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

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Cash on hand and at banks	1,019,214	536,171
Add: Deposits at banks (Note 3)	16,848,246	19,734,974
Deduct: Deposits at banks maturing from 3 months to one year	(10,588,380)	(13,244,549)
Deduct: Deposits pledged to the favor of the Central Bank of Jordan Governor in addition to his duty maturing 3 months	(800,000)	(800,000)
Net cash and cash equivalents	6,479,080	6,226,596

36. Onerous Contracts

Onerous contracts are limited to those classified under the compulsory motor insurance portfolio. The company is obligated to issue these contracts as part of its motor insurance license, and the production is distributed equally among all insurance companies holding this license. The company does not have pricing discretion for these contracts.

37. Risk Management

First: Descriptive Disclosures

The risk management policy is considered one of the most important policies established by the company to mitigate the risks surrounding its activities, aiming to protect the company's assets, shareholders' equity, and maintain a strong and sound financial position

Risk Management Process

The risk management process and its policy are primarily concerned with controlling risk by reducing both the frequency of its occurrence and the expected losses, all at the lowest possible cost. Therefore, the responsibility of risk management is to first identify potential risks, then analyze and classify these risks in order to calculate the probability of their occurrence and the magnitude of the expected losses in the event the risk materializes. This sets the stage for quantifying the risk. Based on the above, the most effective and successful methods were selected to address these risks and minimize their impact, with a focus on reducing the costs associated with the risk.

Second: Descriptive Disclosures

A- Insurance Risks

1 - Insurance Risks:

Risks of any insurance contract lie in the possibility of the insured event occurring and the uncertainty of the related claim amount, due to the nature of the insurance contract, where risks are volatile and unpredictable. Regarding insurance contracts related to a specific insurance category, where probability theory can be applied for pricing and reserves, the primary risks facing the company are that incurred claims and the related payments may exceed the book value of insurance liabilities. This may happen if the likelihood and severity of claims are greater than expected, as insurance events are not stable and vary from year to year, causing estimates to differ from the related statistics

Studies have shown that the more similar the insurance contracts are, the closer the expectations are to the actual loss. Additionally, diversifying the types of insurance risks covered reduces the likelihood of overall insurance loss

The company has developed its insurance underwriting plan to ensure that insurance risks are diversified and allocated across different types of insurance, thereby reducing the losses that may arise from insurance claims if a specific insurance category is focused on.

The company manages risk through an insurance underwriting plan, adequate reinsurance coverage, and efficient claims handling. The underwriting plan aims to diversify in terms of the quality of insurance coverage, expected losses, type of activity, and geographical location. The underwriting plan also relies on the existence of specific limits when accepting insurance, in line with the company's appropriate choices.

38. Lawsuits against the Company

Lawsuits filed against the Company amounted to JOD (2,101,903), representing motor accident claims. A full reserve for this amount has been included within the outstanding claims reserve.

In the opinion of the Company's management and legal advisor, the estimated reserve for these cases is sufficient, and there is no need to take additional provisions.

39. Contingent Liabilities

The Company has bank guarantees of JOD (22,533) as at 31 March 2025.

40. Subsequent Events

No subsequent events have a material impact on the financial statement as at 31 March 2025.

41. Comparative Figures

Some comparative figures for the year 2024 have been reclassified to match the classification figures for the period 2025.