

GULF INSURANCE GROUP/ JORDAN

PUBLIC SHAREHOLDING COMPANY

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)**

31 MARCH 2025

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

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**REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF GULF INSURANCE GROUP - JORDAN
(PUBLIC SHAREHOLDING COMPANY)**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Insurance Group /Jordan (the "Company") and its subsidiaries (together the "Group") as at 31 March 2025, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of income – Life insurance and interim condensed consolidated statement of comprehensive income for the three month ended 31 March 2025, and the interim condensed consolidated statement of changes in equity and cash flows for three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34) "interim financial reporting" as modified by the Central Bank of Jordan instructions. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

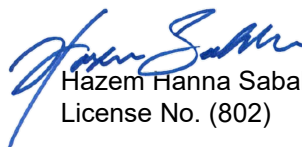
Scope of review

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". A review of Interim financial statements consists of making inquiries, primarily of persons responsible for the 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 consolidated financial statements are not properly prepared, in all material respects, in accordance with International Accounting Standard (34) as modified by the Central Bank of Jordan instructions.

For and on behalf of PricewaterhouseCoopers "Jordan"


Hazem Hanna Sababa
License No. (802)

Amman, Jordan
28 April 2025



GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Notes	31 March 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Assets			
Investments			
Deposits at banks	3	26,663,727	20,585,232
Financial assets at fair value through other comprehensive	4	6,200,093	6,568,578
Financial assets at fair value through profit and loss	5	13,885,108	11,912,378
Financial assets at amortized cost	6	63,286,357	60,801,553
Investment property		170,464	170,464
Right of use assets		465,455	501,027
Total Investments		110,671,204	100,539,232
Assets			
Cash on hand and at banks	18-A	2,534,485	1,020,257
Insurance contract assets - net	7	21,540	2,558
Re-insurance contracts assets - net	8	10,989,244	12,128,180
Deferred tax assets	9-B	3,828,241	3,715,826
Property and equipment		7,855,614	7,882,439
Intangible assets		5,627,109	5,662,695
Other assets		7,092,205	5,813,449
Discontinued operations' assets		795,356	794,328
Total Assets		149,414,998	137,558,964
Liabilities and Equity			
Liabilities			
Insurance contracts liabilities	7	78,497,293	70,995,479
Re-insurance contracts liabilities	8	3,648,325	2,710,701
Accrued expenses		1,595,212	2,729,081
Lease liabilities		475,876	480,608
Other provisions		3,176,179	3,025,526
Income tax provision	9	1,046,360	816,371
Deferred tax Liabilities	9-C	625,729	-
Other liabilities		1,289,545	672,011
Discontinued operations' liabilities		223,444	223,444
Total Liabilities		90,577,963	81,653,221
Equity			
Authorized and paid-in capital	15	26,000,000	26,000,000
Statutory reserve		6,500,000	6,500,000
Change in actuarial assumption – End of service		(120,000)	(120,000)
Fair value reserve	16	(1,295,800)	(927,315)
Retained earnings		27,752,835	24,453,058
Net equity		58,837,035	55,905,743
Total Liabilities and Equity		149,414,998	137,558,964

The attached notes 1 to 25 integral part of these interim condensed consolidated financial statements.

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Notes	31 March 2025 JD (Reviewed not audited)	31 March 2024 JD (Reviewed not audited)
Continuing operations			
Revenues			
Insurance contracts revenues	10	33,261,380	29,155,313
Insurance contracts expenses	11	(24,203,874)	(25,145,068)
Insurance contracts services results		<u>9,057,506</u>	<u>4,010,245</u>
Re-insurance contracts expenses		(16,426,649)	(13,706,368)
Re-insurance contracts recoveries		10,307,832	10,900,268
Re-insurance contracts services results		<u>(6,118,817)</u>	<u>(2,806,100)</u>
Net insurance and re-insurance contracts results		<u>2,938,689</u>	<u>1,204,145</u>
Finance expense - insurance contracts	12	(1,046,893)	(872,517)
Finance income – re-insurance contracts	13	319,302	173,830
Net insurance and re- insurance contracts results		<u>(727,591)</u>	<u>(698,687)</u>
Interest income		1,219,427	1,240,795
Gain from financial assets and investments	14	1,987,951	230,654
Total revenues		<u>5,418,476</u>	<u>1,976,907</u>
Unallocated general and administrative expenses		1,138,108	492,605
Unallocated depreciation and amortization		-	13,687
Total expenses		<u>1,138,108</u>	<u>506,292</u>
Profit for the year from continuing operations before income tax		4,280,368	1,470,615
Income tax expense	9	(980,591)	(128,301)
Profit for the period from continuing operations		<u>3,299,777</u>	<u>1,342,314</u>
Discontinued operations			
Loss for the period after tax from discontinued operations		-	(1,177)
Profit for the period		<u>3,299,777</u>	<u>1,341,137</u>
Earnings per share from the profit of the period	17	<u>0.127</u>	<u>0.052</u>

The attached notes 1 to 25 integral part of these interim condensed consolidated financial statements.

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME -LIFE INSURANCE
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Notes	31 March 2025 JD (Reviewed not audited)	31 March 2024 JD (Reviewed not audited)
Insurance contracts revenues	10	1,661,380	554,820
Insurance contracts expenses	11	(1,306,416)	(2,021,433)
Insurance contracts services results		<u>354,964</u>	<u>(1,466,613)</u>
Re-insurance contracts expenses		(1,192,309)	(417,697)
Re-insurance contracts recoveries		785,707	1,517,643
Re-insurance contracts services results		<u>(406,602)</u>	<u>1,099,946</u>
Net insurance and re-insurance contracts results		<u>(51,638)</u>	<u>(366,667)</u>
Finance expense - insurance contracts		(69,976)	(25,746)
Finance income – re-insurance contracts		27,158	14,646
Net insurance and re- insurance finance results		<u>(94,456)</u>	<u>(377,767)</u>
Interest income		40,628	59,144
Total revenues		<u>(53,828)</u>	<u>(318,623)</u>
Loss for the period before income tax		(53,828)	(318,623)
Income tax expense	9	-	-
Loss for the period		<u>(53,828)</u>	<u>(318,623)</u>
Earnings per share from the loss of the period	17	<u>(0.002)</u>	<u>(0.012)</u>

The attached notes 1 to 25 integral part of these interim condensed consolidated financial statements.

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025 (REVIEWED NOT AUDITED)

	31 March 2025	31 March 2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Profit for the period	3,299,777	1,341,137
<i>Items that will not be reclassified to the consolidated statement of income in subsequent periods:</i>		
Change in fair value of financial assets through other comprehensive income	(368,485)	10,269
Total comprehensive income for the period	2,931,292	1,351,406

The attached notes 1 to 25 integral part of these interim condensed consolidated financial statements

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Authorized and paid-in capital	Statutory reserve	Change in actuarial assumption – End of service	Fair value reserve	Retained earnings*	Net Equity
	JD	JD	JD	JD	JD	JD
For the period ended 31 March 2025						
(Reviewed and not audited)						
Balance as of 1 January	26,000,000	6,500,000	(120,000)	(927,315)	24,453,058	55,905,743
Profit after tax	-	-	-	-	3,299,777	3,299,777
Change in fair value through other comprehensive income	-	-	-	(368,485)	-	(368,485)
Total comprehensive income for the period	-	-	-	(368,485)	3,299,777	2,931,292
Balance at 31 March	26,000,000	6,500,000	(120,000)	(1,295,800)	27,752,835	58,837,035
For the period ended 31 March 2024 (Reviewed and not audited)						
Balance as of 1 January	26,000,000	6,500,000	(120,000)	(1,509,165)	18,472,501	49,343,336
Profit after tax	-	-	-	-	1,341,137	1,341,137
Change in fair value through other comprehensive income	-	-	-	10,269	-	10,269
Total comprehensive income for the period	-	-	-	10,269	1,341,137	1,351,406
Balance at 31 March	26,000,000	6,500,000	(120,000)	(1,498,896)	19,813,638	50,694,742

* Retained earnings include an amount of JD 3,828,241 as of 31 March 2025 (31 December 2024: JD 3,715,826) representing deferred tax assets that is restricted from use in accordance with the Jordan Securities Commission instructions. Furthermore, an amount of JD 1,295,800 as of 31 March 2025 (31 December 2024: JD 927,315) of the retained earnings is restricted from use which represents the negative balance of the fair value reserve.

The attached notes 1 to 25 integral part of these interim condensed consolidated financial statements

GULF INSURANCE GROUP/ JORDAN
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Notes	31 March 2025	31 March 2024
		JD (Reviewed not audited)	JD (Reviewed not audited)
OPERATING ACTIVITIES			
Profit from continuing operations before tax		4,280,368	1,470,615
Loss from discontinued operations after tax		-	(1,177)
Adjustments			
Interest income		(1,219,427)	(1,240,795)
Depreciation and amortization		386,383	173,162
Depreciation of right of use assets		35,572	33,819
Finance cost on lease liabilities		10,268	10,481
Unrealized gains for financial assets at fair value through profit or loss	14	(1,972,730)	(202,279)
Impairment on financial assets at amortized cost		(21,525)	(77,386)
Provision for expected credit losses		40,000	50,000
(Gain) loss from sale of property and equipment		(2,498)	224
End-of-service indemnity provision		156,341	154,360
Changes in working capital:			
Re-insurance contracts assets		1,138,935	(5,449,310)
Insurance contracts assets		(58,982)	(114)
Insurance contracts liabilities		7,501,814	5,902,484
Re-insurance contracts liabilities		937,624	5,573,601
Other assets		(2,026,044)	(346,112)
Other provisions		(888)	(247,827)
Accrued expenses		(1,133,869)	-
Other liabilities		617,534	(329,331)
Net cash flows generated from operating activities before payments for end-of-service benefits and income tax		8,668,876	5,474,415
Paid from end-of-service provision		(4,800)	(101,988)
Income tax (paid) received	9/A	(237,288)	59,341
Net cash flows generated from operating activities		8,426,788	5,431,768
INVESTING ACTIVITIES			
Deposits at banks maturing after three months		1,604,575	(3,014,140)
Interest received		1,219,427	1,240,795
Purchase of property and equipment		(30,792)	(140,020)
Proceeds from sale of property and equipment		3,293	403
Purchase of financial assets at amortized cost		(2,463,279)	(4,584,571)
Purchase of intangible assets		(78,175)	(126,079)
Purchase of financial assets at fair value through other comprehensive income		-	(549,858)
Payments for the purchase of intangible assets		(40,000)	-
Payments for the purchase of fixed assets		(175,799)	-
Maturity of assets at amortized cost		-	1,772,500
Net cash flows generated from (used in) investing activities		39,250	(5,400,970)
FINANCING ACTIVITIES			
Lease payments		(15,000)	(59,000)
Net cash flow used in financing activities		(15,000)	(59,000)
Net change in cash and cash equivalents		8,451,038	(28,202)
Cash and cash equivalents at the beginning of the period		2,794,579	1,924,322
Cash and cash equivalents at the end of the period	18-B	11,245,617	1,896,120

The attached notes 1 to 25 integral part of these interim condensed consolidated financial statements

(1) GENERAL

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

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

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

Gulf Insurance Group Company/ Jordan Public Shareholding Company is 89.91% owned by Gulf Insurance Company (parent Company) as of 31 March 2025. The Company's financial statements are consolidated with the parent Company.

The interim condensed consolidated financial statements were approved by the Board of Directors in its meeting held on 28 April 2025

(2) MATERIAL ACCOUNTING POLICY INFORMATION

(2-1) BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying interim condensed consolidated financial statements of the Company, and its subsidiaries (together the "Group") have been prepared in accordance with International Accounting Standard number 34 "Interim Financial Reporting" as modified by the instructions of the Central Bank of Jordan.

The main differences between the mandatory International Financial Reporting Standards (IFRS) and the templates issued by the Central Bank of Jordan are as follows:

- The presentation method of the interim condensed consolidated financial statements: According to International Accounting Standard (IAS) 1 "Presentation of Financial Statements", the items in the statement of financial position are classified based on liquidity in a single category only. However, according to the Central Bank of Jordan's templates, the items in the statement of financial position must be presented under two categories: "Assets" and "Investments".
- The templates of the Central Bank of Jordan include a separate statement of income for life insurance, whereas IAS 1 does not require such presentation.
- The method of calculating the expected credit loss (ECL) provision, whereby any exposures to the Jordanian government or guaranteed by it are excluded, and no ECL provision is calculated for them. This treatment is not consistent with International Financial Reporting Standard No.9 .
- Certain items are classified and presented in the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of cash flows, and the related disclosures—such as insurance contract assets, reinsurance contract assets, insurance contract liabilities, reinsurance contract liabilities, insurance contract revenues, insurance contract expenses, fair value levels, segment classifications, and risk-related disclosures—according to the requirements, instructions, and circulars issued by the Central Bank of Jordan. These may not include all the disclosure requirements of the IFRS, such as IFRS 7, 8, 13, and 17.

GULF INSURANCE GROUP JORDAN
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2025 (REVIEWED NOT AUDITED)

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost principle, except for financial assets at fair value through the condensed consolidated statement of income and financial assets at fair value through other comprehensive income that appear at fair value at the date of the interim condensed consolidated financial statements.

The Jordanian Dinar is the presentation currency of the interim condensed consolidated financial statements and represents the Group's functional currency.

The significant accounting policies applied in the preparation of the interim condensed consolidated financial statements, as disclosed, have been applied consistently for all periods presented, unless otherwise stated.

The interim condensed consolidated financial statements do not include all the information and explanations required for the annual financial statements prepared in accordance with IFRS Accounting Standards as modified in accordance with the instructions of the Central Bank of Jordan, and it must be read with the Group's annual report as of 31 December 2024 and the business results for the three Months ended 31 March 2025 are not necessarily indicative of the expected results for the year ending 31 December 2025.

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

The financial statements of subsidiaries are consolidated from the date the Group obtains control until the date such control ceases. The subsidiary's expenses and revenues are included in the consolidated statement of income from the date the Group gains control over the subsidiary until the date such control ceases.

The interim condensed consolidated financial statements comprise the financial statements of Gulf Insurance Group/ Jordan ("the Company") and its following subsidiaries (referred to as "the Group") as of 31 March 2025.

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

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

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

The financial statements of subsidiaries are consolidated from the date control is obtained until the date such control ceases. Control over an investee is achieved when the Group has the power to govern the financial and operating policies of the subsidiary in order to influence the Group's returns.

Specifically, control over an investee is achieved only when the following conditions are met:

- The Group has power over the investee (existing rights that give the Group the current ability to direct the relevant activities of the investee).
- The Group is exposed, or has rights, to variable returns from its involvement with the investee.
- The Group has the ability to use its power over the investee to affect the amount of its returns.

When the Group holds less than the majority of the voting rights or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has control over the investee. This includes:

- Contractual arrangements with other holders of voting rights in the investee;
- Rights arising from other contractual arrangements;
- The Group's current and potential voting rights.

The Group reassesses whether it controls an investee if facts and circumstances indicate that one or more of the three elements of control have changed. The financial statements of subsidiaries are consolidated from the date the Group obtains control until the date such control ceases. Revenues and expenses of subsidiaries are included in the interim condensed consolidated statement of income from the date control is obtained until the date it ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses, and unrealized gains or losses arising from intra-group transactions are eliminated in full.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. When the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes any cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained in the former subsidiary;
- Recognizes any resulting gain or loss in profit or loss;
- Reclassifies to profit or loss, or retained earnings, the Group's share of items previously recognized in other comprehensive income, if required, as if the Group had directly disposed of the related assets or liabilities.

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

(2-3) CHANGES IN ACCOUNTING POLICIES

A. New and amended standards and interpretations issued and adopted by the company in the financial year beginning on 1 January 2025:

Amendments to IAS 21 – Lack of Exchangeability

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

Annual periods
beginning on or
after 1 January
2025

The application of the above standards had no material impact on the interim condensed consolidated financial statements.

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

The Group has not early adopted the following new standards, amendments, and interpretations that have been issued but are not yet effective as of the reporting date:

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

1 January
2026

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

IFRS 18, Presentation and Disclosure in Financial Statements'

1 January
2027 (early
Adoption is
permitted)

On 9 April 2024, the IASB issued a new standard – IFRS 18, 'Presentation and Disclosure in Financial Statements' – in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency.

This new standard replaces the previous IAS 1 and is specific on matters related to presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss to meet the matters mentioned above.

IFRS 19, Subsidiaries without Public Accountability: Disclosures'

1 January 2027

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

A subsidiary is eligible if:

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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2025 (REVIEWED NOT AUDITED)

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

There are no other IFRS Accounting Standards or amendments to published standards or interpretations by the IFRS Interpretations Committee that have been issued but are not yet effective for the first time in the Group's financial year beginning on January 1, 2025, and are expected to have a material impact on the Group's interim condensed consolidated financial statements.

2-4 Use of estimates and assumptions

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

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

2-4-1 Expected credit losses

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

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

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

The amount of impairment is determined as follows:

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

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

2-4-3 Income Tax

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

- Taxes due

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

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

- Deferred Taxes

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

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

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

2-4-4 Property, equipment and intangible assets

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

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

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

2-4-5 Right of use asset / operating lease liability

Extension and termination options in leases

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

Determining the lease term

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

Discounting of lease payments

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

2-4-6 End of service provision

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

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

2-4-7 Present value of future cash flows

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

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

Estimates of future cash flows:

(a) are based on a probability-weighted average of the full range of possible outcomes.

(b) are determined from the Group's perspective, provided that the estimates are consistent with observable market prices for market variables, and

(c) reflect the conditions existing at the measurement date.

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

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

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

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

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

Liability adequacy test

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

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

2-4-8 Non-financial risk adjustments

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

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

2-4-9 Lawsuits filed against the group

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

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2-4-10 Fair value levels

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

Level (1): Quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level (2): Information other than the quoted price included in Level (1) that is observable for the asset or liability, whether directly (such as prices) or indirectly (i.e. derived from prices).

Level (3): Information about the asset or liability that is not based on that observed from the market (unobservable information).

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

(3) BANK DEPOSITS

	31 March 2025				31 December 2024
	Deposits maturing in 1 month	Deposits maturing in one to three months	Deposits maturing in 3 months to one year	Total	Total
	JD	JD	JD	JD (Reviewed not audited)	JD (Audited)
Inside Jordan:					
Jordan Kuwait Bank	4,515,599	667,470	385,650	5,568,719	2,568,719
Capital Bank of Jordan	-	4,500,000	500,000	5,000,000	5,000,000
Arab Banking Corporation Bank	-	428,490	2,419,946	2,848,436	2,848,436
Cairo Amman Bank	-	-	7,668,318	7,668,318	5,204,861
Housing Bank	-	-	3,263,216	3,263,216	3,263,216
Arab Bank	-	-	2,615,038	2,615,038	2,000,000
	4,515,599	5,595,960	16,852,168	26,963,727	20,885,232
Provision for expected credit losses	-	(44,504)	(255,496)	(300,000)	(300,000)
	4,515,599	5,551,456	16,596,672	26,963,727	20,585,232

Interest rates on bank deposits balances range between 5.35% to 6.5% during 2025 compared to 6% to 6.8% during 2024.

Deposits pledged in favor of the Central Bank of Jordan Governor amounted to JD 814,140 as of 31 March 2025 (31 December 2024: JD 814,140).

Amounts withheld for current overdraft accounts and bank guarantees, totaling 1,479,733 dinars as of 31 March 2025 (31 December 2024: 1,454,174 dinars).

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

	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	Number of shares (Reviewed not audited)	Number of shares (Audited)	JD (Reviewed not audited)	JD (Audited)
<u>Inside Jordan:</u>				
<u>Listed shares:</u>				
Afaq for Energy	724,937	724,937	1,210,644	1,138,151
Afaq for Investment and Real Estate Development	1,541,500	1,541,500	832,410	1,032,805
Cairo Amman Bank	79,081	79,081	82,244	86,198
Jordan Kuwait Bank	1,241,546	1,241,546	3,339,759	3,575,652
			<u>5,465,057</u>	<u>5,832,806</u>
<u>Unlisted shares:</u>				
Saraya Aqaba Real Estate Development Company	500,000	500,000	117,484	117,484
Al-Motarabetah Investment Company	29,851	29,851	4,053	4,053
			<u>121,537</u>	<u>121,537</u>
<u>Outside Jordan:</u>				
<u>Listed shares:</u>				
Safa Bank/ Palestine owned by Cairo Amman Bank	6,647	6,647	2,545	3,299
Agility global PLC	1,740,000	1,740,000	439,954	439,936
			<u>442,499</u>	<u>443,235</u>
<u>Unlisted shares:</u>				
Iraq International Insurance Company	548,136,473	548,136,473	171,000	171,000
Financial assets at fair value through other comprehensive income			<u>6,200,093</u>	<u>6,568,578</u>

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

	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	Number of shares (Reviewed not audited)	Number of Shares (Audited)	JD (Reviewed not audited)	JD (Audited)
<u>Inside Jordan:</u>				
Listed shares:				
Jordan Phosphate Mining Company	398,000	398,000	7,004,800	5,743,140
Arab Potash Company	94,260	94,260	2,836,283	2,507,316
National Petroleum Refinery Company	515,000	515,000	2,832,500	2,575,000
			<u>12,673,583</u>	<u>10,825,456</u>
<u>Outside Jordan:</u>				
Listed shares:				
Riyad Bank	102,400	102,400	637,256	552,503
Saudi National Bank	84,814	84,814	574,269	534,419
			<u>1,211,525</u>	<u>1,086,922</u>
Total financial assets at fair value through profit or loss			<u>13,885,108</u>	<u>11,912,378</u>

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(6) FINANCIAL ASSETS AT AMORTIZED COST

	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	Number of bonds (Reviewed not audited)	Number of bonds (Audited)	JD (Reviewed not audited)	JD (Audited)
<u>Inside Jordan:</u>				
Unlisted bonds in financial market				
Arab Real Estate Development Company	120	120	1,200,000	1,200,000
Listed bonds in financial markets				
Treasury Bond/ the Hashemite Kingdom of Jordan 2026	4,000	4,000	2,840,928	2,842,365
Treasury Bond/ the Hashemite Kingdom of Jordan 2027	8,830	8,830	6,269,930	6,271,161
Treasury Bond/ the Hashemite Kingdom of Jordan 2028	13,800	13,800	9,877,037	9,884,601
Treasury Bond/ the Hashemite Kingdom of Jordan 2029	16,500	16,500	11,659,537	11,657,344
Treasury Bond/ the Hashemite Kingdom of Jordan 2030	3,700	-	2,464,923	-
Total financial assets at amortized cost inside Jordan			34,312,355	31,855,471
<u>Outside Jordan -</u>				
Saudi International Bond	12,000	12,000	8,325,778	8,311,282
Saudi Electricity Global Public Investment Fund / Saudi Arabia	5,000	5,000	3,599,212	3,602,795
SA Global Sukuk Limited (Saudi Aramco)	8,000	8,000	5,732,206	5,737,780
Al Maamoura Diversified Global Holding	3,000	3,000	2,053,830	2,039,252
Abu Dhabi Commercial Bank	8,000	8,000	5,691,354	5,692,587
National Abu Dhabi for Energy	2,800	2,800	1,967,688	1,966,489
Ooredoo International Finance-Qatar Telecom	1,000	1,000	701,112	699,568
	3,500	3,500	2,401,822	2,395,329
Total financial assets at amortized cost outside Jordan			30,473,002	30,445,082
Total financial assets at amortized cost outside and inside Jordan			64,785,357	62,300,553
Provision for impairment of financial assets at amortized cost			(1,499,000)	(1,499,000)
			63,286,357	60,801,553

(7) INSURANCE CONTRACTS ASSETS/LIABILITIES

(7-1) INSURANCE CONTRACTS ASSETS/LIABILITIES – PREMIUM ALLOCATION APPROACH

	Liabilities for remaining coverage				Liabilities for incurred claims				Total	
	Non-onerous contracts		Onerous contracts		Present value of future cash flows		Risk adjustment- non-financial			
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)
Insurance contracts liabilities – Beginning of the period	10,070,969	9,896,747	3,086,000	2,002,000	53,578,088	49,546,982	3,520,365	2,727,007	70,255,422	64,172,736
Insurance contracts assets – Beginning of the period	(2,440)	-	-	-	-	-	(118)	-	(2,558)	-
Net Insurance contracts liabilities (Assets) – Beginning of the period	10,068,529	9,896,747	3,086,000	2,002,000	53,578,088	49,546,982	3,520,247	2,727,007	70,252,864	64,172,736
Insurance contracts revenue	(33,200,788)	(124,577,484)	-	-	-	-	-	-	(33,200,788)	(124,577,484)
Insurance contracts expenses:										
Incurred claims during the period	-	-	(1,243,625)	(1,991,137)	27,121,586	84,947,012	1,065,728	1,806,904	26,943,689	84,762,779
Changes that relate to past service-Changes in LFIC	-	-	-	-	(7,589,793)	(6,437,875)	(1,009,018)	(1,013,664)	(8,598,811)	(7,451,539)
Staff expenses	527,742	3,967,600	-	-	934,771	7,540,114	-	-	1,462,513	11,507,714
Acquisition expenses	1,945,577	3,378,016	-	-	-	-	-	-	1,945,577	3,378,016
Administrative expenses	-	-	-	-	1,367,809	3,953,610	-	-	1,367,809	3,953,610
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts and recoveries of these losses	-	-	1,205,622	3,075,137	-	-	-	-	1,205,622	3,075,137
Insurance services results	(30,727,469)	(117,231,868)	(38,003)	1,084,000	21,834,373	90,002,861	56,710	793,240	(8,874,389)	(25,351,767)
Finance expenses from insurance contracts issued	-	-	-	-	1,001,397	2,691,124	-	-	1,001,397	2,691,124
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Components of investment	-	-	-	-	-	-	-	-	-	-
Net change - statement of profit and loss	(30,727,469)	(117,231,868)	(38,003)	1,084,000	22,835,770	92,693,985	56,710	793,240	(7,872,992)	(22,660,643)
Premiums received	39,163,574	124,981,836	-	-	-	-	-	-	39,163,574	124,981,836
Incurred claims	-	-	-	-	(21,317,015)	(88,662,879)	-	-	(21,317,015)	(88,662,879)
Paid acquisition costs	(2,309,189)	(7,578,186)	-	-	-	-	-	-	(2,309,189)	(7,578,186)
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cash flows	36,854,385	117,403,650	-	-	(21,317,015)	(88,662,879)	-	-	15,537,370	28,740,771
Insurance contracts liabilities – end of the period	16,216,867	10,070,969	3,047,997	3,086,000	55,096,843	53,578,088	3,577,075	3,520,365	77,938,782	70,255,422
Insurance contracts assets – end of the period	(21,422)	(2,440)	-	-	-	-	(118)	(118)	(21,540)	(2,558)
Net Insurance contracts liabilities (Assets) – end of the period	16,195,445	10,068,529	3,047,997	3,086,000	55,096,843	53,578,088	3,576,957	3,520,247	77,917,242	70,252,864

(7-2) INSURANCE CONTRACTS ASSETS/LIABILITIES – GENERAL APPROACH

	Liabilities for remaining coverage				Liabilities for incurred claims				Total	
	Non-onerous contracts		Onerous contracts		Present value of future cash flows		Risk adjustment- non-financial		31 March 2025	31 December 2024
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024		
	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)
Insurance contracts liabilities – Beginning of the period	177,021	(37,691)	563,036	638,492	-	-	-	-	740,057	600,801
Insurance contracts assets – Beginning of the period	-	-	-	-	-	-	-	-	-	-
Net Insurance contracts liabilities (Assets) – Beginning of the period	177,021	(37,691)	563,036	638,492	-	-	-	-	740,057	600,801
Insurance contracts revenue	(60,592)	(23,168)	-	-	-	-	-	-	(60,592)	(23,168)
Insurance contracts expenses:										
Incurred claims during the period	-	-	(66,139)	(86,435)	11	30,000	-	-	(66,128)	(56,435)
Changes that relate to past service-Changes in LFIC	-	-	-	-	-	-	-	-	-	-
Staff expenses	-	-	-	-	-	-	-	-	-	-
Acquisition expenses	(3,975)	3,502	-	-	-	9	-	-	(3,975)	3,511
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses on onerous contracts and recoveries of these losses	-	-	(52,422)	(15,981)	-	-	-	-	(52,422)	(15,981)
Insurance services results	(64,567)	(19,666)	(118,561)	(102,416)	11	30,009	-	-	(183,117)	(92,073)
Finance expenses from insurance contracts issued	39,395	55,169	6,101	26,960	-	-	-	-	45,496	82,129
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Components of investment	(90,578)	-	-	-	90,578	-	-	-	-	-
Net change - statement of profit and loss	(115,750)	35,503	(112,460)	(75,456)	90,589	30,009	-	-	(137,621)	(9,944)
Premiums received	46,664	179,209	-	-	-	-	-	-	46,664	179,209
Incurred claims	-	-	-	-	(90,578)	(30,000)	-	-	(90,578)	(30,000)
Paid acquisition costs	-	-	-	-	(11)	(9)	-	-	(11)	(9)
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cash flows	46,664	179,209	-	-	(90,589)	(30,009)	-	-	(43,925)	149,200
Insurance contracts liabilities – end of the period	107,935	177,021	450,576	563,036	-	-	-	-	558,511	740,057
Insurance contracts assets – end of the period	-	-	-	-	-	-	-	-	-	-
Net Insurance contracts liabilities (Assets) – end of the period	107,935	177,021	450,576	563,036	-	-	-	-	558,511	740,057

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(7-3) INSURANCE CONTRACTS ASSETS/LIABILITIES

	Present value of future cash flows		Risk adjustment - non-financial		CSM		Total	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)
Insurance contracts liabilities – Beginning of the period	532,243	520,844	22,869	15,431	184,945	64,526	740,057	600,801
Insurance contracts assets – Beginning of the period	-	-	-	-	-	-	-	-
Net Insurance contracts liabilities (Assets) – Beginning of the Period	532,243	520,844	22,869	15,431	184,945	64,526	740,057	600,801
Changes related to current service	-	-	-	-	-	-	-	-
Release of Contractual Service Margin (CSM)	-	-	-	-	(18,054)	(12,434)	(18,054)	(12,434)
Experience adjustments	(108,998)	(70,469)	-	-	-	-	(108,998)	(70,469)
Changes in the risk adjustment for non-financial risk	-	-	(3,642)	6,811	-	-	(3,642)	6,811
Changes in Future Service Obligations	(4,477)	(109,761)	-	-	4,477	109,761	-	-
Effect of contracts initially recognized during the period	22,568	(63,294)	2,718	-	-	63,294	25,286	-
Changes in estimates that adjust the CSM	29,069	58,995	15,814	14,739	(44,883)	(52,911)	-	20,823
Effect of changes resulting in onerous contracts or the reversal of losses on onerous contracts	(71,778)	(20,037)	(5,930)	(16,766)	-	-	(77,708)	(36,803)
Changes relating to past service	-	-	-	-	-	-	-	-
Changes in liabilities versus incurred claims	-	-	-	-	-	-	-	-
Insurance services results	(133,616)	(204,566)	8,960	4,784	(58,460)	107,710	(183,116)	(92,072)
Finance expenses from insurance contracts issued	40,932	66,765	692	2,654	3,872	12,709	45,496	82,128
Impact of exchange rate movements	-	-	-	-	-	-	-	-
Net change – comprehensive income	(92,684)	(137,801)	9,652	7,438	(54,588)	120,419	(137,620)	(9,944)
Premiums received	46,663	179,209	-	-	-	-	46,663	179,209
Incurred claims	(90,578)	(30,000)	-	-	-	-	(90,578)	(30,000)
Paid acquisition costs	(11)	(9)	-	-	-	-	(11)	(9)
Other expenses	-	-	-	-	-	-	-	-
Net Cash flows	(43,926)	149,200	-	-	-	-	(43,926)	149,200
Insurance contracts liabilities – end of the period	395,633	532,243	32,521	22,869	130,357	184,945	558,511	740,057
Insurance contracts assets – end of the period	-	-	-	-	-	-	-	-
Net Insurance contracts liabilities (Assets) – end of the Period	395,633	532,243	32,521	22,869	130,357	184,945	558,511	740,057

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CHECKS UNDER COLLECTION RELATED TO INSURANCE OPERATIONS

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

	31 March 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Checks under collection due within six months	6,872,430	5,652,592
Checks under collection are due within more than six months up to one year	1,354,369	650,498
	8,226,799	6,303,090
Less: Provision for expected credit losses*	(505,133)	(505,133)
	<u>7,721,666</u>	<u>5,797,957</u>

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

	31 March 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Balance at the beginning of the period/year	505,133	504,469
Transferred to provision for doubtful re-insurance receivables	-	664
Balance at the end of the period/year	<u>505,133</u>	<u>505,133</u>

ACCOUNTS RECEIVABLE RELATED TO INSURANCE OPERATIONS

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

	31 March 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Policyholders *	52,388,190	40,929,525
Brokers receivables	2,235,405	2,246,766
Staff receivables	142,058	150,588
Other receivables	880,335	814,506
	55,645,988	44,141,385
Less: Provision for expected credit losses **	(9,298,802)	(9,217,082)
	<u>46,347,186</u>	<u>34,924,303</u>

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The details of the aging of receivables are as follows:

	Undue receivables JD	0-90 days JD	91-180 days JD	181-365 days JD	More than 365 days JD	Total JD
31 March 2025 (Reviewed not audited)	29,803,374	12,497,335	1,205,518	1,722,935	1,118,024	46,347,186
31 December 2024 (Audited)	21,677,154	7,129,446	3,643,288	1,839,360	635,055	34,924,303

- The aging of receivables above is presented net of expected credit loss provision based on the allocation of the provision according to the aging schedule of receivables.

* Policy holders receivables include scheduled payments in the amount of 29,803,374 JD as at 31 March 2025 (JD 21,677,154 as at 31 December 2024).

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

	31 March 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Balance at the beginning of the period/year	9,217,082	9,303,341
Provision for expected credit losses for the year	40,000	350,000
Transferred to provision for expected credit loss for receivables from reinsurers	41,720	(436,259)
Balance at the end of the period/year	<u>9,298,802</u>	<u>9,217,082</u>

ACCOUNT PAYABLES RELATED TO INSURANCE OPERATIONS

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

	31 March 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Trade and companies' payables	3,371,633	3,001,628
Medical network payables	1,492,157	1,817,411
Agents' payables	991,861	716,894
Garages' payables and vehicle's parts	273,655	339,798
Employees' payables	47,768	42,117
	<u>6,177,074</u>	<u>5,917,848</u>

(8) RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – PREMIUM ALLOCATION APPROACH

	Non-Onerous Contracts		Onerous Contracts		Present Value of Future cashflows		Risk Adjustment – non financial		Total	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD Reviewed) (not audited	JD (Audited)	JD Reviewed not) (audited	JD (Audited)	JD Reviewed not) (audited	JD (Audited)	JD Reviewed not) (audited	JD (Audited)	JD Reviewed not) (audited	JD (Audited)
Re-insurance contracts liabilities – Beginning of the period	(13,614,762)	(395,666)	-	-	10,460,331	44,679	443,730	1,732	(2,710,701)	(349,255)
Re-insurance contracts assets – Beginning of the period	(4,072,562)	(14,527,352)	-	-	15,148,217	19,673,279	1,031,612	1,030,756	12,107,267	6,176,683
Re-insurance contracts liabilities – Beginning of the period	(17,687,324)	(14,923,018)	-	-	25,608,548	19,717,958	1,475,342	1,032,488	9,396,566	5,827,428
Re-insurance expenses	(16,422,309)	(61,549,984)	-	-	-	-	-	-	(16,422,309)	(61,549,984)
Re-insurance revenues	-	-	-	-	10,241,829	44,165,931	9,674	791,265	10,251,503	44,957,196
Changes that relate to past service	-	-	-	-	-	1,150,245	-	(348,411)	-	801,834
Investment components	-	-	-	-	-	-	-	-	-	-
Re-insurance services results	(16,422,309)	(61,549,984)	-	-	10,241,829	45,316,176	9,674	442,854	(6,170,806)	(15,790,954)
Finance income from re-insurance contracts held	-	-	-	-	318,913	354,673	-	-	318,913	354,673
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	56,330	(292,364)	-	-	56,330	(292,364)
Net Change - statement of income	(16,422,309)	(61,549,984)	-	-	10,617,072	45,378,485	9,674	442,854	(5,795,563)	(15,728,645)
Cash from underwritten contracts paid to the reinsurer	13,596,855	58,785,678	-	-	-	-	-	-	13,596,855	58,785,678
Claims Recoveries from re-insurers	-	-	-	-	(9,884,452)	(39,487,895)	-	-	(9,884,452)	(39,487,895)
Profit commission recovered from the reinsurer	-	-	-	-	-	-	-	-	-	-
Other recoverable amounts	-	-	-	-	-	-	-	-	-	-
Total cash flows	13,596,855	58,785,678	-	-	(9,884,452)	(39,487,895)	-	-	3,712,403	19,297,783
Re-insurance contracts liabilities – End of the period	(17,563,774)	(13,614,762)	-	-	13,425,264	10,460,331	490,185	443,730	(3,648,325)	(2,710,701)
Re-insurance contracts assets – End of the period	(2,949,004)	(4,072,562)	-	-	12,915,904	15,148,217	994,831	1,031,612	10,961,731	12,107,267
Re-insurance contracts liabilities (Assets) – End of the period	(20,512,778)	(17,687,324)	-	-	26,341,168	25,608,548	1,485,016	1,475,342	7,313,406	9,396,566

(8-1)RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – GENERAL APPROACH

	Non-onerous contracts		Onerous contracts		Present value of future cash flows		Risk adjustment- non-financial		Total	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)
Re-insurance contracts liabilities – Beginning of the period	-	(9,602)	-	-	-	-	-	-	-	(9,602)
Re-insurance contracts assets – Beginning of the period	20,913	-	-	-	-	-	-	-	20,913	-
Re-insurance contracts liabilities – Beginning of the period	20,913	(9,602)	-	-	-	-	-	-	20,913	(9,602)
Re-insurance expenses	(4,351)	(4,208)	-	-	-	-	-	-	(4,351)	(4,208)
Re-insurance revenues	-	-	-	-	11	24,009	-	-	11	24009
Investment components	-	-	-	-	-	-	-	-	-	-
Re-insurance services results	(4,351)	(4,208)	-	-	11	24,009	-	-	(4,340)	19,801
Finance income from re-insurance contracts held	389	(1,177)	-	-	-	-	-	-	389	(1,177)
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net Change recognized in the statement of income	(3,962)	(5,385)	-	-	11	24,009	-	-	(3,951)	18,624
Cash from underwritten contracts paid to the reinsurer	10,562	35,897	-	-	-	-	-	-	10,562	35,897
Claims recoveries from re-insurers	-	-	-	-	(11)	(24,009)	-	-	(11)	(24,009)
Profit commission recovered from the reinsurer	-	-	-	-	-	-	-	-	-	-
Other recoverable amounts	-	3	-	-	-	-	-	-	-	3
Total cash flows	10,562	35,900	-	-	(11)	(24,009)	-	-	10,551	11,891
Re-insurance contracts liabilities – End of the period	-	-	-	-	-	-	-	-	-	-
Re-insurance contracts assets – End of the period	27,513	20,913	-	-	-	-	-	-	27,513	20,913
Re-insurance contracts liabilities (Assets) – End of the period	27,513	20,913	-	-	-	-	-	-	27,513	20,913

(8-2) RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – GENERAL APPROACH

	Present value of future cash flows		Risk adjustment - non-financial		CSM		Total	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD	JD	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Re-insurance contracts liabilities – Beginning of the period	-	(3)	-	-	-	(9,599)	-	(9,602)
Re-insurance contracts assets – Beginning of the period	-	(3)	-	-	20,913	-	20,913	(3)
Net insurance contracts liabilities (Assets) – Beginning of the Period	-	(6)	-	-	20,913	(9,599)	20,913	(9,605)
Changes related to current service								
Release of Contractual Service Margin (CSM)		-	-	-	(4,351)	(4,208)	(4,351)	(4,208)
Experience adjustments	11	24,009	-	-	-	-	11	24,009
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-	-	-	-	-
Changes in Future Service	-	-	-	-	-	-	-	-
Changes in estimates that adjust the CSM	(10,562)	(35,897)	-	-	10,562	35,897	-	-
Changes in estimate that result in onerous contract losses or reversal of such losses	-	-	-	-	-	-	-	-
Effect of reversal of recognition of the loss recovery component of contracts expected to be lost	-	-	-	-	-	-	-	-
Effect of changes in estimates that do not adjust the contractual service margin	-	-	-	-	-	-	-	-
Changes relating to past service								
Changes in recoverable amounts resulting from changes in liabilities for incurred claims	-	-	-	-	-	-	-	-
Finance expenses from insurance contracts issued	-	-	-	-	389	(1,177)	389	(1,177)
The impact of changes in non-performance risk (default risk) of reinsurers	-	-	-	-	-	-	-	-
The impact of movements in exchange rates	-	-	-	-	-	-	-	-
Net change recognized in the statement of income	(10,551)	(11,888)	-	-	6,600	30,512	(3,951)	18,624
Cash paid to reinsurers from underwritten contracts	10,562	35,897	-	-	-	-	10,562	35,897
Claims and other directly attributable expenses paid	(11)	(24,003)	-	-	-	-	(11)	(24,003)
Profit commission recovered from reinsurers	-	-	-	-	-	-	-	-
Other recoverable amounts	-	-	-	-	-	-	-	-
Total Cash flows	10,551	11,894	-	-	-	-	10,551	11,894
Re-Insurance contracts liabilities – End of the period	-	-	-	-	-	-	-	-
Re-Insurance contracts assets – End of the period	-	-	-	-	27,513	20,913	27,513	20,913
Re-Insurance contracts liabilities (assets) – End of the period	-	-	-	-	27,513	20,913	27,513	20,913

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ACCOUNTS RECEIVABLE RELATED TO RE-INSURANCE OPERATIONS

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

	<u>31 March 2025</u>	<u>31 December 2024</u>
	JD	JD
	(Reviewed not audited)	(Audited)
Re-insurance contract assets (local)	2,364,106	2,330,784
Re-insurance contract assets (foreign)	1,050,610	938,877
	<u>3,414,716</u>	<u>3,269,661</u>
Less: Provision for expected credit losses *	(1,663,543)	(1,705,263)
	<u>1,751,173</u>	<u>1,564,398</u>

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

	<u>31 March 2025</u>	<u>31 December 2024</u>
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	1,705,263	1,269,004
Transferred (to) from provision for expected credit losses on accounts receivable	(41,720)	436,259
Balance at end of the period/year	<u>1,663,543</u>	<u>1,705,263</u>

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

	<u>Undue receivables</u>	<u>0-90 days</u>	<u>91-180 days</u>	<u>181-365 days</u>	<u>More than 365 days</u>	<u>Total</u>
	JD	JD	JD	JD	JD	JD
31 March 2025 (Reviewed not audited)	-	1,025,309	337,802	190,117	197,945	1,751,173
31 December 2024 (Audited)	-	795,769	405,036	173,970	189,623	1,564,398

-The aging of receivables above is presented net of expected credit loss provision based on the allocation of the provision according to the aging schedule of receivables.

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ACCOUNT PAYABLES RELATED TO RE-INSURANCE OPERATIONS

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

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Foreign reinsurance Companies	45,139,574	30,465,628
Local insurance Companies	432,211	178,198
	<u>45,571,785</u>	<u>30,643,826</u>

(9) INCOME TAX

A- Income tax provision

Movements on the income tax provision were as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	816,371	212,697
Provision of the period/year	391,035	330,823
Refundable tax deposits	-	143,552
National contribution tax	39,862	223,612
Taxes on the investments outside Jordan	36,380	195,948
Income tax paid	(237,288)	(290,261)
Balance at the end of the period/year	<u>1,046,360</u>	<u>816,371</u>

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

	31 March 2025	31 March 2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Accrued taxes on the investments outside Jordan	36,380	47,592
Income tax	391,035	-
National contribution tax	39,862	26,585
(Addition to) amortization of deferred tax assets	(112,415)	54,124
Addition to deferred tax liabilities	625,729	-
	<u>980,591</u>	<u>128,301</u>

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

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

The income tax provision for the period ended 31 March 2025 has been calculated in accordance with the Income Tax Law No. 38 of 2018, as amended. Under this law, the statutory tax rate is 24% and 2% national contribution tax.

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

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

Income tax returns for the years 2021 -2024 have been submitted, but the Income and Sales Tax Department has not yet reviewed the records as of the date of preparation of the interim condensed consolidated financial statements. In the opinion of management and the group's tax consultant, the income tax provision is sufficient to meet any tax liabilities.

B- Deferred tax assets

	31 March 2025					31 December 2024
	Balance at the beginning of the year	Additions	Released Amounts	Balance at the end of the year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD (Reviewed not audited)	JD (Audited)
Deferred tax assets:						
Expected Credit Loss provision for receivables and reinsurance receivables	3,321,298	-	-	3,321,298	863,537	863,537
Impairment on financial assets	1,199,000	-	-	1,199,000	311,740	311,740
Insurance contracts liabilities	6,412,982	276,023	-	6,689,005	1,739,141	1,667,375
Provision for end of service indemnity	3,358,361	156,341	-	3,514,702	913,823	873,174
	<u>14,291,641</u>	<u>432,364</u>	<u>-</u>	<u>14,724,005</u>	<u>3,828,241</u>	<u>3,715,826</u>

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Movements on deferred tax assets were as follows:

	31 March 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Balance at the beginning of the period/year	3,715,826	4,274,201
Addition (release)	112,415	(558,375)
Balance at the end of the period/year	3,828,241	3,715,826

C- Deferred tax liabilities

	31 March 2025				31 December 2024
	Balance at the beginning of the period	Additions	Released Amounts	Balance at the end of the period	Deferred Tax
	JD	JD	JD	JD	JD (Reviewed not audited)
Deferred tax liabilities:					
Evaluation of the stock portfolio through statement of income	-	2,406,650	-	2,406,650	625,729
					JD (Audited)
					-

Movements on deferred tax liabilities were as follows:

	31 March 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Balance at the beginning of the period/year	-	-
Addition	625,729	-
Balance at the end of the period/year	625,729	-

(10) INSURANCE CONTRACTS REVENUES

31 March 2025	Vehicles - Comprehensive	Vehicles – Mandatory	Bus Terminal	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
(Reviewed not audited)	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Expected Incurred Claims	-	-	-	-	-	-	-	-	-	45,978	45,978
Change in Non-Financial Risk Adjustments	-	-	-	-	-	-	-	-	-	535	535
Contractual Service Margin (CSM) due	-	-	-	-	-	-	-	-	-	18,054	18,054
Recovery of Acquisition Cash Flows	-	-	-	-	-	-	-	-	-	(3,975)	(3,975)
Other Revenues	2,670,520	3,936,092	946,523	3,804,143	682,278	470,785	327,322	17,546,148	1,216,189	1,600,788	33,200,788
Total Insurance contract revenue	2,670,520	3,936,092	946,523	3,804,143	682,278	470,785	327,322	17,546,148	1,216,189	1,661,380	33,261,380
31 March 2024	Vehicles - Comprehensive	Vehicles – Mandatory	Bus Terminal	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
(Reviewed not audited)	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Expected Incurred Claims	-	-	-	-	-	-	-	-	-	-	-
Change in Non-Financial Risk Adjustments	-	-	-	-	-	-	-	-	-	-	-
Contractual Service Margin (CSM) due	-	-	-	-	-	-	-	-	-	-	-
Recovery of Acquisition Cash Flows	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	3,016,259	3,456,541	714,216	3,431,490	339,339	401,022	353,225	15,696,999	1,191,402	554,820	29,155,313
Total Insurance contract revenue	3,016,259	3,456,541	714,216	3,431,490	339,339	401,022	353,225	15,696,999	1,191,402	554,820	29,155,313

(11) INSURANCE CONTRACTS EXPENSES

31 March 2025	Motors - Comprehensive	Motors – Mandatory	Bus Terminal	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
(Reviewed not audited)	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred Claims	(1,771,689)	(3,876,006)	(140,488)	(192,203)	131,126	(168,993)	(118,038)	(11,413,543)	(18,387)	(888,426)	(18,456,647)
Amortization of acquisition costs	(236,583)	(364,826)	(81,768)	(223,819)	(51,233)	(37,983)	(14,166)	(1,225,794)	(127,152)	(106,020)	(2,469,344)
Administrative expenses	(188,609)	(288,532)	(62,966)	(232,126)	(44,290)	(29,836)	(18,967)	(1,102,324)	(52,394)	(282,536)	(2,302,580)
Loss from onerous contracts	-	38,003	-	-	-	-	-	-	-	52,422	90,425
Risk adjustment – non financial	(76,269)	(167,226)	(3,864)	(65,872)	(13,606)	(15,945)	(90,272)	(541,806)	(9,012)	(81,856)	(1,065,728)
Total	(2,273,150)	(4,658,587)	(289,086)	(714,020)	21,997	(252,757)	(241,443)	(14,283,467)	(206,945)	(1,306,416)	(24,203,874)

31 March 2025	Motors - Comprehensive	Motors – Mandatory	Bus Terminal	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
(Reviewed not audited)	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred Claims	(966,585)	(3,577,188)	(227,041)	(834,368)	(527,858)	(5,966)	(97,530)	(10,773,124)	(62,202)	(1,860,458)	(18,932,320)
Amortization of acquisition costs	(236,947)	(298,315)	(38,911)	(176,153)	(25,370)	(36,999)	(22,298)	(1,141,755)	(112,108)	6,353	(2,082,503)
Administrative expenses	(275,834)	(328,903)	(61,284)	(288,544)	(31,208)	(34,447)	(31,238)	(1,457,909)	(73,205)	(50,279)	(2,632,851)
Loss from onerous contracts	-	(544,000)	-	-	-	-	-	-	-	-	(544,000)
Risk adjustment – non financial	(55,407)	(196,737)	(6,405)	(131,601)	(5,831)	(3,840)	(10,731)	(415,827)	(9,966)	(117,049)	(953,394)
Total	(1,534,773)	(4,945,143)	(333,641)	(1,430,666)	(590,267)	(81,252)	(161,797)	(13,788,615)	(257,481)	(2,021,433)	(25,145,068)

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(12) FINANCE EXPENSE – INSURANCE CONTRACTS

	31 March 2025	31 March 2024
	JD (Reviewed not audited)	JD (Reviewed not audited)
Finance expense	<u>(1,046,893)</u>	<u>(872,517)</u>

The Group used discount rates that ranged between 7.68% and 11.47% as at 31 March 2025 (31 March 2024: between 10.48% and 11.57%).

(13) FINANCE INCOME– RE-INSURANCE CONTRACTS

	31 March 2025	31 March 2024
	JD (Reviewed not audited)	JD (Reviewed not audited)
Finance income	<u>319,302</u>	<u>173,830</u>

The Group used discount rates that ranged between 7.68% and 11.47% as of 31 March 2025 (31 March 2024: between 10.48% and 11.57%).

(14) GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

	31 March 2025	31 March 2024
	JD (Reviewed not audited)	JD (Reviewed not audited)
Dividends income (financial assets at fair value through other comprehensive income)	15,221	28,375
Unrealized gains on financial assets at fair value through profit or loss	<u>1,972,730</u>	<u>202,279</u>
	<u>1,987,951</u>	<u>230,654</u>

(15) AUTHORIZED AND PAID IN CAPITAL

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

The authorized and paid in capital is JD 26,000,000 divided into 26,000,000 shares at par value of JD 1 each as at 31 March 2025 and 31 December 2024.

(16) FAIR VALUE RESERVE

Movements on the fair value reserve were as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/year	(927,315)	(1,509,165)
Change in fair value of financial assets through other comprehensive income	(368,485)	385,422
Realized losses from sale of financial assets at fair value through other comprehensive income	-	196,428
Balance at the end of the period/year	<u>(1,295,800)</u>	<u>(927,315)</u>

(17) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT FOR THE PERIOD

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

	31 March 2025	31 March 2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Profit for the period (JD)	3,299,777	1,341,137
Weighted average number of shares (shares)	26,000,000	26,000,000
	<u>JD/Fils</u>	<u>JD/Fils</u>
Earnings per share for the period	<u>0.127</u>	<u>0.052</u>

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(18) CASH

(18-A) CASH ON HAND AND AT BANKS

	31 March 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Cash on hand	37,037	27,774
Bank balances	2,497,448	992,483
Cash on hand and at banks	<u>2,534,485</u>	<u>1,020,257</u>

(18-B) CASH AND CASH EQUIVALENTS

	31 March 2025	31 March 2024
	JD (Reviewed not audited)	JD (Reviewed not audited)
Cash on hand and at banks	2,534,485	1,941,358
Add: Deposits at banks	26,963,727	23,472,263
Less: bank deposits maturing more than three months	(16,852,167)	(23,472,263)
Less: Restricted deposits to the favor of the Governor of the Central Bank of Jordan	(428,490)	(814,140)
Add: Cash related to discontinued operations' assets	28,062	768,902
Less: Restricted deposits (maturing through three months)	(1,000,000)	-
Net cash and cash equivalents at the end of the year	<u>11,245,617</u>	<u>1,896,120</u>

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(19) RELATED PARTY TRANSACTIONS AND BALANCES

The Group entered into transactions with major shareholders, board members and directors within the normal activities of the Company using insurance premium and commercial commission. All related parties' balances are considered performing and no provision has been taken against them as of 31 March 2025.

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

	Related parties			Total	
	Major shareholders	Board of Directors Members	Afak Gulf Arab and Badia Gulf First Management Consulting	31 March 2025	31 December 2024
	JD	JD	JD	JD	JD
				(Reviewed not audited)	(Audited)
Statement of financial position items					
Insurance contracts assets	-	-	-	-	-
Insurance contracts liabilities	-	-	-	-	134,205
Amounts due from related parties	339,933	-	-	339,933	-

	Related parties			Total	
	Major shareholders	Board of Directors Members	Afak Gulf Arab and Badia Gulf First Management Consulting	31 March 2025	31 December 2024
	JD	JD	JD	JD	JD
				(Reviewed not audited)	(Audited)
Statement of profit and loss items					
Insurance revenues	-	-	-	-	540,659
Board travel and transportation expenses	-	16,200	-	16,200	16,200
Bonuses and consultancy fees	-	19,750	-	19,750	22,150
Consultancy fees	29,890	-	-	29,890	-
Paid acquisition costs	-	-	-	-	-

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

	31 March 2025	31 March 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Salaries and bonuses	607,891	414,566
Travel expenses	900	3,500
Contribution to Short-Term Benefits	59,069	62,756
Contribution to long -Term Benefits	318,287	18,094
	<u>986,147</u>	<u>498,916</u>

(20) ANALYSIS OF MAIN SECTORS

A- Background for the Group business sectors

For administrative purposes as explained in insurance contract revenues (note 10) and insurance contract expenses (note 11), the Group is organized to include the general insurance sector and includes (motor insurance, marine and transportation insurance, fire and other property damage insurance, liability insurance, medical insurance, life insurance, and others). This sector forms the basis used by the Group to show information related to key sectors. The above segment also includes investments and cash management for the company's own account. Transactions between business sectors are carried out on the basis of estimated market prices and on the same terms as those dealing with third parties.

The following is the distribution of the assets and liabilities of the Group by product type:

	Motors		Marine		Fire and damages property		Social liability		Medical		Life		General accidents		Total	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Assets																
Insurance contracts assets	-	-	-	-	-	-	-	-	114	114	-	-	21,426	2,444	21,540	2,558
Re Insurance contracts assets	1,366,385	1,521,709	2,013,439	1,970,619	1,780,282	984,442	1,099,293	1,241,016	4,107,827	4,286,344	27,514	20,914	637,324	2,060,316	10,989,244	12,128,180
Accounts receivable	5,762,735	8,832,850	622,708	8,311,094	7,508,347	3,322,028	4,636,273	443,025	17,324,779	18,251,85	2	116,040	1,633,150	2,687,917	1,818,690	46,347,185
Financial assets	8,515,524	20,051,667	1,413,625	3,229,938	13,359,606	7,541,416	6,641,311	1,005,722	44,462,313	41,433,97	3	677,915	3,707,454	6,484,948	4,128,652	83,371,555
Investments																
property	170,464	170,464	-	-	-	-	-	-	-	-	-	-	-	-	170,464	170,464
Other assets	784,313	-	-	1,271,792	1,148,953	-	709,458	-	2,651,097	-	17,757	-	411,314	-	6,994,684	-
Total assets	16,599,421	30,576,690	4,049,772	14,783,443	23,797,188	11,847,886	13,086,335	2,689,763	68,546,130	63,972,28	3	839,226	5,361,518	10,242,929	8,010,102	126,508,01
Liabilities																
Insurance contracts liabilities	43,127,870	41,878,493	2,913,963	2,526,222	8,384,292	5,583,858	3,542,882	3,315,260	17,877,893	12,722,82	1	1,180,329	1,166,043	1,470,064	3,802,782	78,497,293
Re-insurance contracts Liabilities	-	-	557,987	596,755	377,480	88,560	-	-	2,435,491	1,921,303	223,922	76,315	53,445	27,768	3,648,325	2,710,701
Other provisions	1,126,262	-	117,906	-	306,509	-	143,353	-	723,380	-	47,759	-	59,482	-	2,524,651	-
Other liabilities	536,501	-	56,165	-	146,007	-	68,287	-	344,586	-	22,750	-	28,335	-	1,202,631	-
Total liabilities	44,790,633	41,878,493	3,646,021	3,122,977	9,214,288	5,672,418	3,754,522	3,315,260	21,381,350	14,644,12	4	1,474,760	1,242,358	1,611,326	3,830,550	85,872,900
																73,706,180

The following is the distribution of the interim condensed consolidated statement of income items of the Group by product type:

	Motors		Marine		property Fire and damages		Social liability		Medical		Life		General accidents		Total	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)	(Reviewed not Audited)
Continuing operation																
Revenues																
Insurance contracts																
revenues	7,553,135	7,187,015	327,322	353,225	4,486,421	3,431,490	470,785	401,022	17,546,148	15,696,999	1,661,380	554,820	1,216,189	1,530,741	33,261,380	29,155,312
Less: insurance																
contracts expenses	(7,220,823)	(6,813,558)	(241,443)	(161,796)	(692,023)	(1,430,666)	(252,757)	(81,252)	(14,283,467)	(13,788,614)	(1,306,416)	(2,021,433)	(206,945)	(847,750)	(24,203,874)	(25,145,069)
Insurance contracts																
services results	332,312	373,457	85,879	191,429	3,794,398	2,000,824	218,028	319,770	3,262,681	1,908,385	354,964	(1,466,613)	1,009,244	682,991	9,057,506	4,010,243
Re-insurance																
contracts recoveries	92,599	138,220	108,778	68,316	172,680	741,483	200,777	(602)	8,914,038	8,017,255	785,707	1,517,643	33,253	417,953	10,307,832	10,900,268
Re-insurance																
contracts expenses	(499,296)	(408,141)	(169,637)	(214,787)	(3,363,919)	(2,575,846)	(357,413)	(306,282)	(10,381,110)	(8,916,504)	(1,192,309)	(417,697)	(462,965)	(867,111)	(16,426,649)	(13,706,368)
Re-insurance																
contracts services																
results	(406,697)	(269,921)	(60,859)	(146,471)	(3,191,239)	(1,834,363)	(156,636)	(306,884)	(1,467,072)	(899,249)	(406,602)	1,099,946	(429,712)	(449,158)	(6,118,817)	(2,806,100)
Net insurance and re-																
insurance contracts																
results	(74,385)	103,536	25,020	44,958	603,159	166,461	61,392	12,886	1,795,609	1,009,136	(51,638)	(366,667)	579,532	233,833	2,938,689	1,204,143
Finance (expense)																
income – insurance																
contracts	(723,915)	(698,802)	(33,709)	(18,051)	(61,369)	(53,783)	(37,470)	(26,564)	(99,287)	-	(69,976)	(25,746)	(21,167)	(49,573)	(1,046,893)	(872,519)
Finance income																
(expense) – re-																
insurance contracts	32,794	54,977	26,253	13,141	44,168	46,361	24,023	8,388	148,708	-	27,158	14,646	16,198	36,316	319,302	173,829
Net insurance and re-																
insurance contracts																
results	(765,506)	(540,289)	17,564	40,048	585,958	159,039	47,945	(5,290)	1,845,030	1,009,136	(94,456)	(377,767)	574,563	220,576	2,211,098	505,453

B- Geographic concentration of risk

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

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

	Inside the Kingdom		Outside the Kingdom		Total	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited	(Audited)	(Reviewed not audited	(Audited)	(Reviewed not audited	(Audited)
Total assets	117,116,972	109,697,571	32,298,026	27,861,393	149,414,998	137,558,964
Gross Insurance contract revenues	33,261,380	124,600,652	-	-	33,261,380	124,600,652
Capital expenditures	324,766	1,158,384	-	-	324,766	1,158,384

(21) CAPITAL MANAGEMENT

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

- To adhere to the Group's minimum capital issued by the Insurance Law. Moreover, the Group's minimum capital prior to the enforcement of the law according to which it was licensed to practice general insurance in all of its branches, jointly and severally, is JD 4 million.
- To secure the continuity of the Group, and consequently, the Group's ability to provide the shareholders with good returns on capital.
- To make available the proper return to shareholders through pricing insurance policies in a manner compatible with the risks associated with those policies.
- To comply with the Insurance Commission instructions associated with the solvency margin.

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

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Paid in Capital	26,000,000	26,000,000
Minimum Capital According to the Insurance Law	16,000,000	16,000,000

The following table shows the amount contributed to capital by the Group and the net solvency margin ratio as of 31 March 2025 and 31 December 2024:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Core capital:		
Paid-in capital	26,000,000	26,000,000
Statutory reserve	6,500,000	6,500,000
Profit for the year net of deductions	5,323,470	10,501,894
Retained earnings	29,535,353	19,033,459
Dividends	(5,200,000)	(5,200,000)
Loss from Change in actuarial assumptions	(120,000)	(120,000)
Total core capital	62,038,823	56,715,353
Supplementary capital:		
Cumulative change in fair value	(1,295,800)	(927,315)
Subordinated loan – over 5 years	-	-
Total Supplementary Capital	(1,295,800)	(927,315)
	60,743,023	55,788,038
Total regulatory capital (a)		
Total required capital (b)	36,275,877	34,369,080
Solvency margin (a) / (b)	%167,4	%162,3

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(22) LAWSUITS AGAINST AND BY THE GROUP

The Group appears as defendant in several lawsuits. The Group booked a sufficient provision to meet any obligations towards these lawsuits, In the opinion of the Group's management and its legal consultant, the provision for a total amount of JD 8,356,035 as of 31 March 2025 (31 December 2024: JD 8,793,663) is sufficient to meet any obligations towards these lawsuits. Total amount of the cases raised by the Group against others is JD 13,966,000 as at 31 March 2025 (31 December 2024: JD 13,011,000). These lawsuits are considered part of the group's normal business activities.

(23) CONTINGENT LIABILITIES

At 31 March 2025, the Group has letters of guarantee in the amount of JD 5,292,860 (31 December 2024: JD 4,892,150) against cash margins of JD 529,286 (31 December 2024: JD 489,215).

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

There are no material differences between the carrying value and the fair value of financial assets and liabilities as of 31 March 2025 and 31 December 2024.

(25) FAIR VALUE HIERARCHY

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

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

	Level (1) JD	Level (2) JD	Level (3) JD	Total JD (Reviewed not audited)
31 March 2025 (Reviewed and not audited)				
Financial assets at fair value through other comprehensive income	5,907,556	-	292,537	6,200,093
Financial assets at fair value through profit or loss	13,885,108	-	-	13,885,108
	<u>19,792,664</u>	<u>-</u>	<u>292,537</u>	<u>20,085,201</u>
	Level (1) JD	Level (2) JD	Level (3) JD	Total JD (Audited)
31 December 2024 (Audited)				
Financial assets at fair value through other comprehensive income	6,276,041	-	292,537	6,568,578
Financial assets at fair value through profit or loss	11,912,378	-	-	11,912,378
	<u>18,188,419</u>	<u>-</u>	<u>292,537</u>	<u>18,480,956</u>