

الرقم: FIN/848/4/2026

التاريخ : 2026/3/31

السادة هيئة الاوراق المالية المحترمين

الموضوع :البيانات المالية كما في 2025/12/31

تحية و بعد

بالإشارة إلى الموضوع أعلاه ،نرفق لكم بطيه البيانات المالية باللغة الأنجليزيه كما في 2025/12/31 مدققة من المدقق الخارجي حسب الأصول.

علما بان البيانات المالية تخضع لموافقة البنك المركزي الاردني .

وتفضلوا بقبول فائق الاحترام

المدير العام

د. لانا بدر



*Serve to Grow ... Grow to Serve*



**Euro Arab Insurance Group**

(Public Limited Shareholding Company)

**Amman – The Hashemite Kingdom of Jordan**

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

**For the Year Ended December 31, 2025**

**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Amman- The Hashemite kingdom of Jordan**  
**Financial Statements and the Independent Auditor's Report**  
**For the Year Ended December 31, 2025**

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## Independent Auditor's Report

**To, The Shareholders**  
**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Amman - the Hashemite Kingdom of Jordan**

### Opinion

We have audited the financial statements of **Euro Arab Insurance Group ("the Company")** which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2025, and its financial performance and statements of changes in shareholders' equity, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### Basis for Opinion

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

### Attention

The company's solvency margin ratio as of December 31, 2025 is less than the ratio set by the Central Bank of Jordan, which is 150%.

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

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

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

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

### Key Audit Matters

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



**Key Audit Matters (Continued)**

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p><b>Assessment of incurred liabilities and Loss component.</b></p> <p>The estimation of liabilities related to incurred claims and the loss component involves a high degree of judgment. This requires estimating the present value of future cash flows and adjusting for non-financial risks (which are part of the incurred claims liabilities) and the loss component (which is part of the remaining coverage liabilities). Non-financial risk adjustments are applied to the estimated present value of future cash flows and reflect the compensation required by the company for bearing uncertainty about the amount and timing of cash flows from non-financial risks when settling its obligations under insurance contracts. The present value of future cash flows depends on the best estimate of the ultimate cost of all incurred claims, whether reported or not settled as of the reporting date. The loss component is recognized at any time during the coverage period if facts and circumstances indicate that a group of contracts is onerous. This loss component is remeasured at each reporting date as the difference between the cash flow amounts at specified settlement under the general measurement model related to future service and the carrying amount of the remaining coverage liabilities excluding the loss component.</p> <p>The Company engages an external actuarial expert, the "appointed actuarial expert," to assist in estimating these liabilities. The expert uses a range of methodologies to determine these liabilities based on a number of explicit or implicit assumptions regarding the expected settlement amount and settlement patterns of claims.</p> <p>As of December 31, 2025, the estimated present value of future cash flows and the risk adjustment for non-financial risks amount to 33 million Jordanian Dinars, as disclosed in Note 11 of the financial statements.</p> <p>We have considered this a key audit matter due to the inherent uncertainty in the estimation and the subjective judgments involved in assessing the estimated present value of future cash flows and the risk adjustment for non-financial risks arising from insurance contracts.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>- Understanding, evaluating, and testing key controls around claims processing operations and provisions determination.</li> <li>- Assessing the competence, capabilities, and objectivity of the appointed actuarial expert based on their professional qualifications, experience, and independence.</li> <li>- Conducting objective tests, on a sample basis, on recorded amounts of notified and paid claims, including comparing the outstanding claims amount with appropriate source documents to assess the adequacy of reserves.</li> <li>- Verifying the completeness of data used as inputs in actuarial assessments and testing, on a sample basis, the accuracy of core claims data used by the appointed actuarial expert in estimating the present value of future cash flows, adjusting non-financial risks, and assessing loss components by comparing them to accounting records and other records.</li> <li>- Engaging our own actuarial specialists to evaluate the company's actuarial practices, adequacy of reserves held, and obtaining confirmation regarding the report issued by the appointed actuarial expert. Our actuarial specialists performed the following:               <ol style="list-style-type: none"> <li>1- Assessing whether the company's actuarial methodologies are generally consistent with accepted actuarial practices.</li> <li>2- Evaluating the appropriateness of key actuarial accounting methods and assumptions used and conducting sensitivity analysis.</li> <li>3- Providing independent forecasts of the present value of future cash flows, adjusting non-financial risks and loss components for significant lines of business for comparison with amounts recorded by management.</li> <li>4- Assessing the adequacy and suitability of relevant disclosures in the financial statements.</li> </ol> </li> </ul>



### **Other Information included in the Company's 2025 Annual Report**

The other information consists of information included in the company's 2025 annual report, excluding the financial statements and the auditor's report thereon. Management is responsible for the other information. The company's 2025 annual report is expected to be provided to us at a later date.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

Our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit of the financial statements.

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

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

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

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

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

We inform those responsible for governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## Independent Auditor's Report (Continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (Continued):

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

### Report on Other Legal and Regulatory Requirements:

Euro Arab Insurance Group Public Limited Shareholding Company has proper accounting records For the Year Ended December 31, 2025 which are, in all material aspects, consistent with the accompanying financial statements, accordingly, we recommend the general authority on approving these financial statements.

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

Date: 01 March, 2026

Amman – Jordan



**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Statement of Financial Position**  
**As of December 31, 2025**  
(Jordanian Dinars)

	Note	2025	2024
<b><u>Assets</u></b>			
Deposits at banks, net	6	29,503,727	22,194,715
Financial assets at fair value through profit or loss statement	7	-	2,665,854
Financial assets at amortized cost	8	10,724,626	10,836,202
Investment properties	9	1,212,679	1,218,459
<b>Total investments</b>		<b>41,441,032</b>	<b>36,915,230</b>
Cash in hand and at banks	10	1,879,208	3,403,911
Insurance contract assets, net	11	123,618	409,891
Reinsurance contract assets held	13	4,710,920	3,052,489
Deferred tax assets	16	1,662,039	1,785,078
Property and equipment, net	17	2,773,261	2,766,700
Intangible assets, net	18	75,662	80,128
Other assets	19	2,032,470	1,286,826
		<b>13,257,178</b>	<b>12,785,023</b>
<b>Total Assets</b>		<b>54,698,210</b>	<b>49,700,253</b>
<b><u>Liabilities and Shareholders' Equity</u></b>			
<b><u>Liabilities:</u></b>			
Insurance contract liabilities	11	33,069,591	26,370,264
Reinsurance contract liabilities	13	1,441,154	1,183,062
<b>Total insurance contract liabilities</b>		<b>34,510,745</b>	<b>27,553,326</b>
Due to bank	20	-	3,615,352
Other provisions	21	152,459	150,224
Provision for income tax	16	308,887	701,747
Deferred tax liabilities	16	-	-
Other liabilities	22	645,179	601,940
		<b>1,106,525</b>	<b>5,069,263</b>
<b>Total liabilities</b>		<b>35,617,270</b>	<b>32,622,589</b>
<b><u>Shareholders' Equity:</u></b>			
Authorized and paid-up share capital	23	12,779,008	10,054,312
Statutory reserve	24	2,784,354	2,513,578
Retained earnings	25	3,517,578	4,509,774
<b>Total Shareholders' Equity</b>		<b>19,080,940</b>	<b>17,077,664</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>54,698,210</b>	<b>49,700,253</b>

The accompanying notes from 1 to 51 are an integral part of these financial statements



**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Statements of Profit or Loss**  
**For the Year Ended December 31, 2025**  
(Jordanian Dinars)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<b><u>Revenues:</u></b>			
Insurance contract revenues	27	55,943,363	48,624,460
Insurance contract expenses	28	(48,091,643)	(39,938,875)
<b>Insurance contract operations result</b>		<u>7,851,720</u>	<u>8,685,585</u>
Reinsurance contracts expenses	29	3,275,538	3,964,188
Reinsurance contracts revenues	30	(11,614,944)	(10,995,532)
<b>Reinsurance contracts operations results</b>		<u>(8,339,406)</u>	<u>(7,031,344)</u>
<b>Net insurance operations results</b>		<u>(487,686)</u>	<u>1,654,241</u>
Finance revenues/(expenses) - insurance contracts	31	1,324,290	375,528
Finance revenues/(expenses) – reinsurance contracts	32	(134,289)	17,710
<b>Net financing results of insurance operations</b>		<u>1,190,001</u>	<u>393,238</u>
Credit Interest	33	2,061,852	2,027,059
Net profit from financial assets and investments	34	803,067	121,639
Other revenues	35	18,004	5,531
<b>Net investment income</b>		<u>2,882,923</u>	<u>2,154,229</u>
<b>Net results of insurance and investment (Total revenues)</b>		<u>3,585,238</u>	<u>4,201,708</u>
Other expenses	36	(877,478)	(409,116)
<b>Total expenses</b>		<u>(877,478)</u>	<u>(409,116)</u>
<b>Net profit for the year before income tax</b>		<u>2,707,760</u>	<u>3,792,592</u>
Income tax expense and national contribution	16	(704,484)	(734,315)
<b>Net profit for the year after income tax</b>		<u>2,003,276</u>	<u>3,058,277</u>
<b>Earnings per share from net profit for the year</b>	40	<u>0.157</u>	<u>0.304</u>

The accompanying notes from 1 to 51 are integral part of these financial statements

**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Statement of Profit or Loss – Life Insurance**  
**For the Year Ended December 31, 2025**  
(Jordanian Dinars)

	<b>Notes</b>	<b>2025</b>	<b>2024</b>
<b><u>Revenues:</u></b>			
Insurance contract revenues	27	<b>3,179,449</b>	3,079,786
Insurance contract expenses	28	<b>(3,336,499)</b>	(2,705,203)
<b>Insurance contract operations result</b>		<b>(157,050)</b>	374,583
Reinsurance contract revenue	29	<b>1,588,165</b>	2,004,760
Reinsurance contracts expenses	30	<b>(2,063,923)</b>	(1,986,626)
<b>Reinsurance contracts operations results</b>		<b>(475,758)</b>	18,134
<b>Net insurance operations results</b>		<b>(632,808)</b>	392,717
Finance revenues/(expenses) - insurance contracts	32	<b>64,764</b>	(16,610)
Finance revenues/(expenses) – reinsurance contracts	33	<b>(55,329)</b>	12,297
<b>Net financing results of insurance operations</b>		<b>9,435</b>	(4,313)
Credit Interest	34	-	-
Net Profit from financial assets and investments	35	-	-
Other revenues	36	-	-
<b>Net investment income</b>		-	-
<b>Net results of insurance and investment (Total revenues)</b>		<b>(623,373)</b>	388,404
Undistributed employee expenses		-	-
Undistributed general and administrative expenses		-	-
Other expenses	37	-	-
<b>Total expenses</b>		-	-
<b>Net profit for the year before income tax</b>		<b>(623,373)</b>	388,404
Income tax expense and national contribution	17	-	(100,985)
<b>Net profit for the year after income tax</b>		<b>(623,373)</b>	287,419

The accompanying notes from 1 to 51 are integral part of these financial statements

**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Statement of Other Comprehensive Income**  
**For the Year Ended December 31, 2025**  
(Jordanian Dinars)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Net profit for the year after income tax		2,003,276	3,058,277
<b>Add: Other comprehensive income items:</b>			
Change in fair value reserve financial assets		-	-
<b>Total other comprehensive income</b>		<u>2,003,276</u>	<u>3,058,277</u>

The accompanying notes from 1 to 51 are an integral part of these financial statements



**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Statement of Changes in Shareholders' Equity**  
**For the Year Ended December 31, 2025**  
(Jordanian Dinars)

	Share Capital	Statutory reserve	Voluntary reserve	Retained earnings *	Total
<b>2024</b>					
<b>The balance as of December 31, 2023</b>	9,000,000	2,227,331	15,676	2,403,268	13,646,275
Previous years adjustments	-	-	-	373,112	373,112
Total other comprehensive income	-	-	-	3,058,277	3,058,277
Transferred to statutory reserves	-	286,247	-	(286,247)	-
Dividends Distributed to Shareholders	1,054,312	-	(15,676)	(1,038,636)	-
<b>Balance as of December 31, 2024</b>	<u>10,054,312</u>	<u>2,513,578</u>	<u>-</u>	<u>4,509,774</u>	<u>17,077,664</u>
<b>2025</b>					
<b>The balance as of December 31, 2024</b>	10,054,312	2,513,578	-	4,509,774	17,077,664
Previous years adjustments	-	-	-	-	-
Total other comprehensive income	-	-	-	<b>2,003,276</b>	<b>2,003,276</b>
Transferred to statutory reserves	-	<b>270,776</b>	-	<b>(270,776)</b>	-
Dividends Distributed to Shareholders	<b>2,724,696</b>	-	-	<b>(2,724,696)</b>	-
<b>Balance As of December 31, 2025</b>	<u><b>12,779,008</b></u>	<u><b>2,784,354</b></u>	<u><b>-</b></u>	<u><b>3,517,578</b></u>	<u><b>19,080,940</b></u>

\* The amount of 1,785,078 Jordanian Dinars from retained earnings As of December 31, 2025 cannot be disposed of, against deferred tax assets.

The accompanying notes from 1 to 51 are an integral part of these financial statements

**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2025**  
(Jordanian Dinars)

	2025	2024
<b>Cash flow from Operating Activities:</b>		
Net profit for the year before income tax	2,707,760	3,792,592
Adjustments to reconcile net profit before income tax to net cash flow provided from operating activities:		
Depreciation and amortization	147,595	124,583
Net change in fair value of financial assets through profit or loss statement	2,665,854	73,671
Previous years adjustments	-	373,112
Expected credit losses for financial assets in amortized cost	-	134,584
<b>Cash flows from operating activities before changes in working capital</b>	<b>2,855,355</b>	<b>4,498,542</b>
<b>Changes in working capital:</b>		
Insurance contract assets -net	286,273	(79,142)
Reinsurance contract assets -net	(1,658,431)	388,176
Other assets	(745,644)	(474,733)
Insurance contract liabilities	6,699,327	1,139,334
Reinsurance contract liabilities	258,092	76,506
Paid from different provisions	2,235	96,717
Other liabilities	(58,723)	(3,880)
Income tax paid	(872,344)	(606,788)
<b>Net cash flows provided from operating activities</b>	<b>6,766,140</b>	<b>4,577,051</b>
<b><u>Cash flow from Investing Activities</u></b>		
Deposits at banks	(7,309,012)	(647,426)
Purchase property and equipment- net	(123,909)	(95,826)
Purchase intangible assets	(20,000)	(63,080)
Purchasing/sale of financial assets at amortized cost	111,576	(3,315,480)
Proceeds from the sale of financial assets at fair value through profit or loss	2,665,854	(690,545)
Financial assets at fair value through the statement of comprehensive income	-	(381,252)
<b>Net cash flows provided from/ (used in) investing activities</b>	<b>(4,675,491)</b>	<b>(5,193,609)</b>
<b><u>Cash flow from financing activities</u></b>		
Due to banks	(3,615,352)	812,036
<b>Cash flows (used in) financing activities</b>	<b>(3,615,352)</b>	<b>812,036</b>
Net increase in cash and cash equivalent	(1,524,703)	(106,603)
Cash and cash equivalent at beginning of the year	3,403,911	3,510,544
<b>Cash and cash equivalent at the end of the year</b>	<b>1,879,208</b>	<b>3,403,911</b>
<b>Non-cash transactions:</b>		
<b>Capital</b>	<b>2,724,696</b>	-
Distributions of dividends through bonus shares	(2,724,696)	1,038,636

The accompanying notes from 1 to 51 are an integral part of these financial statements

### **1. Legal Status and Activities**

The Euro Arab Insurance Group was established under the Jordanian Corporate Law and its amendments under No. (304) as a Public Limited Shareholding Company. As a Several amendments were made to the capital, the latest was during 2025, so that the authorized and paid-up capital amounted to JD 12,779,008 divided into 12,779,008 shares, with a nominal value of 1 JD per share.

The Company's address is at Sharif Nasser Bin Jameel Street, Building No. (41), P.O. Box 1435, Amman 11953, Jordan.

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

The financial statements were approved by the Board of Directors' decision held March 1, 2026 and it is subject to approval from the general assembly of Shareholders

### **2. Basis of Preparation**

The company disclosed its accounting policies in accordance with the requirements of standards issued by the International Accounting Standards Board ("IASB") and in accordance with the applicable local laws and according to the forms set by the Central Bank of Jordan ("CBJ").

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

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

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

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

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

#### **New and Amended Accounting Standards Effective in the Current Year**

- Amendments to IAS 21 – Lack of Exchangeability
- Amendments to the Sustainability Accounting Standards Board (SASB) Standards to enhance their international applicability

The Company has not early adopted the following new and amended standards that have been issued but are not yet effective. Management is currently assessing the impact of the new requirements.

#### **Issued Standards Not Yet Effective**

- **Amendments effective for annual periods beginning on or after 1 January 2026:**
  - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
  - Annual Improvements to IFRS Accounting Standards – Volume 11
- **Amendments effective for annual periods beginning on January 1, 2027**
  - IFRS 18 Presentation and Disclosure in Financial Statements
  - IFRS 19 Subsidiaries without Public Accountability: Disclosures



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

Management expects to adopt these new standards, interpretations, and amendments in the financial statements in the period of initial application. Management also expects that the adoption of these new standards, interpretations, and amendments will not have a material impact on the financial statements in the period of initial application, except for IFRS 18, which relates to the reclassification and presentation of the financial statements.

**4. Use of Estimates and Assumptions**

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

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

**Expected Credit Loss**

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

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

**Impairment in the value of financial assets**

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

**Income Tax**

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

#### **4. Use of Estimates and Assumptions (continued)**

##### **1- Accrued Tax**

Tax expenses are calculated based on taxable profits, which may differ from the profits reported in the income statement because reported profits include revenues not subject to tax, or expenses not deductible in the current fiscal year but in subsequent years, or acceptable tax-deductible accumulated losses, or items not subject to or acceptable for tax deduction purposes.

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

##### **2- Deferred Tax**

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

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

##### **Property, equipment and intangible assets**

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

##### **The present value of future cash flows**

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

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

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

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

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

#### **4- Use of Estimates and Assumptions (continued)**

##### **Adjustments for non-financial risks**

A financial amount set aside by the company to cover the uncertainty regarding the amount and timing of cash flows arising from non-financial risks, based on actuarial assumptions and the group's experience in managing its portfolio of insurance and reinsurance contracts. A cost rate of 5.76% annually has been determined, representing the required return for compensating the exposure to non-financial risks. Capital has been allocated at a confidence level of 75% expected to align with the business's surface flows. Diversification is included to reflect the diversity in contracts sold across geographical regions, reflecting the compensation demanded by the group. Adjustments for non-financial risks are reassessed annually by the actuary.

##### **Non-insurance Components**

The Company discloses the following aspects:

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

##### **Lawsuits Against the company**

A provision is made for the lawsuits against the company based on a legal study prepared by the company's lawyer, which determines the potential risks that may occur in the future. These studies are reviewed periodically. There are lawsuits filed against the company, the value of which, according to the regulations of claims and cases with non-final rulings, amounted to approximately 4,617,527 Jordanian dinars for the year 2025 (4,521,165) dinars for the year 2024). There is a provision for claims under settlement, and according to the expectations and opinion of the company's legal advisor, the provision for claims under settlement is sufficient.

##### **Fair Value Levels**

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

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

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

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

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



#### **4- Use of Estimates and Assumptions (continued)**

##### **Fair Value Levels (continued)**

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

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

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

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

#### **5- Significant Accounting Policies**

##### **A. Segments Information**

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

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

##### **B. Goodwill**

The company does not record the value of goodwill.

##### **C. Insurance contracts**

###### **Definition of insurance contract**

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

###### **Definition of non- insurance contract**

The International Financial Reporting Standard (IFRS) 17 defines insurance risk as risks, other than financial risks, that are transferred from the policyholder to the issuer. Therefore, a contract that exposes the issuer to financial risks without significant insurance risks is not considered an insurance contract.

## **5. Significant Accounting Policies (continued)**

### **Company's products**

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

<b>Main Insurance Type</b>	<b>Sub-Insurance Type</b>	
<b>Engineering</b>	- Boiler explosion	- Contractors' risks
	- Contractor machinery and equipment	- Damage to assets
	- Electronic equipment	- Installation risks
	- Machinery damage	- Loss of profits/damage to machinery
<b>General insurance</b>	- Cash	- Dishonesty
	- theft	- Personal accidents
	- Workers' compensation	- Broken glass panels
	- Civil liability	- Professional responsibility
<b>Motor</b>	- Border centers	- Orange card
	- comprehensive	- Complementary
	- Third party liability	- Buses
	- comprehensive buses	
<b>Life</b>	- Borrowers insurance	- Group
	- Individual	- Individual decreasing
<b>Fire</b>	- Fire	- Residential
	- All risks	
<b>Marine</b>	- Marine direct open cover	- Direct marine goods
	- Ship hulls	
<b>Medical</b>	- Individual	- Grouping
<b>Travel</b>	- Travel	

### **Direct participating feature**

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

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

## **5- Significate Accounting Policies (continued)**

### **Types of direct participating feature**

#### **Investment contracts**

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

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

#### **Self-insurance**

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

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

- Medical insurance contract for employees of the Euro Arab Insurance Group.
- Life insurance contract for employees of the Euro Arab Insurance Group.
- Vehicle insurance contracts owned by the Euro Arab Insurance Group.
- All-risk insurance contracts for buildings owned by the Euro Arab Insurance Group.

### **Separation of non-insurance components**

#### **A- The investment component:**

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

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

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

- 1- The Company was unable to measure one component without looking at the other. Therefore, if the value of one component varies according to the value of the other component, the Company must apply IFRS 17 to calculate the co-investment and insurance component.
- 2- The policyholder cannot benefit from one of the components unless the other is also present. Therefore, if the lapse or maturity of one component of a contract causes the lapse or maturity of the other, the Company must apply IFRS 17 to account for the investment component and the combined insurance component.

The company does not have any products containing an investment component.

## **5- Significate Accounting Policies (continued)**

### **Acquisition cost**

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

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

### **Recognition of the insurance contract**

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

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

The company relies on the coverage start date rather than the payment due date, as there is no data indicating that the payment due date precedes the coverage start date for any of its products.

### **Amending Insurance Contracts**

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

### **Derecognition of insurance contracts**

The Company derecognizes insurance contracts in the following cases:

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

### **Liabilities versus remaining coverage**

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

### **Liabilities versus claims incurred**

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

### **Contractual service margin**

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

## **5- Significate Accounting Policies (continued)**

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

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

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

### **Contracts measurement approach**

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

#### **1- Premium allocation approach**

It applies to the group of insurance contracts shown below:

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

#### **2- General approach**

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

#### **3- Variable cost approach**

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

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

**5- Significate Accounting Policies (continued)**

**3- Variable cost approach (continued)**

The group classifies insurance contracts according to the following criteria:

<b>Portfolio (Level First)</b>	<b>Contract classification **</b>	<b>Contract classification</b>
<b>Engineering</b>	Insurance contracts	Premium allocation approach
<b>General Insurance</b>	Insurance contracts	Premium allocation approach
<b>Motor (Portfolio A)</b>	Insurance contracts	Premium allocation approach
<b>Motor (Portfolio B)</b>	Insurance contracts	Premium allocation approach
	Roadside assistance service	International Financial Reporti Standard 15
<b>Motor (Portfolio C)</b>	Insurance contracts	Premium allocation approach
<b>Motor (Portfolio D)</b>	Insurance contracts	Premium allocation approach
<b>Life (Portfolio A)</b>	Insurance contracts	Premium allocation approach
<b>Life (Portfolio B)</b>	Insurance contracts	Premium allocation approach
<b>Fire</b>	Insurance contracts	Premium allocation approach
<b>Marine</b>	Insurance contracts	Premium allocation approach
<b>Medical</b>	Insurance contracts	Premium allocation approach
<b>Travel</b>	Insurance contracts	Premium allocation approach

\*The insurance portfolios underwritten by the company are stated.

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

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

The group classifies its retained reinsurance contracts according to the following:

<b>Portfolio</b>	<b>Measurement approach</b>
<b>Engineering</b>	Premium allocation approach
<b>General Insurance</b>	Premium allocation approach
<b>Motor</b>	Premium allocation approach
<b>Life</b>	Premium allocation approach
<b>Fire</b>	Premium allocation approach
<b>Marine</b>	Premium allocation approach
<b>Medical</b>	Premium allocation approach
<b>Travel</b>	Premium allocation approach



## **5- Significate Accounting Policies (continued)**

### **Materiality**

The relative importance in the company is 2% of the total written premiums. A test was conducted to assess the applicability of the premium allocation method on travel insurance and decreasing life insurance, as the coverage period for these contracts is more than one year and the premiums from these products combined are less than 50,000 Jordanian dinars, which is not of relative importance. Therefore, the premium allocation method was applied.

### **Measurement approaches**

#### **Premium allocation approach**

##### **1- Initial proof of insurance contracts**

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

##### **2- Subsequent measurement/installment allocation approach**

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

- Add the insurance premiums received for the year.
- Subtract cash flows for the acquisition of insurance contracts.
- Add any amounts related to the exhaustion of cash flows to acquire established insurance contracts as an expense.
- Subtract the amount proven as insurance revenue for the coverage provided in that year.

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

### **Aggregation level**

The company groups insurance contracts into separate (portfolios) to be classified and processed independently by underwriting year (Cohort) and profitability (Group) at the portfolio level.

#### **A- Determining insurance contract portfolios**

The company determines insurance contract portfolios. The portfolio consists of contracts that are subject to similar risks and are managed together.

The company has distributed the insurance contract portfolios as follows:

<b><u>Main Insurance Type</u></b>	<b><u>Portfolio</u></b>	<b><u>Sub-Insurance Type</u></b>	
<b>Engineering</b>	<b>Engineering</b>	-Boiler Explosion	- Contractors' Risks
		-Contractor's Equipment and Machinery	-Asset Breakdown
		- Electronic Equipment	-Installation Risks
		-Machinery Breakdown	-Profit Losses/Machinery Breakdown
<b>General Insurance</b>	<b>General Insurance</b>	-Cach	-Breach of Trust
		Theft	-Personal Accidents
		-Workers' Compensation	-Glass Breakage
		-Civil Liability	-Professional Liability

**5- Significate Accounting Policies (continued)**

**B- Determining insurance contract portfolios (continued)**

The company has distributed the insurance contract portfolios as follows:

<u>Main Insurance Type</u>	<u>Portfolio</u>	<u>Sub-Insurance Type</u>	
<b>Motor</b>	<b>Motor (Portfolio A)</b>	-Buses -Border Centers -Tenders	-Orange Card
	<b>Motor (Portfolio B)</b>	Comprehensive -Comprehensive Vehicles	-Supplementary
	<b>Motor (Portfolio C)</b>	-Third-Party	-Orange Card
	<b>Motor (Portfolio D)</b>	Tenders	
<b>Life</b>	<b>Life (Portfolio A)</b>	-Borrower's Insurance	-Group
	<b>Life (Portfolio B)</b>	-Individual	Decreasing Individual
<b>Fire</b>	<b>Fire</b>	- Fire	-Residential
		-All Risks	
<b>Marine</b>	<b>Marine</b>	-Marine Open Cover Direct	-Marine Cargo Direct
		- Vessel Hulls	
<b>Medical</b>	<b>Medical</b>	-Individual	-Group
<b>Travel</b>	<b>Travel</b>	-Travel	

**B- Proof of Cohort Level (Cohort)**

The company details the insurance contract portfolios according to the classifications mentioned above by the underwriting year on an annual basis.

**C- Insurance Contract Aggregation**

The company divides the portfolio of issued insurance contracts into at least the following groups:

- A group of contracts unlikely to be burdened with liabilities.
- A group burdened with liabilities.
- Another group.

**5- Significate Accounting Policies (continued)**

**C- Insurance Contract Aggregation (continued)**

The company takes the following actions to determine the groups

The profitability of the contract is not assessed because the available system does not provide this service. Instead, profitability is evaluated for the products as a whole based on historical loss ratio information from the past 3 years.

The historical loss ratio (Technical Loss Ratio) at the sub-product level is adopted in distributing the groups.

The historical loss ratio (Technical Loss Ratio) is calculated using the following formula:

$$\frac{\text{Total Claims Paid} + \text{Pending Claims} + \text{Acquisition Costs} - \text{Recoveries}}{\text{Total Premiums}}$$

The aggregation is as follows:

- If the Technical Loss Ratio for the last 3 years is less than 80% ➡ it is classified under the group of contracts unlikely to be burdened with liabilities.
- If the Technical Loss Ratio for the last 3 years is between 80% - 100% ➡ it is classified under another group.
- If the Technical Loss Ratio for the last 3 years is greater than 100% ➡ it is classified under the group burdened with liabilities.

**5- Significate Accounting Policies**  
**(continued)**

**Treatment of Onerous Insurance Contracts**

The value of the losses for the portfolio assessed as "Onerous" is recognized at the initial recognition date, and the loss is recorded and re-evaluated during the coverage period of the cohort.

**The present value of future cash flows**

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

Future cash flows are recognized at present value, taking into account the following when making assumptions for estimating cash flows for insurance contract portfolios:

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

A bottom-up approach has been applied in determining discount rates for different products. The bottom-up approach is used to derive the discount rate for cash flows that do not change based on the returns on the underlying terms in the participating contracts (except for non-DPL investment contracts that are not within the scope of IFRS 17). Under this approach, the discount rate is defined as the risk-free return adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free return and the cash flows of the related liabilities (known as the illiquidity premium). The risk-free return is derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a credit rating of AAA are used. Management uses judgment to evaluate the liquidity characteristics of the cash flows of liabilities. Direct participation contracts and investment contracts with the DPL are less liquid than the financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated based on the market-observed illiquidity premium in the financial assets adjusted to reflect the illiquidity characteristics of the cash flows of the liabilities.

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

## **5- Significate Accounting Policies (continued)**

### **The present value of future cash flows (continued)**

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

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

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

#### **Risk-free yield curve:**

The risk-free yield curve will be derived based on the referece portfolio:

For this purpose, if more reference portfolio exists the price of bond rated (above AA) 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 the yield curves to account for "default" 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 later period.
- Uncertainty in asset and liability management for later periods.

### **Non-financial risk adjustments**

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

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

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

## **5- Significate Accounting Policies (continued)**

### **Reinsurance contracts held**

#### **Definition of reinsurance contracts held**

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

Proof of reinsurance contracts held:

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

#### **Compilation of reinsurance contracts:**

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

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

#### **Determine the portfolios of reinsurance contracts held**

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

The company has distributed the insurance contract portfolios as follows:

<b>Main Insurance Type</b>	<b>Portfolio</b>	<b>Sub-Insurance Type</b>	
<b>Engineering</b>	<b>Engineering</b>	Boiler Explosion	Contractors' Risks
		Contractor's Equipment and Machinery	Asset Breakdown
		Electronic Equipment	Installation Risks
		Machinery Breakdown	Profit Losses/Machinery Breakdown
<b>General Insurance</b>	<b>General Insurance</b>	Cach	Breach of Trust
		Theft	Personal Accidents
		Workers' Compensation	Glass Breakage
		Civil Liability	Professional Liability
<b>Motor</b>	<b>Motor (Portfolio A)</b>	Buses	Orange Card
		Border Centers	
		Tenders	
	<b>Motor (Portfolio B)</b>	Comprehensive	Supplementary
		Comprehensive Vehicles	
	<b>Motor (Portfolio C)</b>	Third-Party	Orange Card



## **5- Significate Accounting Policies (continued)**

### **Reinsurance contracts held (continued)**

#### **Definition of reinsurance contracts held (continued)**

<u>Main Insurance Type</u>	<u>Portfolio</u>	<u>Sub-Insurance Type</u>	
Life	Life (Portfolio A)	-Borrower's Insurance	-Group
	Life (Portfolio B)	-Individual	Decreasing Individual
Fire	Fire	- Fire	-Residential
		-All Risks	
Marine	Marine	-Marine Open Cover Direct	-Marine Cargo Direct
		- Vessel Hulls	
Medical	Medical	-Individual	-Group
Travel	Travel	-Travel	

#### **A- Proof of Cohort Level (Cohort)**

The company details the insurance contract portfolios according to the classifications mentioned above by the underwriting year on an annual basis.

#### **B- Insurance Contract Aggregation**

The company divides the portfolio of issued insurance contracts into at least the following groups:

- A group of contracts unlikely to be burdened with liabilities.
- A group burdened with liabilities.
- Another group.

## **2- Reinsurance contract commissions**

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

## **3- Reinsurance contract assets**

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

### **Profitability level**

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

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

## **1- Financial assets**

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

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

## **5- Significate Accounting Policies (continued)**

### **Profitability level (continued)**

#### **1- Financial assets (continued)**

##### **A- Financial assets at amortized cost**

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

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

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

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

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

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

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

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

## **5- Significate Accounting Policies (continued)**

### **Financial assets (continued)**

#### **Reclassification**

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

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

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

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

#### **Investment property**

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

#### **Property and equipment**

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

<b>Asset</b>	<b>Depreciation Rate (%)</b>
Furniture & fixtures	15%
Computers devices	25%
Transportation	10%
Equipment and tools	15%
Electricals	15%
Buildings	2%
Heating and cooling devices	15%
Fire alarm device	10%
Elevators	2%
Solar energy	5%

## **5- Significate Accounting Policies (continued)**

### **Property and equipment (continued)**

Depreciation of property and equipment is calculated when these assets are ready for use for their intended use. The full value of the depreciation expense for the year is shown from the item allocated for that purpose in the statement of profit or loss. When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the impairment value is recorded in the statement of profit or loss.

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

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

### **Intangible assets**

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

### **Cash and its equivalent**

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

### **Offsetting**

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

### **Date of recognition of financial assets**

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

## **5- Significate Accounting Policies (continued)**

### **Intangible assets (continued)**

#### **Fair value**

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

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

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

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

#### **Financial liabilities**

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

##### **1- Creditors and liabilities of reinsurance contracts**

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

##### **2- Credit banks**

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

##### **3- liabilities of insurance contract**

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

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

##### **4- End of service benefits provision**

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

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

## **5- Significate Accounting Policies (continued)**

### **Foreign currency**

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

### **Treasury stocks**

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

### **Costs of issuing or purchasing insurance Company shares**

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

### **Realize revenue**

#### **1- Dividend and interest revenue**

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

#### **2- Rental revenue**

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



## **5- Significate Accounting Policies (continued)**

### **Insurance contract expenses**

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

### **Acquisition costs**

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

The company estimates acquisition costs when preparing budgets based on the expected coverage periods of insurance contracts. Expenses are recorded in the profit and loss statement based on the extinguishment of those costs over the expired periods of the contracts.

### **Insurance contracts with expected loss**

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

### **Statutory Reserve**

The statutory reserve is formed in accordance with the provisions of the Jordanian Companies Law by deducting 10% of the annual net profit. The deduction stops when the accumulated reserve balance reaches 25% of the Company's authorized capital. However, it is permissible, with the approval of the Company's general assembly, to continue deducting this percentage until it reaches the balance of this reserve is equivalent to the amount of the Company's authorized capital. The amounts accumulated in this account represent the transferred annual profit before taxes at a rate of 10% during the year and previous years in accordance with the Companies Law, and it is not distributable to shareholders.

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**6- Deposits at Banks**

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

	<b>Deposits are due within one month</b>	<b>Deposits due for more than one month up to three months</b>	<b>Deposits due in more than three months</b>	<b>Total 2025</b>	<b>Total 2024</b>
<b><u>Inside Jordan</u></b>					
Arab Bank Corporation	-	-	6,352,028	6,352,028	4,635,938
Jordan Al- Ahli Bank	3,000,000	-	1,200,000	4,200,000	1,200,000
Commercial Bank	3,521,914	-	-	3,521,914	3,521,914
Bank of Jordan	3,105,049	-	-	3,105,049	3,454,076
Bank al Etihad	-	-	5,147,543	5,147,543	3,191,134
Jordan Capital Bank	1,120,913	-	-	1,120,913	2,432,196
Cairo Amman Bank	3,815,193	-	2,241,087	6,056,280	2,123,434
Arab Bank	-	-	-	-	1,350,997
<b>Total</b>	<b>14,563,069</b>	<b>-</b>	<b>14,940,658</b>	<b>29,503,727</b>	<b>21,909,689</b>
<b><u>Outside Jordan</u></b>					
Bank Societe Generale Lebanon	-	-	1,023,567	1,023,567	1,023,567
<b>Total</b>	<b>14,563,069</b>	<b>-</b>	<b>15,964,225</b>	<b>30,527,294</b>	<b>22,933,256</b>
Expected credit loss provision	-	-	(1,023,567)	(1,023,567)	(738,541)
<b>Total</b>	<b>14,563,069</b>	<b>-</b>	<b>14,940,658</b>	<b>29,503,727</b>	<b>22,194,715</b>

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

	<b>2025</b>	<b>2024</b>
Balance at the beginning of the year	738,541	738,541
Provision during the year	285,026	-
<b>Balance at the end of the year</b>	<b>1,023,567</b>	<b>738,541</b>

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

	<b>2025</b>	<b>2024</b>
<b><u>Inside Jordan</u></b>		
Shares listed	-	2,665,854
<b>Total</b>	<b>-</b>	<b>2,665,854</b>

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**8- Financial Assets at Amortized Cost**

	<b>2025</b>	<b>2024</b>
<b><u>Inside Jordan</u></b>		
Arab Corp loan bonds	<b>300,000</b>	300,000
Al Etihad Bank bonds	<b>340,800</b>	340,800
Less: expected credit losses provision	<b>(300,000)</b>	(300,000)
<b>Total</b>	<b>340,800</b>	340,800
<b><u>Outside Jordan</u></b>		
New York foreign treasury bonds -Dollar	<b>8,040,364</b>	7,896,944
Foreign government bonds	-	1,178,458
Arab Bank Bonds - External Trading	<b>1,420,000</b>	1,420,000
Capital Bank Bonds – External Trading	<b>923,462</b>	-
<b>Total</b>	<b>10,383,826</b>	10,495,402
<b>Total</b>	<b>10,724,626</b>	10,836,202

\* Bank al Etihad bonds mature on 03/10/2028, with an interest rate of (8.5%) per annum, and are paid in full on the maturity date. Note that these bonds are listed.

\* New York-dollar Treasury bonds mature on 13/01/ 2029, bearing interest at (7.5%) per annum, on 10/10/2047, bearing interest at (7.375%), and on 07/07/2030, bearing interest at (5.85%).

\* Arab Bank Bonds - External Trading are mature on 10/04/2029, with an interest rate of (8.0%) per annum, and are paid in full on the maturity date.

Capital Bank bonds – Overseas Trading – mature on [date] and bear interest (7.5%) per annum, payable in full at maturity.

The following is a summary of the movement in the provision for expected credit losses for the balance of financial assets at amortized cost:

	<b>2025</b>	<b>2024</b>
Balance at the beginning of the year	<b>300,000</b>	300,000
Additions	-	-
<b>Balance at the end of the year</b>	<b>300,000</b>	300,000

**9- Investment Properties**

	<b>2025</b>	<b>2024</b>
Buildings	<b>288,642</b>	288,642
Less: accumulated depreciation beginning	<b>(57,543)</b>	(51,770)
Less: depreciation for the year	<b>(5,780)</b>	(5,773)
Buildings, net	<b>225,319</b>	231,099
Land	<b>987,360</b>	987,360
	<b>1,212,679</b>	1,218,459

-Investment buildings are depreciated at 2 % annually and appears at net book value.

-The fair value of investment properties as of December 31, 2025, amounted to JD 3,779,498, based on the fair value estimate provided by accredited experts in real estate investment valuation.

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**10- Cash in Hand and at Banks**

	<u>2025</u>	<u>2024</u>
Cash in hand	177,244	104,996
Cash at banks	1,719,284	3,298,915
Allowance during the year	(17,320)	-
	<u>1,879,208</u>	<u>3,403,911</u>

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**11- (Liabilities)/ Assets Insurance Contracts (Premium Allocation Approach)**

	Liabilities for remaining coverage					Liabilities for Incurred Claims				2025	2024
	2025	2025	2024	2024	2025	2024	2025	2024			
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cashflow	Present value of cashflow	Risk adjustments-non financial	Risk adjustments-non financial	Total	Total	
Insurance contracts liabilities-beginning	(3,738,642)	(1,132,034)	(4,069,985)	(794,307)	(20,682,699)	(19,598,554)	(816,889)	(768,084)	(26,370,264)	(25,230,930)	
Insurance contracts assets-beginning	885,161	-	491,415	-	(395,866)	(375,508)	(79,404)	(77,633)	409,891	38,275	
Net insurance contracts liabilities/(Assets) – beginning	(2,853,481)	(1,132,034)	(3,578,569)	(794,307)	(21,078,565)	(19,974,062)	(896,293)	(845,716)	(25,960,373)	(25,192,655)	
Insurance contracts revenues	55,943,363	-	48,624,460	-	-	-	-	-	55,943,363	48,624,460	
Incurred Claims	-	-	-	-	41,682,454	33,827,922	222,617	-	41,905,071	33,827,922	
Acquisition cost	4,189,537	-	3,181,199	-	-	-	-	-	4,189,537	3,181,199	
Employees cost	-	-	-	-	2,721,441	2,541,450	-	50,577	2,721,441	2,592,027	
Administrative cost	-	-	-	-	-	-	-	-	-	-	
Changes related to previous service-Adjustments on LFIC	-	-	-	-	-	-	-	-	-	-	
Other expenses	-	-	-	-	-	-	-	-	-	-	
Losses resulting from contracts expected to be lost and the recovery of these losses	-	(724,406)	-	337,727	-	-	-	-	(724,406)	337,727	
Insurance contract expenses	4,189,537	(724,406)	3,181,199	337,727	44,403,895	36,369,372	222,617	50,577	48,091,643	39,938,875	
Insurance service results	51,753,826	724,406	45,443,261	(337,727)	(44,403,895)	(36,369,372)	(222,617)	(50,577)	7,851,720	8,685,585	
Finance costs - from insurance contracts	-	-	-	-	1,324,290	375,528	-	-	1,324,290	375,528	
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-	
Investment components	-	-	-	-	-	-	-	-	-	-	
Net change - other comprehensive income	51,753,826	724,406	45,443,261	(337,727)	(43,079,605)	(35,993,844)	(222,617)	(50,577)	9,176,010	9,061,113	
Cash received from written contracts	(58,227,270)	-	(47,896,303)	-	-	-	-	-	(58,227,270)	(47,896,303)	
Compensation incurred	-	-	-	-	37,756,461	34,889,341	-	-	37,756,461	34,889,341	
Paid from acquisition costs	1,434,262	-	1,149,752	-	-	-	-	-	1,434,262	1,149,752	
Other expenses	2,874,937	-	2,028,378	-	-	-	-	-	2,874,937	2,028,378	
Total cashflows	(53,918,070)	-	(44,718,173)	-	37,756,461	34,889,341	-	-	(16,161,609)	(9,828,832)	
Insurance contracts liabilities-Ending	(5,204,137)	(407,628)	(3,738,642)	(1,132,034)	(26,349,020)	(20,682,699)	(1,108,807)	(816,889)	(33,069,591)	(26,370,264)	
Insurance contracts assets-Ending	186,411	-	885,161	-	(52,689)	(395,866)	(10,103)	(79,404)	123,618	409,891	
Net insurance contracts liabilities/(Assets) – Ending	(5,017,726)	(407,628)	(2,853,481)	(1,132,034)	(26,401,709)	(21,078,565)	(1,118,910)	(896,293)	(32,945,973)	(25,960,373)	

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**12- Receivables Related to Insurance Operations \***

	<b>2025</b>	<b>2024</b>
Total value of receivables related to insurance operations	<b>18,944,753</b>	17,560,646
<u>Less: expected credit losses provision</u>	<b>(1,601,920)</b>	(1,421,409)
<b>Net value receivables Related to Insurance Operations</b>	<b>17,342,833</b>	16,139,237

\* The details of the receivables related to insurance operations, which were considered in the calculation of assets/liabilities, have been disclosed as included in Note 12.

**Analysis of accounts receivable according to their time period:**

	<b>2025</b>	<b>2024</b>
Payable during 0-30 days	<b>5,501,360</b>	4,865,841
Payable during 31-90 days	<b>4,198,485</b>	3,821,894
Payable during 91-180 days	<b>4,940,154</b>	4,660,954
Payable during 181-365 days	<b>2,312,413</b>	2,965,090
Payable during for more than one year	<b>1,992,341</b>	1,246,867
	<b>18,944,753</b>	17,560,646

**Checks under collection that are not related to insurance operations**

	<b>2025</b>	<b>2024</b>
The total value of checks under collection that are related to insurance operations	<b>2,335,520</b>	1,846,399
<u>Less: expected credit losses provision</u>	<b>(22,983)</b>	(22,983)
<b>Net value of checks under collection that are related to insurance operations</b>	<b>2,312,537</b>	1,823,416

\* The details of the Checks under collection related to insurance operations, which were considered in the calculation of assets/liabilities, have been disclosed as included in Note 12.

**Analysis of checks based on their aging period**

	<b>2025</b>	<b>2024</b>
Payable during 0-6 months	<b>2,039,763</b>	1,524,209
Payable during 6-12 months	<b>295,757</b>	322,190
Payable during for more than 12 months	<b>-</b>	-
	<b>2,335,520</b>	1,846,399



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**12- Receivables Related to Insurance Operations \*(continued)**  
**Receivables Related to Insurance Operations (By Type)**

	<b>2025</b>	<b>2024</b>
Receivables from insurance contract holders	<b>15,964,019</b>	15,106,574
Agents' receivables	<b>559,367</b>	568,256
Brokers' receivables	<b>2,220,702</b>	1,757,076
Employees' receivables	<b>118,954</b>	100,015
Other receivables	<b>81,711</b>	28,725
<b>Total accounts receivable</b>	<b>18,944,753</b>	17,560,646
Less: expected credit losses provision	<b>(1,601,920)</b>	(1,420,409)
<b>Net value receivables Related to Insurance Operations</b>	<b>17,342,833</b>	16,139,237

**Payables Related to Insurance Operations**

	<b>2025</b>	<b>2024</b>
Medical entities' receivables	<b>1,522,697</b>	1,972,766
Brokers' receivables	<b>314,961</b>	305,276
Agents' receivables	<b>49,506</b>	71,495
Policyholders' receivables	<b>173,583</b>	317,955
Garages and parts receivables	<b>435,718</b>	400,084
Employees' receivables	<b>61,930</b>	56,002
Other receivables	<b>225,341</b>	197,394
<b>Total</b>	<b>2,783,736</b>	3,320,972

\* The details of the Payables related to insurance operations, which were considered in the calculation of assets/liabilities, have been disclosed as included in Note 12.

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**13- (Liabilities)/ Assets Reinsurance Contracts Held:**

**(Liabilities)/ Assets Reinsurance Contracts Held: Premium Allocation Approach**

	Liabilities for remaining coverage				Liabilities for Incurred Claims				2025	2024
	2025	2025	2024	2024	2025	2024	2025	2024		
	Excluding loss recovery component	Loss recovery component	Excluding loss recovery component	Loss recovery component	Present value of cashflow- non financial	Present value of cashflow- non financial	Risk adjustments- non financial	Risk adjustments- non financial	Total	Total
Reinsurance contracts liabilities-beginning	1,515,990	-	1,110,762	-	(296,941)	(3,482)	(35,986)	(724)	1,183,062	1,106,556
Reinsurance contracts assets-beginning	(479,302)	-	(587,611)	-	(2,399,920)	(2,219,162)	(173,267)	(166,575)	(3,052,489)	(2,973,347)
<b>Net reinsurance contracts liabilities/(Assets) – beginning</b>	<b>1,036,687</b>	<b>-</b>	<b>523,151</b>	<b>-</b>	<b>(2,696,862)</b>	<b>(2,222,644)</b>	<b>(209,253)</b>	<b>(167,299)</b>	<b>(1,869,427)</b>	<b>(1,866,792)</b>
Reinsurance payments	(11,614,944)	-	(10,995,532)	-	-	-	-	-	(11,614,944)	(10,995,532)
Reinsurance recoveries	-	-	-	-	2,295,371	3,115,225	-	-	2,295,371	3,115,225
Commissions received	717,980	-	807,008	-	-	-	-	-	717,980	807,008
Administrative cost	-	-	-	-	-	-	(6,390)	41,954	(6,390)	41,954
<b>Reinsurance contracts revenues</b>	<b>717,980</b>	<b>-</b>	<b>807,008</b>	<b>-</b>	<b>2,295,371</b>	<b>3,115,225</b>	<b>(6,390)</b>	<b>41,954</b>	<b>3,006,960</b>	<b>3,964,187</b>
<b>Reinsurance service contracts results</b>	<b>10,896,965</b>	<b>-</b>	<b>10,188,524</b>	<b>-</b>	<b>(2,295,371)</b>	<b>(3,115,225)</b>	<b>(6,390)</b>	<b>(41,954)</b>	<b>8,607,984</b>	<b>7,031,345</b>
Finance cost - from reinsurance contracts	-	-	-	-	(121,551)	17,710	-	-	(121,551)	17,710
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
<b>Net change - other comprehensive income</b>	<b>10,896,965</b>	<b>-</b>	<b>10,188,524</b>	<b>-</b>	<b>(2,416,922)</b>	<b>(3,132,935)</b>	<b>6,390</b>	<b>(41,954)</b>	<b>8,486,433</b>	<b>7,013,635</b>
Cash received from written contracts paid to reinsurers	(12,147,255)	-	(10,475,449)	-	-	-	-	-	(12,147,255)	(10,475,449)
Incurred claims recovered from reinsurers	-	-	-	-	1,673,122	2,658,717	-	-	1,673,122	2,658,717
Other recovered amounts	-	-	-	-	-	-	-	-	-	-
Recovered profit commission from reinsurers	600,099	-	800,461	-	-	-	-	-	600,099	800,461
<b>Total cashflows</b>	<b>(11,547,156)</b>	<b>-</b>	<b>(9,674,988)</b>	<b>-</b>	<b>1,673,122</b>	<b>2,658,717</b>	<b>-</b>	<b>-</b>	<b>(9,874,033)</b>	<b>(7,016,271)</b>
<b>Reinsurance contracts liabilities-Ending</b>	<b>2,097,518</b>	<b>-</b>	<b>1,515,990</b>	<b>-</b>	<b>(622,298)</b>	<b>(296,941)</b>	<b>(34,067)</b>	<b>(35,986)</b>	<b>1,441,154</b>	<b>1,183,062</b>
<b>Reinsurance contracts assets-Ending</b>	<b>(1,711,022)</b>	<b>-</b>	<b>(479,302)</b>	<b>-</b>	<b>(2,818,363)</b>	<b>(2,399,920)</b>	<b>(181,534)</b>	<b>(173,267)</b>	<b>(4,710,920)</b>	<b>(3,052,489)</b>
<b>Net reinsurance contracts liabilities/(Assets) - Ending</b>	<b>386,496</b>	<b>-</b>	<b>1,036,687</b>	<b>-</b>	<b>(3,440,661)</b>	<b>(2,696,862)</b>	<b>(215,601)</b>	<b>(209,253)</b>	<b>(3,269,766)</b>	<b>(1,869,427)</b>

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**14- Accounts Receivable\* (Reinsurance Contracts Held)**

	<b>2025</b>	<b>2024</b>
Assets reinsurance contracts held (Local)	<b>1,634,771</b>	973,506
Assets reinsurance contracts held (External)	<b>464,908</b>	356,499
<b>Total accounts receivable value related to insurance operations</b>	<b>2,099,679</b>	1,330,005
Less: Expected credit losses provision	<b>(666,741)</b>	(568,875)
<b>Net accounts receivable value related to insurance operations</b>	<b>1,432,938</b>	761,130

Analysis of accounts receivable according to their time period:

	<b>2025</b>	<b>2024</b>
Payable during 0-30 days	<b>914,004</b>	330,669
Payable during 31-90 days	<b>47,849</b>	134,782
Payable during 91-180 days	<b>384,575</b>	226,223
Payable during 181-365 days	<b>157,561</b>	128,071
Payable during for more than one year	<b>595,690</b>	510,260
	<b>2,099,679</b>	1,330,005

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

	<b>2025</b>	<b>2024</b>
Liabilities reinsurance contracts held (Local)	<b>94,235</b>	564,452
Liabilities reinsurance contracts held (External)	<b>3,560,150</b>	3,663,378
<b>Total accounts payable value related to insurance operations</b>	<b>3,654,385</b>	4,227,830

**16- Income Tax**

A- Provision for Income Tax:

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

	<b>2025</b>	<b>2024</b>
Balance at beginning of the year	<b>701,747</b>	440,086
Income tax paid	<b>(872,344)</b>	(662,316)
Income tax expense for the year	<b>479,484</b>	923,977
Bank interest tax	-	-
National contribution fees	-	-
<b>Balance at the end of the year</b>	<b>308,887</b>	701,747

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**16- Income Tax) continued)**

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

	<b>2025</b>	<b>2024</b>
Accrued income tax for profit of the year	<b>581,445</b>	923,977
Deferred tax assets/ liabilities amortization	<b>123,039</b>	(189,662)
<b>Balance at the end of the year</b>	<b>704,484</b>	734,315

- A final settlement was reached with the Income Tax Department for the year 2020.
- The self-assessment statement for the years 2021, 2022 and 2023,2024 was submitted to the Income and Sales Tax Department within the specified period and is still under review.
- The income tax provision for 2025 was calculated by the company's tax advisor.

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

	<b>2025</b>	<b>2024</b>
Accounting profit	<b>2,856,222</b>	3,111,873
Non-taxable profits	<b>(4,243,668)</b>	(3,859,397)
Expenses that are not tax acceptable	<b>3,511,037</b>	4,199,666
Tax profit	<b>2,123,592</b>	3,452,142
<b>Actual income tax rate</b>	<b>33%</b>	%21
<b>Statutory income tax rate</b>	<b>24%</b>	%24

**D- Deferred Tax Assets/ Liabilities**

	<b>2025</b>				<b>2024</b>	
	<b>Beginning Balance</b>	<b>Reversal</b>	<b>Additions</b>	<b>Ending Balance</b>	<b>Deferred Tax</b>	<b>Deferred Tax</b>
<b><u>Deferred tax assets:</u></b>						
Expected credit loss provision	<b>1,992,144</b>	-	<b>309,200</b>	<b>2,301,344</b>	<b>598,348</b>	517,957
Provision for end of service benefits	<b>10,694</b>	<b>4,317</b>	<b>6,552</b>	<b>12,929</b>	<b>3,362</b>	2,780
Losses on financial assets at fair value through the income statement	<b>404,998</b>	<b>404,998</b>	-	-	-	105,300
Allowance for impairment of financial assets at amortized cost	<b>300,000</b>	-	-	<b>300,000</b>	<b>78,000</b>	78,000
Provision for unreported outstanding	<b>2,768,267</b>	<b>72,031</b>	-	<b>2,696,236</b>	<b>701,021</b>	719,750
Provision for other liabilities	<b>14,530</b>	-	-	<b>14,530</b>	<b>3,778</b>	3,778
Allowance premium	<b>613,536</b>	<b>609,979</b>	-	<b>3,557</b>	<b>925</b>	159,519
Applying IFRS (9) on bank deposits and cheques under collection	<b>761,524</b>	-	<b>302,346</b>	<b>1,063,870</b>	<b>276,605</b>	197,994
	<b>6,865,693</b>	<b>1,091,325</b>	<b>618,098</b>	<b>6,392,466</b>	<b>1,662,039</b>	1,785,078

**16- Income Tax) continued)**

**D- Differed Tax Assets/Liabilities (continued)**

Movement on deferred tax assets and liabilities is as follows:

	<b>Assets</b>		<b>Liabilities</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Balance at the beginning of the year	<b>1,785,078</b>	1,595,416	-	-
Additions	<b>160,705</b>	201,848	-	-
Disposals	<b>(283,744)</b>	(12,186)	-	-
<b>Balance at the end of the year</b>	<b>1,662,039</b>	1,785,078	-	-

The tax is calculated at a rate of 26% on the items of deferred tax assets and liabilities located within Jordan, while a tax rate of 10% is applied to the items of deferred tax assets and liabilities located outside Jordan. According to the company management's opinion, it is expected that these will be realized in the future.

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**17- Property and Equipment**

December 31, 2025	<u>Land</u>	<u>Buildings</u>	<u>Building improvements and decorations</u>	<u>Cars</u>	<u>Equipment, appliances, and furniture</u>	<u>Total</u>
<b>Cost</b>						
Balance at the beginning of the year	1,385,800	1,525,142	453,372	475,638	435,554	4,275,506
Additions	-	-	650	85,500	39,521	125,671
Disposals	-	-	-	(111,000)	(1,762)	(112,762)
Balance at the end of the year	<u>1,385,800</u>	<u>1,525,142</u>	<u>454,022</u>	<u>450,138</u>	<u>473,313</u>	<u>4,288,415</u>
<b>Less:</b>						
<b>Accumulated depreciation</b>						
Accumulated consumption at the beginning of the year	-	428,797	444,384	293,675	341,950	1,508,806
Charge for the year	-	33,214	2,772	54,359	27,002	117,348
Disposals	-	-	-	(111,000)	-	(111,000)
Accumulated depreciation at the end of the year	-	<u>462,011</u>	<u>447,157</u>	<u>237,034</u>	<u>368,952</u>	<u>1,515,154</u>
Property and equipment at year end	<u>1,385,800</u>	<u>1,063,131</u>	<u>6,865</u>	<u>213,104</u>	<u>104,361</u>	<u>2,773,261</u>
<b>December 31, 2024</b>						
<b>Cost</b>						
Balance at the beginning of the year	1,385,800	1,525,142	449,377	435,066	384,745	4,180,130
Additions	-	-	3,995	40,572	51,799	96,365
Disposals	-	-	-	-	(990)	(990)
Balance at the end of the year	<u>1,385,800</u>	<u>1,525,142</u>	<u>453,372</u>	<u>475,638</u>	<u>435,554</u>	<u>4,275,506</u>
<b>Less:</b>						
<b>Accumulated depreciation</b>						
Accumulated consumption at the beginning of the year	-	395,674	441,109	247,373	321,009	1,405,165
Charge for the year	-	33,123	3,275	46,302	20,943	103,643
Disposals	-	-	-	-	(2)	(2)
Accumulated depreciation at the end of the year	-	<u>428,797</u>	<u>444,384</u>	<u>293,675</u>	<u>341,950</u>	<u>1,508,806</u>
Property and equipment at year end	<u>1,385,800</u>	<u>1,096,345</u>	<u>8,988</u>	<u>181,963</u>	<u>93,604</u>	<u>2,766,700</u>

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**18- Intangible Assets**

	<b>2025</b>	<b>2024</b>
<b><u>Cost</u></b>	<b>Computer systems and software</b>	<b>Computer systems and software</b>
Balance at the beginning of the year	275,890	212,810
Additions	20,000	63,080
Balance at the end of the year	295,890	275,890
<b><u>Accumulated amortization</u></b>		
Balance at the beginning of the year	(195,762)	(180,594)
Additions	(24,466)	(15,168)
<b>Balance at the end of the year</b>	(220,228)	(195,762)
<b>Net</b>	75,662	80,128

**19- Other Assets**

**A- Other Assets**

	<b>2025</b>	<b>2024</b>
Bank interest receivable	685,141	717,325
Prepaid income tax	22,213	22,213
Prepaid expenses	52,071	45,558
Insurance recoveries	7,681	7,596
Employees' deposits	17,552	23,504
Receivables outside insurance business	6852,94	89,378
Arab Fund for War Risks Insurance Trusts	394,866	381,252
<b>Total</b>	2,032,470	1,286,826

**Analysis of accounts Payables according to their time period:**

	<b>2025</b>	<b>2024</b>
Due date exceeded 0-30 days	345,410	84,592
Due date exceeded 30-60 days	-	-
Due date exceeded 60-90 days	-	10
Due date exceeded 90 days	507,536	4,776
<b>Total</b>	852,946	89,378

**B- Receivables not related to insurance operations**

	<b>2025</b>	<b>2024</b>
Receivables from insurance contract holders	-	-
Agents' receivables	-	-
Brokers' receivables	-	-
Employee receivables	-	-
Other receivables	885,628	91,238
Total accounts receivable	885,628	91,238
* Less: Expected credit losses provision	(32,682)	(1,860)
	852,946	89,378

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**19- Other Assets (continued)**

**B- Receivables not related to insurance operations (continued)**

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

	<b>2025</b>	<b>2024</b>
Balance at the beginning of the year	<b>1,860</b>	15,400
Addition	<b>30,822</b>	-
Disposal	-	(13,540)
<b>Balance at the end of the year</b>	<b>32,862</b>	1,860

**20- Credit Banks**

	<b>2025</b>	<b>2024</b>
Inside Jordan	-	<b>3,615,352</b>
Outside Jordan	-	-
<b>Total</b>	-	<b>3,615,352</b>

The following are the details of payables to banks:

<b>Type of facilities</b>	<b>Interest rate %</b>	<b>Credit facility limit</b>	<b>2025</b>	<b>2024</b>
Al- Ahli Bank Jordan	4.2%	1,200,000	-	<b>2,706,747</b>
Jordan Bank	6.9%	1,000,000	-	<b>908,605</b>
<b>Total</b>			-	<b>3,615,352</b>

**21- Other Provisions**

	<b>2025</b>	<b>2024</b>
Provision for end of service benefits	<b>12,929</b>	10,694
Provision lawsuits	<b>14,530</b>	14,530
Provision bonuses	<b>125,000</b>	125,000
<b>Total</b>	<b>152,459</b>	150,224

The following table shows the movement in the other provisions:

	<b>Beginning balance</b>	<b>Additions during the year</b>	<b>Used during the year</b>	<b>Returned revenues</b>	<b>Ending balance</b>
Provision for end of service benefits	<b>10,694</b>	<b>6,552</b>	<b>4,317</b>	-	<b>12,929</b>
Provision lawsuits	<b>14,530</b>	-	-	-	<b>14,530</b>
Provision bonuses	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	-	<b>125,000</b>
	<b>150,224</b>	<b>131,552</b>	<b>129,317</b>	-	<b>152,459</b>



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**22- Other Liabilities**

	<b>2025</b>	<b>2024</b>
Sales tax deposits	<b>192,270</b>	160,793
National contribution	<b>33,464</b>	76,032
Income tax deposits	<b>26,525</b>	30,561
Social security deposits	<b>37,865</b>	35,330
Road accident victims fund deposits	<b>47,746</b>	29,761
Stamp duty deposits	<b>19,902</b>	19,874
Insurance Fund Trusts for Insureds and Beneficiaries – Medical	<b>108,835</b>	22,144
Shareholders' deposits	<b>6,989</b>	9,515
Prepaid rent revenue	-	1,635
Others	<b>171,583</b>	216,295
<b>Total</b>	<b>645,179</b>	<b>601,940</b>

**Accounts Payable\***

	<b>2025</b>	<b>2024</b>
	<b>1,522,697</b>	1,972,767
Brokers' receivables	<b>2314,96</b>	305,277
Agents' receivables	<b>49,506</b>	71,495
Policyholders' receivables	<b>173,583</b>	317,956
Garages and parts receivables	<b>435,719</b>	400,084
Employees' receivables	<b>161,93</b>	56,003
Other receivables	<b>225,341</b>	197,395
<b>Total</b>	<b>2,783,739</b>	<b>3,320,977</b>

\*The payables not related to insurance operations are disclosed (if their value exceeds 10% of total payables, their nature is explained).

**23- Authorized and paid-up share capital**

The Authorized (paid-up) share capital at the end of the period amounted to 12,779,008 JD, divided into 12,779,008 shares, with a nominal value of one dinar per share, (2024,10,054,312 shares with a nominal value of one dinar per share).

**24- Statutory Reserve**

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

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**25- Retained earning**

	<b>2025</b>	<b>2024</b>
Balance at the beginning of the year	<b>4,509,774</b>	2,403,268
Adjustments of Previous years	-	373,112
Adjusted balance	<b>4,509,774</b>	2,776,380
Net profit for the year	<b>2,003,276</b>	3,058,277
Transferred to statutory reserve	<b>(270,776)</b>	(286,247)
Dividends (bonus shares)	<b>(2,724,696)</b>	(1,038,636)
<b>Balance at the end of the year</b>	<b>3,517,578</b>	4,509,774

**26- Related Parties Transactions**

During the year, the company conducted transactions with the above-mentioned related parties within the company's normal activities using insurance rates and normal commissions. All receivables required from related parties are considered working, and no provisions were taken.

	<b>2025</b>	<b>2024</b>
	<b>Members of the</b>	
<b>Major</b>	<b>Board of</b>	
<b>shareholders</b>	<b>Directors</b>	
	<b>Total</b>	<b>Total</b>

**Items of financial position statement**

Insurance contract assets	-	<b>9,306</b>	<b>9,306</b>	<b>563</b>
Insurance contract liabilities	-	<b>161,242</b>	<b>161,242</b>	<b>100,170</b>

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

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

	<b>2025</b>	<b>2024</b>
	<b>Members of</b>	
	<b>the Board of</b>	
<b>Major</b>	<b>Directors</b>	
<b>shareholders</b>	<b>Total</b>	<b>Total</b>

**Items of profit or loss statement**

Insurance revenue	-	-	-	-
Travel and transportation expenses	-	-	-	-
Board	-	<b>49,844</b>	<b>49,844</b>	54,000
Bonuses and consulting fees	-	<b>124,000</b>	<b>124,000</b>	96,000
Consulting fees				-

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

	<b>2025</b>	<b>2024</b>
Salaries and bonuses	<b>766,571</b>	772,200
<b>Total</b>	<b>766,571</b>	772,200

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**27- Insurance Contracts Revenue**

<b>2025</b>	<b>Motor</b>	<b>General liabilities</b>	<b>Marine</b>	<b>Credit</b>	<b>Life</b>	<b>Engineering</b>	<b>Fire</b>	<b>Medical insurance</b>	<b>Other</b>	<b>Total</b>
Change in insurance contract liabilities agents remaining coverage	25,755,161	607,310	1,098,205	211,856	3,120,891	119,302	3,496,421	19,022,317	182,058	53,613,522
Expected incurred claims	-	-	-	-	-	-	-	-	-	-
Expected incurred expenses	-	-	-	-	-	-	-	-	-	-
Change in adjustments for non-financial risks.	-	-	-	-	-	-	-	-	-	-
Contractual service margin (CSM)	-	-	-	-	-	-	-	-	-	-
Cash flow recovery from acquisition	-	-	-	-	-	-	-	-	-	-
Insurance contract issuance fees	457,170	12,718	8,551	4,608	58,328	3,276	40,199	730,676	9,042	1,324,568
Allocation of a portion of the premiums related to cash flow recovery for insurance acquisition.	-	-	-	-	-	-	-	-	-	-
Other income	829,026	-	159,175	8,795	230	1,787	4,369	-	1,891	1,005,273
<b>Total insurance contract revenue</b>	<b>27,041,357</b>	<b>620,028</b>	<b>1,265,931</b>	<b>225,259</b>	<b>3,179,449</b>	<b>124,365</b>	<b>3,540,989</b>	<b>19,752,993</b>	<b>192,991</b>	<b>55,943,363</b>
<b>2024</b>	<b>Motor</b>	<b>General liabilities</b>	<b>Marine</b>	<b>Credit</b>	<b>Life</b>	<b>Engineering</b>	<b>Fire</b>	<b>Medical insurance</b>	<b>Other</b>	<b>Total</b>
Change in insurance contract liabilities agents remaining coverage	21,825,285	807,847	1,041,839	218,507	3,044,710	63,646	4,139,730	14,950,746	194,859	16,946,287
Expected incurred claims	-	-	-	-	-	-	-	-	-	-
Expected incurred expenses	-	-	-	-	-	-	-	-	-	-
Change in adjustments for non-financial risks.	-	-	-	-	-	-	-	-	-	-
Contractual service margin (CSM)	-	-	-	-	-	-	-	-	-	-
Cash flow recovery from acquisition	-	-	-	-	-	-	-	-	-	-
Insurance contract issuance fees	425,523	15,226	11,253	5,035	35,071	3,837	49,630	666,899	9,531	1,222,006
Allocation of a portion of the premiums related to cash flow recovery for insurance acquisition.	-	-	-	-	-	-	-	-	-	-
Other income	728,516	-	90,412	13,069	5	-	-	283,283	-	1,115,285
<b>Total insurance contract revenue</b>	<b>22,979,324</b>	<b>823,074</b>	<b>1,143,504</b>	<b>236,611</b>	<b>3,079,786</b>	<b>67,483</b>	<b>3604,189</b>	<b>15,900,928</b>	<b>204,390</b>	<b>48,624,460</b>

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**28- Insurance Contracts Expenses**

**2025**

	Motor	General liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Insurance claims incurred	(21,214,879)	23,322	(505,328)	(10,806)	(1,938,637)	7,907	(336,850)	(17,646,059)	(61,123)	(41,682,454)
Amortization of acquisition	117,699	248	1,073	-	(5,581)	2,373	(856)	2,885	1,820	119,662
Employee 's expenses	(880,623)	(5,658)	(46,098)	(2,413)	(674,586)	(4,511)	(109,733)	(969,951)	(27,867)	(2,721,441)
Administrative expenses										
Expected loss on Contracts	(304,029)	-	-	-	-	-	-	(103,599)	-	(407,628)
Recovery from expected loss on contracts	891,855	-	-	-	-	-	-	240,179	-	1,132,034
Non-financial risk adjustments	(575,408)	(7,165)	(88,200)	(1,947)	(36,162)	(2,831)	(110,548)	(285,090)	(11,558)	(1,118,910)
Supplementary non-financial risk adjustments	524,010	13,292	99,064	895	51,932	5,777	72,478	122,814	6,031	896,293
Recoveries from undistributed expenses										
Transferred from acquisition costs / acquisition cost (According to the company's recognition method)	(2,126,904)	(48,833)	(187,885)	(46,885)	(733,464)	(15,347)	(281,913)	(815,776)	(52,192)	(4,309,199)
<b>Total insurance contracts expenses</b>	<b>(23,568,278)</b>	<b>(24,794)</b>	<b>(727,373)</b>	<b>(61,157)</b>	<b>(3,336,499)</b>	<b>(6,633)</b>	<b>(767,421)</b>	<b>(19,454,598)</b>	<b>(144,889)</b>	<b>(48,091,643)</b>

**2024**

	Motor	General liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Insurance claims incurred	(17,128,130)	(68,096)	(472,152)	(4,583)	(2,287,236)	327	(318,180)	(13,509,464)	(40,408)	(33,827,922)
Amortization of acquisition	(11,654)	161	1,877	-	4,481	(1,398)	2,229	2,894	(1,659)	(3,069)
Employee 's expenses	(944,710)	(17,679)	(51,781)	(1,038)	(204,265)	(3,965)	(132,314)	(1,170,839)	(14,859)	(2,541,450)
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Expected loss on Contracts	(891,855)	-	-	-	-	-	-	(240,179)	-	(1,132,034)
Recovery from expected loss on contracts	600,531	-	-	-	-	-	-	193,776	-	794,307
Non-financial risk adjustments	(524,010)	(13,292)	(99,064)	(895)	(51,932)	(5,777)	(72,478)	(122,814)	(6,031)	(896,293)
Supplementary non-financial risk adjustments	520,018	5,373	54,248	-	40,298	5,892	77,633	137,003	5,251	845,716
Recoveries from undistributed expenses	-	-	-	-	-	-	-	-	-	-
Transferred from acquisition costs / acquisition cost (According to the company's recognition method)	(1,714,963)	(46,951)	(185,681)	(54,879)	(206,547)	(10,158)	(300,160)	(626,749)	(32,042)	(3,178,130)
<b>Total insurance contracts expenses</b>	<b>(20,094,773)</b>	<b>(140,484)</b>	<b>(752,553)</b>	<b>(61,395)</b>	<b>(2,705,201)</b>	<b>(15,079)</b>	<b>(743,270)</b>	<b>(15,336,370)</b>	<b>(89,748)</b>	<b>(39,938,875)</b>

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**29- Reinsurance Contracts Revenue**

**2025**

	Motor	General liabilities	Marine	Credit	Life	Engineering	Fire	Medical	Other insurance	Total
Reinsurance claims incurred	(2,732)	1,401	397,242	8,975	1,602,021	(9,283)	284,172	226,746	42,670	2,551,211
Amortization of acquisition	3,059	12,807	263,380	45,927	65	22,448	170,589	56,865	24,958	600,099
Reinsurers' share of risk adjustments - non-financial	(7,217)	(87)	(6,493)	743	(14,049)	(3,151)	30,855	1,678	4,069	6,348
Excess of loss premiums	-	-	-	-	-	-	-	-	-	-
Transferred from reinsurers' share of acquisition costs/acquisition costs	(479)	3,442	(10,443)	10,006	128	1,435	115,155	303	(1,666)	117,881
<b>Total reinsurance contracts revenue</b>	<b>(7,370)</b>	<b>17,564</b>	<b>643,685</b>	<b>65,651</b>	<b>1,588,165</b>	<b>11,448</b>	<b>600,771</b>	<b>285,592</b>	<b>70,032</b>	<b>3,275,538</b>

**2024**

	Motor	General liabilities	Marine	Credit	Life	Engineering	Fire	Medical	Other insurance	Total
Reinsurance claims incurred	132,061	30,066	358,113	3,441	1,994,299	8,498	316,142	245,853	27,657	3,116,130
Amortization of acquisition	1,500	24,473	231,334	54,910	104	25,887	383,900	54,992	23,362	800,462
Reinsurers' share of risk adjustments - non-financial	(2,563)	2,459	33,211	664	10,255	1,471	(4,757)	-	308	41,048
Excess of loss premiums	-	-	-	-	-	-	-	-	-	-
Transferred from reinsurers' share of acquisition costs/acquisition costs	(932)	12,691	(11,990)	4,344	102	(10,091)	11,386	1,120	(82)	6,548
<b>Total reinsurance contracts revenue</b>	<b>130,066</b>	<b>69,689</b>	<b>610,668</b>	<b>63,359</b>	<b>2,004,760</b>	<b>25,765</b>	<b>706,671</b>	<b>301,965</b>	<b>51,245</b>	<b>3,964,188</b>

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**30- Reinsurance Contracts Expenses**

<u>2025</u>	<u>Motor</u>	<u>General liabilities</u>	<u>Marine</u>	<u>Credit</u>	<u>Life</u>	<u>Engineering</u>	<u>Fire</u>	<u>Medical</u>	<u>Other insurance</u>	<u>Total</u>
Reinsurance contract premiums	-	-	-	-	-	-	-	-	-	-
Change in reinsurance contract liabilities against remaining coverage	(3,740,018)	(428,865)	(991,367)	(204,268)	(2,063,923)	(107,533)	(3,041,646)	(944,557)	(92,768)	(11,614,944)
Expected incurred claims	-	-	-	-	-	-	-	-	-	-
Expenses incurred claims	-	-	-	-	-	-	-	-	-	-
Insurance contract issuance fees	-	-	-	-	-	-	-	-	-	-
<b>Total reinsurance contracts expenses</b>	<b>(3,740,018)</b>	<b>(428,865)</b>	<b>(991,367)</b>	<b>(204,268)</b>	<b>(2,063,923)</b>	<b>(107,533)</b>	<b>(3,041,646)</b>	<b>(944,557)</b>	<b>(92,768)</b>	<b>(11,614,944)</b>

  

<u>2024</u>	<u>Motor</u>	<u>General liabilities</u>	<u>Marine</u>	<u>Credit</u>	<u>Life</u>	<u>Engineering</u>	<u>Fire</u>	<u>Medical</u>	<u>Other insurance</u>	<u>Total</u>
Reinsurance contract premiums	-	-	-	-	-	-	-	-	-	-
Change in reinsurance contract liabilities against remaining coverage	(2,604,752)	(641,241)	(846,857)	(213,579)	(1,986,625)	(76,376)	(3,634,370)	(889,367)	(102,365)	(10,995,532)
Expected incurred claims	-	-	-	-	-	-	-	-	-	-
Expenses incurred claims	-	-	-	-	-	-	-	-	-	-
Insurance contract issuance fees	-	-	-	-	-	-	-	-	-	-
<b>Total reinsurance contracts expenses</b>	<b>(2,604,752)</b>	<b>(641,241)</b>	<b>(846,857)</b>	<b>(213,579)</b>	<b>(1,986,625)</b>	<b>(76,376)</b>	<b>(3,634,370)</b>	<b>(889,367)</b>	<b>(102,365)</b>	<b>(10,995,532)</b>

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**31- Financing Revenues/ (Expenses) – Insurance Contracts**

	<b>2025</b>	<b>2024</b>
Financing revenues/ (expenses) – Insurance contracts	<u>1,324,290</u>	<u>375,258</u>
	<u>1,324,290</u>	<u>375,258</u>

**32- Financing Revenues/(Expenses) – Reinsurance Contracts**

	<b>2025</b>	<b>2024</b>
Financing revenues/(expenses) – Reinsurance contracts	<u>(134,289)</u>	<u>17,710</u>
	<u>(134,289)</u>	<u>17,710</u>

**33- Interest Income**

	<b>2025</b>	<b>2024</b>
Bank Interest	<u>1,319,652</u>	<u>1,383,843</u>
Interest on investments in financial assets at amortized cost	<u>742,200</u>	<u>643,216</u>
	<u>2,061,852</u>	<u>2,027,059</u>

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

	<b>2025</b>	<b>2024</b>
Cash dividend returns (through profit or loss statement)	<u>170,193</u>	<u>102,782</u>
Rental income	<u>61,635</u>	<u>67,930</u>
Profits from the sale of financial assets through the profit and loss statement	<u>551,627</u>	<u>30,730</u>
Other income	<u>28,698</u>	<u>-</u>
Profits from the sale of property and equipment	<u>-</u>	<u>-</u>
Investment expenses	<u>(9,086)</u>	<u>(7,085)</u>
Net change in the fair value of financial assets through profit or loss statement	<u>-</u>	<u>(72,718)</u>
	<u>803,067</u>	<u>121,639</u>

**35- Other Income**

	<b>2025</b>	<b>2024</b>
Others	<u>18,004</u>	<u>5,531</u>
	<u>18,004</u>	<u>5,531</u>

**36- Other Expenses**

	<b>2025</b>	<b>2024</b>
Allowance for Impairment of Receivables	<u>611,546</u>	<u>134,594</u>
Unallocated Expenses	<u>265,932</u>	<u>274,522</u>
	<u>877,478</u>	<u>409,116</u>

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**37- Employee Expenses**

	<b>2025</b>	<b>2024</b>
Salaries and bonuses	2,620,259	2,167,592
The company's share of social security	307,620	248,362
Training and development expenses	4,000	2,750
Other	76,513	45,413
	<b>3,008,392</b>	<b>2,464,117</b>

**38- Administrative Expenses**

	<b>2025</b>	<b>2024</b>
Rent	25,505	19,076
Stationery and Printing	53,616	43,368
Advertising	38,599	36,379
Debit bank interest	27,770	59,004
Electricity and water expenses	47,732	20,343
Computer supplies and photocopiers	78,554	56,537
Postage and telegraph expenses	37,045	42,543
Auditing fees	22,000	22,000
Hospitality	33,344	35,833
Miscellaneous	264,981	176,500
Subscriptions	24,035	28,973
Board of Directors transfers	49,844	54,000
Government fees	84,825	51,438
Cleanliness	66,741	57,759
Maintenance	85,064	67,420
Company car expenses	47,419	56,906
Professional consulting fees	119,975	156,135
Non- deductible sales tax	34,792	22,493
Security and protection expenses	58,920	47,388
Bank charges and stamps	8,809	11,485
Total	<b>1,209,570</b>	<b>1,065,580</b>



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**39- Other Expenses**

	2025					2024				
	Acquisition expenses	Attributable expenses For contracts (direct)	Attributable expenses For contracts (indirect)	Non- attributed expense to contracts	Total	Acquisition expenses	Attributable expenses For contracts (direct)	Attributable expenses For contracts (indirect)	Non- attributed expense to contracts	Total
Board of directors' remuneration	-	-	-	42,000	42,000	-	-	-	27,000	27,000
Depreciation and amortization	-	-	-	141,815	141,815	-	-	-	118,938	118,938
Investment properties depreciation	-	-	-	5,780	5,780	-	-	-	5,645	5,645
Expected credit loss provision- Accounts receivable	-	-	211,333	-	211,333	-	-	104,930	-	104,930
Expected credit loss provision- Receivables from reinsurance	-	-	97,867	-	97,867	-	-	29,664	-	29,664
Expected credit loss provision- Cheques under collection	-	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	57,193	57,193	-	-	-	88,644	88,644
<b>Total</b>	<b>-</b>	<b>-</b>	<b>309,200</b>	<b>246,788</b>	<b>555,988</b>	<b>-</b>	<b>-</b>	<b>134,594</b>	<b>240,227</b>	<b>374,821</b>

The company calculates expenses not related to insurance operations and records them as non-allocated contract expenses under other expenses, and they are booked to the profit and loss account.

#### **40- Earnings Per Share from profit for the year**

	<b>2025</b>	<b>2024</b>
Net profit for the year	<b>2,003,276</b>	3,058,277
Weighted Average for Share	<b>12,779,008</b>	10,054,312
Earnings per share for the year	<b>0.157</b>	0.304

#### **41- Risk Management**

##### **First: Descriptive disclosures**

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

##### **Second: Quantitative disclosures**

##### **1. Insurance risks**

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

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

Monitoring risk status in both internal and external environments is the key driver for selecting the appropriate strategy to manage risks. While the company may need to accept some level of risk even when it's at critical/high levels due to external, regulatory, and legal constraints, enhancing risk monitoring will enable the company to adjust and improve controls once they become available.

Risk management strategies in products primarily depend on two key elements: uncertainty and risk exposure/volume. According to the following:

- 1-Risk Acceptance: In cases of reduced uncertainty/low exposure when marketing the product.
- 2-Control Implementation: For risks with reduced exposure/high exposure, the company implemented relevant controls by establishing appropriate measures to limit risks.
- 3-Risk Transfer: For risks with reduced exposure/high uncertainty, the company transferred these risks to a third party through reinsurance arrangements, ensuring the management of risks from external parties involved in risk-bearing.
- 4-Emergency Plans: Suitable emergency plans were adopted to manage high exposure risks/high uncertainty risks, avoiding high-exposure/high-uncertainty risks wherever possible.

#### **41- Risk Management (continued)**

##### **1. Insurance risks (continued)**

These risks were managed by the risk management department, ensuring that periodic reports related to all company risks were sent to the risk management committee for high exposure/high uncertainty risks whenever possible. These were then discussed, and recommendations were sent to the executive management for implementation in the company.

When discussing quantitative data related to insurance risks, the company disclosed the methods used, strengths, determinants in these methods, assumptions, the impact of reinsurance, the policyholder's share, and other mitigating factors.

##### **2. Development of allegations**

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

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

##### **Engineering**

	2025	2024	2023	2022	Before	Total
<b><u>Estimates of total undiscounted maximum claims*</u></b>						
As in the year of accident	7,000	5,350	-	2,553	903,193	918,096
After 1 year	-	-	-	2,553	927,652	930,205
After 2 years	-	-	-	2,553	920,253	922,806
After 3 years	-	-	-	2,553	920,253	922,806
After 4 years	-	-	-	-	921,915	921,915
After 5 years	-	-	-	-	931,103	931,103
After 6 years	-	-	-	-	740,101	740,101
After 7 years	-	-	-	-	899,399	899,399
After 8 years	-	-	-	-	896,417	896,417
After 9 years	-	-	-	-	876,947	876,947
<b>Total cumulative claims paid</b>	-	5,350	-	2,553	900,597	908,500
Discount effect	-	-	-	-	1,607	1,607
<b>Total liabilities versus claims incurred</b>	-	7,000	-	-	989	7,989

\* Estimates represent reported and unreported claims

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

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**41- Risk Management (continued)**

**2. Development of allegations (continued)**

**Fire**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	<b>222,143</b>	394,919	342,980	968,647	3,033,538	4,962,227
After 1 year	-	420,643	306,483	901,710	3,036,278	4,665,114
After 2 years	-	-	258,597	882,873	3,031,634	4,173,104
After 3 years	-	-	-	1,502,386	3,163,132	4,665,518
After 4 years	-	-	-	-	2,487,952	2,277,478
After 5 years	-	-	-	-	2,020,211	2,020,211
After 6 years	-	-	-	-	1,985,844	1,985,844
After 7 years	-	-	-	-	1,533,752	1,533,752
After 8 years	-	-	-	-	1,835,283	1,835,283
After 9 years	-	-	-	-	1,174,624	1,174,624
<b>Total cumulative claims paid</b>	<b>60,076</b>	370,860	298,070	894,726	2,805,034	4,428,766
Discount effect	-	1,410	2,644	4,321	13,569	21,944
<b>Total liabilities versus claims incurred</b>	<b>160,067</b>	22,649	42,266	69,600	214,935	511,517

**General insurance**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	<b>72,213</b>	82,062	84,156	31,810	671,890	942,136
After 1 year	-	23,708	49,125	31,810	671,890	776,533
After 2 years	-	-	35,321	31,810	671,712	738,843
After 3 years	-	-	-	19,890	673,039	692,929
After 4 years	-	-	-	-	640,714	640,714
After 5 years	-	-	-	-	643,117	643,117
After 6 years	-	-	-	-	443,068	443,068
After 7 years	-	-	-	-	510,915	510,915
After 8 years	-	-	-	-	399,049	399,049
After 9 years	-	-	-	-	418,941	418,941
<b>Total cumulative claims paid</b>	<b>39,579</b>	81,590	84,137	31,310	646,138	882,754
Discount effect	-	28	1	29	1,529	1,587
<b>Total liabilities versus claims incurred</b>	<b>32,634</b>	449	18	471	24,223	57,795

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**41- Risk Management (continued)**

**2. Development of allegations (continued)**

**General liabilities**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	1,670	4,312	3,252	34,423	139,795	183,452
After 1 year	-	3,167	14,252	34,423	159,295	211,137
After 2 years	-	-	14,471	17,382	139,295	171,148
After 3 years	-	-	-	7,500	135,710	143,210
After 4 years	-	-	-	-	138,041	138,041
After 5 years	-	-	-	-	132,310	132,310
After 6 years	-	-	-	-	91,760	91,760
After 7 years	-	-	-	-	63,074	63,074
After 8 years	-	-	-	-	76,085	76,085
After 9 years	-	-	-	-	16,074	16,074
<b>Total cumulative claims paid</b>	<b>617</b>	<b>4,312</b>	<b>3,252</b>	<b>32,423</b>	<b>124,756</b>	<b>165,360</b>
Discount effect	-	-	-	117	893	1,010
<b>Total liabilities versus claims incurred</b>	<b>1,053</b>	<b>-</b>	<b>-</b>	<b>1,883</b>	<b>14,146</b>	<b>17,082</b>

**Marine -Hulls**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	-	5,000	-	-	56,969	61,969
After 1 year	-	-	41,300	-	15,669	56,969
After 2 years	-	-	5,000	-	59,200	64,200
After 3 years	-	-	-	-	58,079	58,079
After 4 years	-	-	-	-	61,400	61,400
After 5 years	-	-	-	-	20,700	20,700
After 6 years	-	-	-	-	500	500
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
<b>Total cumulative claims paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>769</b>	<b>769</b>
Discount effect	-	293	-	2,431	3,337	3,630
<b>Total liabilities versus claims incurred</b>	<b>-</b>	<b>4,707</b>	<b>-</b>	<b>38,869</b>	<b>52,863</b>	<b>57,570</b>

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**41- Risk Management (continued)**

**2. Development of allegations (continued)**

**Marine - Cargo**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	233,271	495,342	332,899	440,478	1,795,003	3,296,993
After 1 year	-	349,120	332,898	385,000	1,795,003	2,862,021
After 2 years	-	-	323,532	236,172	1,795,003	2,354,707
After 3 years	-	-	-	244,387	1,877,412	2,121,799
After 4 years	-	-	-	-	1,487,952	1,487,952
After 5 years	-	-	-	-	1,074,040	1,074,040
After 6 years	-	-	-	-	758,485	758,485
After 7 years	-	-	-	-	496,319	496,319
After 8 years	-	-	-	-	358,472	358,472
After 9 years	-	-	-	-	212,296	212,296
<b>Total cumulative claims paid</b>	<b>101,032</b>	<b>370,932</b>	<b>308,290</b>	<b>418,851</b>	<b>1,792,602</b>	<b>2,991,707</b>
Discount effect	-	7,293	1,449	1,264	143	10,148
<b>Total liabilities versus claims incurred</b>	<b>132,239</b>	<b>117,117</b>	<b>23,160</b>	<b>20,363</b>	<b>2,258</b>	<b>295,138</b>

**Motor- Comprehensive**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	10,253,651	10,505,743	9,056,984	6,837,811	35,536,405	72,190,594
After 1 year		10,183,308	9,298,441	7,082,501	35,503,735	62,067,985
After 2 years		-	8,707,050	7,180,977	36,064,826	51,952,853
After 3 years		-	-	6,527,752	36,282,685	42,810,437
After 4 years		-	-	-	35,671,967	35,671,967
After 5 years		-	-	-	30,091,851	30,091,851
After 6 years		-	-	-	24,960,325	24,960,325
After 7 years		-	-	-	17,076,096	17,076,096
After 8 years		-	-	-	12,983,217	12,983,217
After 9 years		-	-	-	7,434,889	7,434,889
<b>Total cumulative claims paid</b>	<b>6,045,608</b>	<b>8,934,112</b>	<b>8,198,779</b>	<b>6,565,257</b>	<b>35,262,144</b>	<b>65,005,900</b>
Discount effect	-	92,130	50,523	15,931	16,286	174,870
<b>Total liabilities versus claims incurred</b>	<b>4,208,043</b>	<b>1,479,501</b>	<b>807,682</b>	<b>256,623</b>	<b>257,975</b>	<b>7,009,824</b>

#### **41- Risk Management (continued)**

##### **2. Development of allegations (continued)**

###### **Motor – Third party liability**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	<b>10,724,869</b>	10,698,673	9,349,510	7,601,763	38,995,214	77,370,029
After 1 year	-	9,512,335	9,090,664	7,491,145	38,797,833	64,891,977
After 2 years	-	-	8,087,364	7,201,060	39,486,763	54,775,188
After 3 years	-	-	-	6,002,561	38,773,706	44,776,267
After 4 years	-	-	-	-	37,534,671	37,534,671
After 5 years	-	-	-	-	31,609,620	31,609,620
After 6 years	-	-	-	-	26,432,164	26,432,164
After 7 years	-	-	-	-	20,638,487	20,638,487
After 8 years	-	-	-	-	14,773,730	14,773,730
After 9 years	-	-	-	-	8,787,819	8,787,819
<b>Total cumulative claims paid</b>	<b>7,181,560</b>	9,019,702	8,232,295	6,960,373	37,101,740	68,495,670
Discount effect	-	98,423	65,771	37,489	112,437	314,119
<b>Total liabilities versus claims incurred</b>	<b>3,543,309</b>	1,580,548	1,051,444	603,901	1,781,037	8,560,240

###### **Motor – Complexes**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	<b>1,294,000</b>	954,657	321,315	511,773	5,690,115	8,771,860
After 1 year	-	867,826	322,454	489,054	5,685,210	7,364,544
After 2 years	-	-	240,168	436,679	5,542,938	6,219,785
After 3 years	-	-	-	389,046	5,514,108	5,903,154
After 4 years	-	-	-	-	5,432,682	5,432,682
After 5 years	-	-	-	-	5,080,199	5,080,199
After 6 years	-	-	-	-	4,765,731	4,765,731
After 7 years	-	-	-	-	1,399,683	1,399,683
After 8 years	-	-	-	-	1,092,723	1,092,723
After 9 years	-	-	-	-	897,406	897,406
<b>Total cumulative claims paid</b>	<b>1,065,127</b>	880,265	309,955	421,251	5,310,093	7,986,691
Discount effect	-	4,361	669	5,291	22,566	32,887
<b>Total liabilities versus claims incurred</b>	<b>228,873</b>	70,031	10,691	85,231	357,456	752,282

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**41- Risk Management (continued)**

**2. Development of allegations (continued)**

**Medical**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	14,428,150	15,184,520	15,184,520	11,203,916	10,448,048	66,449,154
After 1 year	-	-	-	-	-	-
After 2 years	-	-	-	-	-	-
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
<b>Total cumulative claims paid</b>	13,337,102	14,021,943	15,184,520	11,203,916	10,448,048	64,195,529
Discount effect		-	-	-	-	
<b>Total liabilities versus claims incurred</b>	1,091,048	1,162,577	-	-	-	2,253,625

**Life**

	2025	2024	2023	2022	Before	Total
<b>Estimates of total undiscounted maximum claims</b>						
As in the year of accident	2,703,190	3,180,640	3,180,640	4,131,027	4,881,222	18,046,719
After 1 year	-	-	-	-	-	-
After 2 years	-	-	-	-	-	-
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
<b>Total cumulative claims paid</b>	2,253,103	2,435,569	3,180,640	4,131,027	4,881,222	16,881,561
Discount effect			-	-	-	
<b>Total liabilities versus claims incurred</b>	665,199		-	-	-	665,199



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**41- Risk Management (continued)**

**3. Concentration of insurance risks**

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

Particulars	2025	2025	2024	2024
	Grand Total	Net	Grand Total	Net
Motor- Third party liability	17,753,620	17,200,767	11,692,969	8,712,827
Motor- Comprehensive	13,109,445	10,232,715	14,311,004	13,670,159
Motor – bids	1,851,381	1,467,808	1,352,762	1,143,359
Motor – complexes	603,636	93,211	587,174	115,619
Marine	72,323	6,373	70,854	4,956
Fire	2,077,097	257,541	2,491,565	377,241
Engineering	91,587	13,543	114,209	11,353
General liabilities	296,776	92,018	382,643	122,869
General	163,974	70,881	126,496	55,012
Credit insurance	14,702	612	44,707	1,333
Medical -grouping	13,434,226	13,434,226	9,083,511	9,083,511
Medical- individual	67,484	67,484	85,016	85,016
Travel	90,802	25,823	75,438	19,393
Life grouping	1,024,018	205,023	1,171,021	216,138
Life individual	250,113	213,991	43,844	13,082
	<b>50,901,184</b>	<b>43,382,016</b>	<b>41,633,213</b>	<b>33,631,868</b>

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**41- Risk Management (continued)**

**3. Concentration of insurance risks (continued)**

**A- According to Geographical region**

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

	2025				2024			
	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities
Inside Kingdom	43,849,483	32,057,122	-	-	42,543,669	29,514,914	-	-
Middle Eastern countries	-	-	-	-	-	-	-	-
Eastern Europe countries	10,383,826	-	18,903	1,212,063	5,759,922	-	10,187	515,250
Asia	-	-	420,742	2,287,132	1,040,887	-	320,324	2,556,234
Africa	-	-	25,264	60,952	-	-	25,264	36,154
America	-	-	-	-	-	-	-	-
Other countries	-	-	-	-	-	-	-	-
	54,233,309	32,057,122	464,909	3,560,147	49,344,478	29,514,914	355,775	3,107,638

**B- By Sector**

	2025			2024		
Particulars	Assets	Liabilities	Items outside financial position statement	Assets	Liabilities	Items outside financial position statement
Public sector:	4,756,745	7,205	-	1,134,761	23,310	-
Private sector:			-			-
Companies and Establishments	15,664,648	2,373,540	-	16,439,978	3,335,272	-
Individuals	730,661	497,229	-	858,443	474,685	-
Total	21,152,054	2,877,974	-	18,463,182	3,833,267	-

**41- Risk Management (continued)**

**4. Reinsurance risks**

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

**5. Insurance risk sensitivity**

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

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

**41- Risk Management (continued)**

**5. Insurance risk sensitivity (continued)**

			Contractual service margin		Profit or loss		Impact on owners' equity	
			Total	Net	Total	Net	Total	Net
<b>2025</b>	<b>Change ratio</b>							
Death rate	%5+	-	-	-	4,076	664	4,076	664
Death rate	%5-	-	-	-	(4,076)	(664)	(4,076)	(664)
Morbidity	%5+	-	-	-	-	-	-	-
Morbidity	%5-	-	-	-	-	-	-	-
Long life	%5+	-	-	-	-	-	-	-
Long life	%5-	-	-	-	-	-	-	-
Expenses	%5+	-	-	-	30,791	30,791	30,791	30,791
Expenses	%5-	-	-	-	(30,791)	(30,791)	(30,791)	(30,791)
Expiry rate	%5+	-	-	-	-	-	-	-
Expiry rate	%5-	-	-	-	-	-	-	-
Gross loss rate	%5+	-	-	-	-	-	-	-
Gross loss rate	%5-	-	-	-	-	-	-	-

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**41- Risk Management (continued)**

**5. Insurance risk sensitivity (continued)**

			Contractual service margin		Profit or loss		Impact on owners' equity	
			Total	Net	Total	Net	Total	Net
<b>2024</b>	<b>Change ratio</b>							
Death rate	+5%		-	-	4,058	563	4,058	(563)
Death rate	-5%		-	-	(4,058)	(563)	(4,058)	(563)
Morbidity	+5%		-	-	-	-	-	-
Morbidity	-5%		-	-	-	-	-	-
Long life	+5%		-	-	-	-	-	-
Long life	-5%		-	-	-	-	-	-
Expenses	+5%		-	-	11,838	11,838	11,838	11,838
Expenses	-5%		-	-	(11,838)	(11,838)	(11,838)	(11,838)
Expiry rate	+5%		-	-	-	-	-	-
Expiry rate	-5%		-	-	-	-	-	-
Gross loss rate	+5%		-	-	-	-	-	-
Gross loss rate	-5%		-	-	-	-	-	-

#### **41- Risk Management (continued)**

##### **B- Financial risks**

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

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

##### **1- Market risk**

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

If the Company does not use the value at risk (VAR) method to measure market risks, the sensitivity analysis must be disclosed for each type of market risk (interest rate risk, foreign currency risk, price change risk) separately, with a statement of the impact on profits, losses and equity as a result of reasonable changes in the variables affecting the size of the relevant risks.

##### **C- Interest rate risk:**

Interest rate risk relates to interest rates on fixed deposits with banks. As of December 31, 2025 the interest rate on bank deposits ranges from 5.75 % to 6.9 %. annually.

The above-mentioned matters are general, and the Company's policy for managing these risks must be disclosed, provided that the disclosure includes, as a minimum, the following: -

- Risk mitigation.
- Balancing the maturity dates of assets with liabilities.
- Return gaps.

#### **41- Risk Management (continued)**

##### **D- Foreign currency risks:**

Foreign currency risk is the risk that the value of financial instruments will change as a result of changes in foreign currency rates. The Jordanian dinar is the Company's base currency. The Board of Directors sets limits for the Company's financial position for each currency. The foreign currency position is monitored on a daily basis and strategies are followed to ensure that the foreign currency position is maintained within approved limits.

The above-mentioned matters are general, and the Company's policy in managing foreign currency risks must be clarified, provided that the explanation includes, as a minimum, the following:

- Position limits for each currency.
- Monitor foreign exchange positions on a daily basis.

The Company's net concentration of major foreign currencies is as follows:

<u>Currency Type</u>	<u>In Foreign currency</u>		<u>Equivalent to Jordanian Dinars</u>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>US Dollar</b>	<b>17,320,577</b>	<b>16,399,231</b>	<b>12,297,610</b>	<b>11,643,454</b>

#### **2- Credit Risk**

These are the risks that may result from the failure of one party to the financial department to fulfill an obligation and cause the other party to bear a financial loss.

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**41- Risk Management (continued)**

**3- Liquidity Risk**

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

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 months to a year	More than one year	Total
<b>2025</b>						
<b>Insurance liabilities:</b>						
Overdraft bank						
Insurance contract						
liabilities		6,613,918	13,194,767	11,541,287	1,719,619	33,069,591
Reinsurance contract						
liabilities		1,441,154	-	-	-	1,441,154
Different provision		152,459	-	-	-	152,459
Income tax provision		308,887	-	-	-	308,887
Deferred tax liabilities		-	-	-	-	-
Other liabilities		380,011	-	265,168	-	645,179
<b>Total insurance</b>						
<b>liabilities</b>		8,896,429	13,194,767	11,806,455	1,719,619	35,617,270
<b>Total insurance assets</b>		18,159,808	4,477,716	15,206,104	16,854,590	54,698,218
<b>2024</b>						
<b>Insurance liabilities:</b>						
Overdraft bank	-	3,615,352	-	-	-	3,615,352
Insurance contract						
liabilities	-	5,300,423	10,545,388	9,227,214	1,297,239	26,370,264
Reinsurance contract						
liabilities	-	1,183,062	-	-	-	1,183,062
Different provision	-	150,224	-	-	-	150,224
Income tax provision	-	701,747	-	-	-	701,747
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	-	354,871	-	247,069	-	601,940
<b>Total insurance</b>						
<b>liabilities</b>	-	11,305,679	10,545,388	9,474,283	1,297,239	32,622,589
<b>Total insurance assets</b>	-	16,516,911	4,068,572	13,831,849	15,282,921	49,700,253

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

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



#### **41- Risk Management (continued)**

##### **4- Operational Risk**

These are the risks resulting from systems failure or could result from any intentional or unintentional human error.

These risks can affect the Company's reputation, as they can lead to financial loss. Such dangers can be avoided by separating duties and establishing the necessary procedures to obtain any information from the systems used in the Company, and through educating and training Company staff.

##### **5- Legal Risk**

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

- Information about the Company's business sectors:**

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

- Geographic distribution information:**

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

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

	<b>Inside Kingdom</b>		<b>Outside Kingdom</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Total revenues</b>	48,157,783	41,857,444	7,785,580	6,767,016	55,943,363	48,624,460
<b>Total assets</b>	41,969,514	38,134,618	12,728,696	11,565,632	54,698,210	49,700,250
<b>Capital expenditures</b>	-	159,445	-	-	-	159,445

#### **42 – Share Capital Management**

Capital management objectives, policies and processes are disclosed, including:

- A description of what is considered capital.
- Regulatory authorities' requirements regarding capital, and how to meet these requirements.
- How to achieve capital management objectives.
- Any amendment related to the above compared to last year.
- If the Company does not comply during the period with the requirements of regulatory authorities regarding capital, and the consequences thereof.
- Causes and sources of changes in the Company's regulatory capital during the year.
- The necessity of disclosing the Board of Directors' opinion on the adequacy of regulatory capital.
- The amount that the Company considers as capital and the solvency margin ratio, according to the following table:

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**42 – Share Capital Management (continued)**

	<b>2025</b>	<b>2024</b>
<b>Basic share capital items:</b>		
paid Capital	<b>12,779,008</b>	10,054,312
Statutory reserve	<b>2,783,863</b>	2,498,241
The issuance premium and the issuance premium of treasury shares	-	-
Voluntary reserve	-	-
Profit for the year after deductions	<b>1,866,116</b>	2,066,371
Retained earnings	<b>2,820,944</b>	3,479,297
Profits proposed to be distributed	-	-
<b>Additional share capital items:</b>	<b>20,249,931</b>	18,098,221
<b>Increase in the value of investments property</b>	<b>2,566,819</b>	2,554,061
Cumulative change in fair value	-	-
<b>Total additional share capital</b>	<b>2,566,819</b>	2,554,061
Total of regulatory share capital (A)	<b>22,816,750</b>	20,652,282
Total of required share capital (B)	<b>16,129,414</b>	13,771,741
<b>Solvency margin ratio (A /B)</b>	<b>%141</b>	%150

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**43 - Maturity Analysis of Current and Non-Current Assets and Liabilities**

	<b>Up to one year</b>	<b>More than one year</b>	<b>Total</b>
<b><u>December 31, 2025</u></b>			
<b>Assets:</b>			
Deposits with banks	29,503,727	-	29,503,727
Financial assets at fair value through profit and loss	-	-	-
Financial assets at fair value through other comprehensive income	-	10,724,626	10,724,626
Financial assets at amortized cost	-	1,212,679	1,212,679
Real estate investments	1,879,208	-	1,879,208
cash on hand and at banks	123,618	-	123,618
Insurance assets	4,710,920	-	4,710,920
Reinsurance contract assets held	-	1,662,039	1,662,039
Deferred tax assets	-	2,773,261	2,773,261
property and equipment, net	-	75,662	75,662
Intangible assets, net	2,032,470	-	2,032,470
Other assets	38,249,943	16,448,268	54,698,210
<b>Total</b>			
<b>Liabilities:</b>			
Insurance contract liabilities	33,069,591	-	33,069,591
Bank over draft	1,441,154	-	1,441,154
Reinsurance contract liabilities held	-	-	-
Deferred tax liabilities	-	-	-
Income tax provision	152,459	-	152,459
Different provisions	308,887	-	308,887
Other liabilities	645,179	-	645,179
	35,617,270	-	35,617,270

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

	<u>Up to one year</u>	<u>More than one year</u>	<u>Total</u>
<b><u>2024</u></b>			
<b><u>Assets</u></b>			
Deposits with banks	22,194,715	-	22,194,715
Financial assets at fair value through profit and loss	2,665,854	-	2,665,854
Financial assets at fair value through other comprehensive income	-	381,252	381,252
Financial assets at amortized cost	-	10,836,202	10,836,202
Real estate investments	-	1,218,459	1,218,459
cash on hand and at banks	3,403,911		3,403,911
Insurance assets	409,891		409,891
Reinsurance contract assets held	3,052,489		3,052,489
Deferred tax assets	-	1,785,078	1,785,078
property and equipment, net	-	2,766,700	2,766,700
Intangible assets, net	-	80,128	80,128
Other assets	1,286,826		905,574
<b>Total</b>	<b>33,013,686</b>	<b>16,686,567</b>	<b>49,700,253</b>
<b><u>Liabilities:</u></b>			
Insurance contract liabilities	26,370,264	-	26,370,264
Reinsurance contract liabilities held	1,183,062	-	1,183,062
Creditor banks	3,615,352	-	3,615,352
Income tax provision	-	-	-
Different provisions	701,747	-	701,747
Other liabilities	150,224	-	150,224
<b>Total</b>	<b>601,940</b>	<b>-</b>	<b>601,940</b>
<b>The Net</b>	<b>32,622,589</b>	<b>-</b>	<b>32,622,589</b>

**44- lawsuits**

There are lawsuits brought against the company, the value of which according to the regulations of lawsuits and lawsuits in which non-conclusive rulings were issued amounted to an amount of 4,521,165 Jordanian dinars for the year 2024 (4,026,385 dinars for the year: 2022), and there is a corresponding provision for claims under settlement, and according to the expectations and opinion of the company's legal advisor, the provision for claims is under settlement. Adequate,

**45 - Obligations That May Arise**

As of the date of the financial statements, the company has potential obligations against bank guarantees in the amount of 3,262,298 Jordanian dinars As of December 31, 2025 (3,307,564 dinars: 2024 ).

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**46- Distribution of the Financial Data According to Type of Products**

**1- Financial position items**

<u>2025</u>	<u>Motor</u>	<u>General liabilities</u>	<u>Marine</u>	<u>Credit</u>	<u>Life</u>	<u>Engineering</u>	<u>Fire</u>	<u>Medical insurance</u>	<u>Other</u>	<u>Total</u>
Insurance contract assets	-	56,512	-	45,665	-	21,442	-	-	-	123,618
Reinsurance contract assets	2,810,973	200,587	443,218	14,243	208,873	62,254	879,723	13,975	77,073	4,710,920
Account receivables	-	-	-	-	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>2,810,973</b>	<b>257,098</b>	<b>443,218</b>	<b>59,907</b>	<b>208,873</b>	<b>83,697</b>	<b>879,723</b>	<b>13,975</b>	<b>77,073</b>	<b>4,834,538</b>
Insurance contract liabilities	( 26,646,392 )	-	( 117,093 )	-	( 842,889 )	( 63,802 )	( 88,611 )	(5,195,244	( 115,561 )	( 33,069,591 )
Reinsurance contract liabilities	-	-	(146,150)	(167,055)	(154,294)	(20,045)	-	(903,413	(50,196	(1,441,154
Account payable	-	-	-	-	-	-	-	-	-	-
Different provision	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>(26,646,392)</b>	<b>-</b>	<b>(263,243)</b>	<b>(167,055)</b>	<b>(997,183)</b>	<b>(83,847)</b>	<b>(88,611)</b>	<b>(6,098,657)</b>	<b>(165,757)</b>	<b>(34,510,745)</b>

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**46- Distribution Of the Financial Data According to Type of Products (continued)**

**1- Financial position items (continued)**

<b>2024</b>	<b>Motor</b>	<b>General liabilities</b>	<b>Marine</b>	<b>Credit</b>	<b>Life</b>	<b>Engineering</b>	<b>Fire</b>	<b>Medical insurance</b>	<b>Other</b>	<b>Total</b>
Insurance contract assets	-	-	-	5,231	-	-	397,555	-	7,105	409,891
Reinsurance contract assets	1,198,073	251,893	489,607	31,040	642,835	38,567	352,753	-	47,720	3,052,489
Account receivables	-	-	-	-	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>1,198,073</b>	<b>251,893</b>	<b>489,607</b>	<b>36,271</b>	<b>642,835</b>	<b>38,567</b>	<b>750,308</b>	<b>-</b>	<b>54,825</b>	<b>3,462,380</b>
Insurance contract liabilities	22,566,459	75,475	318,462	-	3,064,884	42,665	-	302,318	-	26,370,264
Reinsurance contract liabilities	-	-	359,506	101,004	368	-	275,099	324,192	122,892	1,183,062
Account payable	-	-	-	-	-	-	-	-	-	-
Different provision	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>22,566,459</b>	<b>75,475</b>	<b>677,968</b>	<b>101,004</b>	<b>3,065,252</b>	<b>42,665</b>	<b>275,099</b>	<b>626,510</b>	<b>122,892</b>	<b>27,553,326</b>

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**46- Distribution of the Financial Data According to Type of Products (continued)**

**2- Income statement items**

<b>2025</b>	<b>Motor</b>	<b>General liabilities</b>	<b>Marine</b>	<b>Credit</b>	<b>Life</b>	<b>Engineering</b>	<b>Fire</b>	<b>Medical insurance</b>	<b>Other</b>	<b>Total</b>
Insurance contracts revenues	27,041,357	620,248	1,265,931	225,259	3,179,449	124,365	3,540,989	19,752,993	192,991	55,943,363
Insurance contracts expenses	(23,568,278)	(24,794)	(727,373)	(61,157)	(3,336,499)	(6,633)	(767,421)	(19,454,598)	(144,889)	(48,091,643)
<b>Insurance contract business results</b>	<b>3,473,079</b>	<b>595,454</b>	<b>538,558</b>	<b>164,102</b>	<b>(157,050)</b>	<b>117,732</b>	<b>2,773,568</b>	<b>298,395</b>	<b>48,102</b>	<b>7,851,720</b>
Reinsurance contracts expenses	(7,370)	17,564	643,685	65,651	1,588,165	11,448	600,771	285,592	70,032	3,275,538
Reinsurance contracts revenues	(3,740,018)	(428,865)	(991,367)	(204,268)	(2,063,923)	(107,533)	(3,041,646)	(944,557)	(92,768)	(11,614,944)
<b>Reinsurance contract business result</b>	<b>(3,747,388)</b>	<b>(411,301)</b>	<b>(347,682)</b>	<b>(138,617)</b>	<b>(475,758)</b>	<b>(96,085)</b>	<b>(2,440,875)</b>	<b>(658,965)</b>	<b>(22,736)</b>	<b>(8,339,406)</b>
<b>Net insurance business results</b>	<b>(274,309)</b>	<b>183,932</b>	<b>190,877</b>	<b>25,486</b>	<b>(632,808)</b>	<b>21,648</b>	<b>332,693</b>	<b>(360,569)</b>	<b>25,365</b>	<b>(487,686)</b>
Finance (expenses)/revenues- Insurance contracts	965,326	3,565	37,771	511	64,764	777	30,122	217,496	3,958	1,324,290
Finance (expenses)/revenues- Reinsurance contracts	(17,001)	(1,152)	(29,350)	(438)	(55,329)	(667)	(27,570)	(90)	(2,691)	(134,289)
<b>Net insurance finance business results</b>	<b>948,325</b>	<b>2,412</b>	<b>8,421</b>	<b>73</b>	<b>9,435</b>	<b>111</b>	<b>2,551</b>	<b>217,406</b>	<b>1,266</b>	<b>1,190,000</b>
<b>Net insurance and Reinsurance Operations results</b>	<b>674,015</b>	<b>186,345</b>	<b>199,297</b>	<b>25,558</b>	<b>(623,373)</b>	<b>21,759</b>	<b>335,244</b>	<b>(143,164)</b>	<b>26,633</b>	<b>702,315</b>

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**46- Distribution of The Financial Data According to Type of Products (continued)**

**2- Income statement items (continued)**

<b>2024</b>	<b>Motor</b>	<b>General liabilities</b>	<b>Marine</b>	<b>Credit</b>	<b>Life</b>	<b>Engineering</b>	<b>Fire</b>	<b>Medical insurance</b>	<b>Other</b>	<b>Total</b>
Insurance contracts revenues										
Insurance contracts expenses	22,979,324	823,074	1,143,504	236,611	3,079,786	67,483	4,189,361	15,900,928	204,390	48,624,460
<b>Insurance contract business results</b>	<b>(20,094,774)</b>	<b>(140,483)</b>	<b>(752,553)</b>	<b>(61,395)</b>	<b>(2,705,203)</b>	<b>(15,079)</b>	<b>(743,270)</b>	<b>(15,336,370)</b>	<b>(89,748)</b>	<b>(39,938,875)</b>
Reinsurance contracts expenses	2,884,550	682,591	390,951	175,216	374,583	52,404	3,446,090	564,558	114,642	8,685,585
Reinsurance contracts revenues	(2,604,752)	(641,241)	(846,857)	(213,579)	(1,986,626)	(97,256)	(3,613,490)	(889,367)	(102,365)	(10,995,532)
<b>Reinsurance contract business result</b>	<b>130,065</b>	<b>69,689</b>	<b>610,668</b>	<b>63,359</b>	<b>2,004,760</b>	<b>25,764</b>	<b>706,671</b>	<b>301,965</b>	<b>51,246</b>	<b>3,964,188</b>
<b>Net insurance business results</b>	<b>(2,474,687)</b>	<b>(571,553)</b>	<b>(236,189)</b>	<b>(150,219)</b>	<b>18,134</b>	<b>(71,492)</b>	<b>(2,906,818)</b>	<b>(587,402)</b>	<b>(51,119)</b>	<b>(7,031,344)</b>
Finance (expenses)/revenues- Insurance contracts	409,863	111,038	154,761	24,997	392,717	(19,088)	539,272	(22,843)	63,523	1,654,240
Finance (expenses)/revenues- Reinsurance contracts	400,919	917	337	122	(16,610)	(468)	(17,193)	7,665	(160)	375,528
<b>Net insurance finance business results</b>	<b>(9,263)</b>	<b>(360)</b>	<b>(253)</b>	<b>(106)</b>	<b>12,297</b>	<b>195</b>	<b>15,057</b>	<b>-</b>	<b>142</b>	<b>17,710</b>
<b>Net insurance and Reinsurance business results</b>										
	391,656	557	84	16	(4,313)	(273)	(2,136)	7,665	(18)	393,238



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**47- Written Premiums - Insurance Branch**

<b>2025</b>	<b>Motor</b>	<b>General liabilities</b>	<b>Marine</b>	<b>Credit</b>	<b>Life</b>	<b>Engineering</b>	<b>Fire</b>	<b>Medical insurance</b>	<b>Other</b>	<b>Total</b>
Written premiums										
Direct premiums	26,695,432	1,151,431	2,839,161	110,169	20,062,064	187,640	550,535	180,745	3,342,672	55,119,849
Received premiums	2,439,681	-	28,354	-	-	2,049	208	-	-	2,470,292
<b>Total premiums Written</b>	<b>29,135,113</b>	<b>1,151,431</b>	<b>2,867,515</b>	<b>110,169</b>	<b>20,062,064</b>	<b>189,689</b>	<b>550,743</b>	<b>180,745</b>	<b>3,342,672</b>	<b>57,590,141</b>
Less:										
Local reinsurer share	3,965,702	864	114,203	-	-	-	-	-	-	4,080,769
Foreign reinsurer share	495	1,017,338	2,353,058	91,579	952,968	92,014	373,954	174,212	2,093,743	2,961,875
<b>Net written premiums</b>	<b>25,168,916</b>	<b>133,229</b>	<b>400,254</b>	<b>18,590</b>	<b>19,109,096</b>	<b>97,675</b>	<b>176,789</b>	<b>6,533</b>	<b>1,248,929</b>	<b>50,547,497</b>

<b>2024</b>	<b>Motor</b>	<b>General liabilities</b>	<b>Marine</b>	<b>Credit</b>	<b>Life</b>	<b>Engineering</b>	<b>Fire</b>	<b>Medical insurance</b>	<b>Other</b>	<b>Total</b>
Written premiums										
Direct premiums	20,932,770	1,045,963	3,924,862	126,556	17,760,971	187,830	666,047	192,756	2,693,198	47,530,953
Received premiums	1,621,009	-	308,660	-	-	2,422	233	-	-	1,932,324
<b>Total premiums Written</b>	<b>22,553,779</b>	<b>1,045,963</b>	<b>4,233,522</b>	<b>126,556</b>	<b>17,760,971</b>	<b>190,252</b>	<b>666,280</b>	<b>192,756</b>	<b>2,693,198</b>	<b>49,463,277</b>
Less:										
Local reinsurer share	2,587,378	1,705	384,518	-	-	-	-	-	-	2,973,601
Foreign reinsurer share	36,701	865,280	3,172,904	109,078	882,912	93,716	490,086	189,096	1,804,580	7,644,353
<b>Net written premiums</b>	<b>19,929,700</b>	<b>178,978</b>	<b>676,100</b>	<b>17,478</b>	<b>16,878,059</b>	<b>96,536</b>	<b>176,194</b>	<b>3,660</b>	<b>888,618</b>	<b>38,845,323</b>

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**48- Amortization of acquisition costs of insurance contract assets**

		Insurance contracts issued									
		Motor - comprehensive	General liabilities	Marine	Credit	Life	Engineering	Fire	Medical	Other insurance	Total
<b>2025</b>											
No. of expected years to amortize acquisition cost to insurance contracts assets		592,447	1,625	10,134	-	300	3,570	16,268	45,474	11,403	681,222
<b>Total</b>		592,447	1,625	10,134	-	300	3,570	16,268	45,474	11,403	681,222
		Motor - comprehensive	General liabilities	Marine	Credit	Life	Engineering	Fire	Medical	Other insurance	Total
<b>2024</b>											
No. of expected years to amortize acquisition cost to insurance contracts assets		474,748	1,376	9,061	-	5,881	1,196	17,124	42,589	9,583	561,560
<b>Total</b>		474,748	1,376	9,061	-	5,881	1,196	17,124	42,589	9,583	561,560

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**49- Receivables Analysis**

	2025			2024		
	Receivables	Expected credit losses provision	Net	Receivables	Expected credit losses provision	Net
Vehicles	4,131,307	(724,942)	3,406,365	3,431,013	(691,512)	2,739,501
General insurance	490,034	(9,922)	480,112	515,587	(10,509)	505,078
Marine	656,836	(70,989)	585,847	456,408	(66,275)	390,133
Engineering	51,880	(1,050)	50,830	69,834	(1,423)	68,411
Fire	2,138,707	(49,133)	2,089,574	3,033,903	(67,667)	2,966,236
Life	814,551	(338,119)	476,432	497,448	(319,811)	177,637
Medical	10,661,438	(407,765)	10,253,673	9,556,453	(264,212)	9,292,241
<b>Total</b>	<b>18,944,753</b>	<b>(1,601,920)</b>	<b>17,342,833</b>	<b>17,650,646</b>	<b>(1,421,409)</b>	<b>16,139,237</b>

**50 - Subsequent Events**

There are no subsequent events at the date of the financial statements or after the preparation of the financial statements.

**51- Comparative figures**

Some comparative numbers for the previous year have been reclassified to match the classification numbers for the current year.