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اشارتنا: 357/1/3/105

السادة/ هيئة الأوراق المالية المحترمين

السادة/ بورصة عمان المحترمين

عمان-الأردن

الموضوع: التقرير السنوي لعام 2025

تحية وبعد،،،

بالإشارة إلى الموضوع أعلاه، نرفق لكم البيانات المالية السنوية للشركة باللغة الإنجليزية لعام 2025،
علماً بأن البيانات المالية خاضعة لموافقة البنك المركزي الأردني، وسيتم إعادة إرسال البيانات المالية
بالصورة النهائية فور استلامنا موافقة البنك المركزي على نشر البيانات المالية الختامية للعام 2025.

وتفضلوا بقبول فائق الاحترام،،،

أسامة تقالي

مساعد المدير العام للشؤون المالية



Middle East Insurance Company
(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**

Middle East Insurance Company
(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

Table of Content

	<u>Page</u>
Independent Auditor's Report	1 - 3
Statement of Financial Position As of December 31, 2025	4
Statement of Profit or Loss For the year ended in December 31, 2025	5
Statement of Other Comprehensive Income For the year ended in December 31, 2025	6
Statement of Profit or Loss – Life Insurance For the year ended in December 31, 2025	7
Statement of Changes in Shareholders' Equity For the year ended in December 31, 2025	8
Statement of Cash Flows For the year ended in December 31, 2025	9
Notes to the Financial Statements For the year ended in December 31, 2025	10-86

Independent Auditor's Report

To, The Shareholders

Middle East Insurance Company

(Public Limited Shareholding Company)

Amman - the Hashemite Kingdom of Jordan

Opinion

We have audited the financial statements of **Middle East Insurance company ("the Company")** which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss, the 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 a comping explanatory note.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2025, its financial performance changes in shareholders equity, and its cash flows for the financial 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.

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). management is also responsible for internal control systems that it considers necessary to enable the preparation of 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 (Basic)

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, rather than for the purpose of expressing a separate opinion on these matters.

Key Audit Matters (Basic) (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p><u>Assessment of incurred liabilities and Loss component.</u></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 65 million Jordanian Dinars, as disclosed in Note 13 of the financial statements.</p> <p>We have considered this as a key audit due to the uncertainty inherent in the estimation and subjective judgments involved in assessing estimates of the present value of future cash flows and adjusting for risks other than financial risks arising from insurance contracts.</p> <p>Refer to Note (5) for details on significant accounting policies, as well as key accounting judgments and estimates related to insurance contract liabilities.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Understanding, evaluating, and testing key controls about claims processing operations and provisions determination. - Assessing the competence, capabilities, and objectivity of the appointed actuarial expert based on their professional qualifications, experience, and independence. - 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. - 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. - 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"> 1- Assessing whether the company's actuarial methodologies are generally consistent with accepted actuarial practices. 2- Evaluating the appropriateness of key actuarial accounting methods and assumptions used and conducting sensitivity analysis. 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. 4- Assessing the adequacy and suitability of relevant disclosures in the financial statements.

Information Enclosed in the Company 2025 Annual Report

Other information consists of information contained in the Company Annual Report for the year 2025 other than the financial statements and the auditor's report. The management is responsible for other information and it is expected that the Company annual report for the year 2025 will be provided to us later to the date of our report on the financial statements. Our opinion does not include other information and we do not make any assurance about other information.

It is our responsibility to read other information when obtained, whether other information is materially inconsistent with the financial statements or from our knowledge 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"), 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 communicate with Management, 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 Management 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.

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:

Middle East Insurance 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: 25 February 2026

Amman – Jordan



Middle East Insurance Company
(Public Limited Shareholding Company)
Statement of Financial position
As of December 31, 2025
(Jordanian Dinars)

	Note	2025	2024
<u>Assets</u>			
Deposits at banks, net	6	22,254,427	19,869,152
Financial assets at fair value through profit or loss statement	7	9,472,015	7,079,608
Financial assets at fair value through other comprehensive income	8	16,490,711	13,746,207
Financial assets at amortized cost	9	10,456,724	8,856,724
Investment properties	10	21,458,670	21,738,750
Right of use assets	11	116,597	155,464
Total investments		80,249,144	71,445,905
Cash on hand and at banks	12	3,959,472	3,402,648
Reinsurance contract assets (Premium allocation approach)	15	26,709,819	17,963,778
Reinsurance contract assets (General measurement model)	16	60,603	164,644
Deferred tax assets	17	-	490,912
Property and equipment, net	18	4,335,379	4,427,143
Intangible assets, net	19	-	5,950
Other assets	20	1,587,341	2,156,538
Total Assets		116,901,758	100,057,518
<u>Liabilities and Shareholders' Equity</u>			
<u>Liabilities</u>			
Insurance contract liabilities – net (General measurement model)	14	4,350,029	4,875,027
Insurance contract liabilities – net (Premium allocation approach)	13	65,039,600	54,123,809
Total insurance contract liabilities		69,389,629	58,998,836
Accrued expense		199,889	115,395
Provision for income tax	17	1,004,951	408,470
Deferred tax liabilities	17	1,326,191	313,307
Other provisions	22	27,751	98,944
Right-of-use assets liability	11	65,971	144,523
Other liabilities	23	3,004,753	3,860,206
Total liabilities		75,019,135	63,939,681
<u>Shareholders' Equity</u>			
Authorized and paid-up share capital	24	22,050,000	22,050,000
Statutory reserve	25	5,512,500	5,512,500
Voluntary reserve		2,000,000	2,000,000
Accumulated change in fair value	26	1,120,476	(910,457)
Retained earnings	27	11,199,647	7,465,794
Total Shareholders' Equity		41,882,623	36,117,837
Total Liabilities and Shareholders' Equity		116,901,758	100,057,518

The accompanying notes from 1 to 54 are an integral part of these financial statements

Middle East Insurance Company
(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>
<u>Revenues:</u>			
Insurance contract revenues	30	62,725,044	52,651,806
Insurance contract expenses	31	(51,364,238)	(36,095,562)
Insurance contract operation result		11,360,806	16,556,244
Reinsurance contracts revenue	32	18,443,231	11,316,039
Reinsurance contracts expense	33	(28,250,647)	(27,208,444)
Reinsurance contract operation result		(9,807,416)	(15,892,405)
Net insurance operations results		1,553,390	663,839
Finance expenses - insurance contracts	34	(380,986)	(808,009)
Finance revenue – reinsurance contracts	35	76,044	99,231
Net financing results of insurance operations		(304,942)	(708,778)
Interest income	36	1,443,084	1,538,694
Net gain on financial assets and investments	37	4,227,785	686,775
Other revenues	38	182,602	(56,775)
Net investment revenue		5,853,471	2,168,694
Net results of insurance and investment (Total revenues)		7,101,919	2,123,755
Unlocated general and administrative expense		(1,192,033)	(761,708)
Depreciation and amortization		-	(172,120)
Depreciation of investment properties		(273,093)	(361,796)
Depreciation of right views assets		-	(38,867)
Provision for expected credit losses		-	(50,000)
Interest of right views assets		-	(13,162)
Other Expenses		(50,000)	(50,000)
Unlocated expense	39	(1,515,126)	(1,447,653)
Profit for the year before tax		5,586,793	676,102
Income tax	17	(1,618,334)	(116,247)
National contribution obligations		(76,442)	(38,553)
Profit for the year after tax		3,892,017	521,302
Earnings per share from profit for the year	41	0.177	0.023

The accompanying notes from 1 to 54 are integral part of these financial statements

Middle East Insurance Company
(Public Limited Shareholding Company)
Statement of Other Comprehensive Income
For the year ended December 31, 2025
(Jordanian Dinars)

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Net profit for the year		3,892,017	521,302
Add: Other comprehensive income items:			
Change in fair value reserve	26	2,030,933	592,069
Total comprehensive income for the year		<u><u>5,922,950</u></u>	<u><u>1,113,371</u></u>

The accompanying notes from 1 to 54 are an integral part of these financial statements

Middle East Insurance Company
(Public Limited Shareholding Company)
Statements of Profit or Loss - Life Insurance
For the year ended December 31, 2025
(Jordanian Dinars)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<u>Revenues:</u>			
Insurance contract revenues	30	7,409,737	7,582,958
Insurance contract expenses	31	(5,703,016)	(5,782,233)
Insurance contract service result		1,706,721	1,800,725
Reinsurance contracts revenue	32	2,426,286	2,420,299
Reinsurance contracts expense	33	(4,452,425)	(4,670,337)
Reinsurance contract service result		(2,026,139)	(2,250,038)
Net insurance operations results		(319,418)	(449,313)
Finance revenues/ (expenses) - insurance contracts		493,657	(144,520)
Finance revenues/ (expenses) – reinsurance contracts		(31,265)	3,024
Net financing results of insurance operations		462,392	(141,496)
Interest income		-	-
Net gain on financial assets and investments		464,219	462,780
Other revenues		-	81,185
Net investment revenue		464,219	543,956
Net results of insurance and investment (Total revenues)		607,192	(46,844)
Other Expenses		56,476	-
Total Expenses		56,476	-
Net profit for the year before income tax		550,717	(46,844)
Income tax expense		-	-
National contribution fees		-	-
Net profit for the year after income tax		550,717	(46,844)

The accompanying notes from 1 to 54 are integral part of these financial statements

Middle East Insurance Company
(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	Fair value reserve	Retained earnings	Total
<u>2024</u>						
The balance as of December 31, 2023	22,050,000	5,512,500	2,000,000	(1,502,526)	10,399,129	38,459,103
Net profit / (loss) for the year	-	-	-	-	521,302	521,302
Losses on the sale of financial assets at fair value through other comprehensive income	-	-	-	1,446,338	(1,847,633)	(401,295)
Change in fair value reserve	-	-	-	(854,269)	-	(854,269)
Total Comprehensive Income for the Year	-	-	-	592,069	(1,847,633)	(1,255,564)
Dividends	-	-	-	-	(1,543,500)	(1,543,500)
Prior year adjustment	-	-	-	-	(63,504)	(63,504)
Balance as of December 31, 2024	22,050,000	5,512,500	2,000,000	(910,457)	7,465,794	36,117,837
<u>2025</u>						
Balance as of December 31, 2024	22,050,000	5,512,500	2,000,000	(910,457)	7,465,794	36,117,837
Net profit for the year	-	-	-	-	3,892,017	3,892,017
Losses on the sale of financial assets at fair value through other comprehensive income	-	-	-	(882,350)	1,385,336	502,986
Change in fair value reserve	-	-	-	2,913,283	-	2,913,283
Other comprehensive income for the year	-	-	-	2,030,933	5,277,353	7,308,286
Dividends	-	-	-	-	(1,543,500)	(1,543,500)
Balance as of December 31, 2025	22,050,000	5,512,500	2,000,000	1,120,476	11,199,647	41,882,623

The accompanying notes from 1 to 54 are an integral part of these financial statements

Middle East Insurance Company
(Public Limited Shareholding Company)
Statement of Cash Flows
For the year ended December 31, 2025
(Jordanian Dinars)

	2025	2024
Cash flow from Operating Activities:		
Net profit for the year before tax	5,586,792	676,102
Adjustments to reconcile net profit before tax to net cash flows from operating activities:		
Net cash flow use in operating activities:		
Depreciation and amortization	464,150	400,663
Expected credit losses provision	-	13,162
Gains on disposal of financial assets through other comprehensive income	1,385,336	-
Net change in fair value of financial assets through profit or loss statement	(2,805,718)	(686,775)
Interest income	(1,443,084)	(1,538,694)
Cash flows from operating activities before changes in working capital	3,187,447	(1,135,542)
Changes in working capital		
Reinsurance contract assets (Premium allocation approach)	(8,746,041)	299,306
Reinsurance contract assets (General measurement model)	104,041	164,888
Other assets	1,060,109	387,380
Insurance contract liabilities (General measurement model)	(524,998)	643,313
Insurance contract liabilities (Premium allocation approach)	10,915,791	1,479,052
Accrued expense	84,494	12,132
Other liabilities and other provisions	(785,248)	(906,492)
Cash flows provided by operating activities before income tax paid	5,295,625	944,037
Income tax paid	(226,809)	(457,623)
Net cash flows provided by operating activities	5,068,816	486,414
<u>Cash flow from Investing Activities</u>		
Bank deposits	(2,385,275)	3,890,158
Financial assets at fair value through profit or loss statement	413,311	1,352,553
Financial assets at fair value through other comprehensive income	(713,571)	42,468
Financial assets at amortized cost	(1,600,000)	(6,856,344)
Property and equipment, net	(47,489)	(30,802)
(Purchase)/Sale intangible assets	-	-
Net sale and purchase of investment properties	-	(34,843)
Net cash flows used in investing activities	(4,333,024)	(1,636,810)
<u>Cash flow from financing activities</u>		
Dividends	(1,543,500)	(1,543,500)
Lease payment	(78,552)	144,339
Interest received	1,443,084	1,538,694
Cash flows (used in)/ provided by financing activities	(178,968)	139,533
Net (decrease)/ increase in cash and cash equivalent	556,824	(1,010,863)
Cash and cash equivalent at beginning of the year	3,402,648	4,413,511
Cash and cash equivalent at the end of the year	3,959,472	3,402,648

The accompanying notes from 1 to 54 are an integral part of these financial statements

1. Legal Status and Activities

The Middle East Insurance Company was established in 1962 under the Jordanian Corporate Law and its amendments under No. (9) as a Public Joint-Stock Limited Company. As a Several amendments were made to the capital, the latest was during 2018, so that the authorized and paid-up capital amounted to JD 22,050,000, divided into 22,050,000 shares, with a nominal value of JD 1 per share.

The company's address is Jabal Amman - Zahran Street, Building No. (14), P.O. Box (1802), Amman 11118, 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 on 26 February 2025, Subject to approval by the general assembly of shareholders.

2. Basis of Preparation

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

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

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

The most important accounting policies used in the preparation of the financial statements, which are disclosed 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 also 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 or after 1 January 2027:

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

• 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 allocations, as well as changes in the fair value that appear in the profit or loss statement and in shareholders' equity. In particular, it requires the Company's management to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates are necessarily based on multiple assumptions and factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

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

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:

1- Accrued Tax

Income tax was estimated in accordance with International Financial Reporting Standard No. 17, noting that the income and sales tax law had not been amended as of the date of preparing the financial statements.

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

4. Use of Estimates and Assumptions (continued)

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.

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.

4- Use of Estimates and Assumptions (continued)

Lawsuits

A provision is made against cases filed against the company based on a legal study prepared by the company's lawyer according to which the risks likely to occur in the future are determined, and those studies are periodically reviewed.

Fair Value Levels

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

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

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

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

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

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

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

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

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

4- Use of Estimates and Assumptions (continued)

A. Segments Information

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

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

B. Goodwill

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

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

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

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

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

5- Significant Accounting Policies

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, the insurance contract is recognized according to the following deadlines, whichever is earlier:

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

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:

<u>Main Insurance Type</u>	<u>Sub-Insurance Type</u>
Motor	Compulsory Insurance Comprehensive Insurance Buses complex Border
Marine	Marine Insurance Marine cargo Marine Hull
Aviation	Aviation
Engineering Insurance	Contractors All risk Installation of machines Equipment and Machinery
Fire	All Dangers Fire
Liability	Professional Indemnity
Other Insurance	Personal accidents Travel
Medical	Individual Group
Life	Individual Group

Direct participating feature

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

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

Types of direct participating feature

Investment contracts:

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

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

5. Significant Accounting Policies (continued)

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 Middle East Insurance Company.
- Life insurance contract for employees of the Middle East Insurance Company.
- Vehicle insurance contracts owned by the Middle East Insurance Company.
- All-risk insurance contracts for buildings owned by the Middle East Insurance Company.

Separation of non-insurance components

The investment component

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

- 1- The investment component and the insurance component are not closely related.
- 2- The contract is sold on equivalent terms, or may be sold, 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.
- 3- The company does not have products that contain an investment component.

Components of services and goods

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

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

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

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

5- Significate Accounting Policies (continued)

Separation of non-insurance components (continued)

The investment component (continued)

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

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

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 entity:

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.

When a group of contracts becomes burdensome, the Company adopts the contract registration date instead of the payment due date, as there is no data indicating that the payment due date precedes the contract registration date, which equals the beginning of the insurance coverage.

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 for 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 for 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.

Subsequent Measurement of Insurance Contracts /general measurement approach / variable cost approach

The Company recognizes the carrying amount of any group of insurance contracts at the end of each period as the sum of the following:

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

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.

Measurement approaches

Premium allocation approach

1- Initial recognition 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 f coverage.
- The amount of insurance premium not received is not recognized upon initial recognition.

Middle East Insurance Company
(Public Limited Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025

5- Significant Accounting Policies (continued)

Measurement approaches(continued)

Premium allocation approach (continued)

2- Subsequent measurement/premium 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 depletion of cash flows to acquire insurance contracts recognized as an expense.
- Add emergency amendments to the financing component.
- Subtract the amount proven as insurance revenue for the coverage provided in that year.
- Subtract any paid or transferred investment component of the liability for claims incurred.

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).

Liabilities for claims incurred:

Which is calculated according to the best estimate of future cash flows to pay claims plus adjustments for non-financial risks, taking into account the application of the discount rate to claims.

Level of aggregation

Insurance contract portfolios are grouped by year of subscription so that they group similar risk portfolios managed together

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 are as follows:

- 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:

A- Risk-free yield curve:

The risk-free yield curve will be derived as follows:

- 1- European Insurance and Occupational Pensions Authority (eiopa) rates will be used for the purposes of determining the interest rate according to the required year.
- 2- An increase margin of (1.5%) will be added to the above interest rate for the purposes of equating the interest from the dollar to the dinar, since the Company's investments are in the Jordanian dinar.

B- 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 as follows:

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

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).

1- Recognition 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.

2- Reinsurance contract aggregation:

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.

A) 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).

B) Recognition of aggregation level (Cohort):

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

1- A group of contracts that are unlikely to generate net profit.

2- A group of contracts that are likely to become net profit.

3- A group of other contracts.

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

Reinsurance contract commissions

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

Reinsurance contract assets

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

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.

5- Significate Accounting Policies (continued)

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.

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

Real estate investments 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.

Asset	Depreciation Rate (%)
Transportation	15%
Buildings	2%
Equipment and furniture	%12.5-%20
Other	2%

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)

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- Creditor banks:

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

3- Provisions:

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

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

4- End of service benefits provision:

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

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

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 income:

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

2- Rental income:

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.

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

Middle East Insurance Company
(Public Limited Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025

5- Significant Accounting Policies (continued)

Insurance contract expenses (continued)

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.

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).

Summary of Measurement Approach

1. The group classifies insurance contracts according to the following:

Portfolio (Level 1)	Contract Classification	Measurement approach
Engineering	Insurance contract	Premium allocation approach
General Insurance	Insurance contract	Premium allocation approach
Motor (portfolio A)	Insurance contract	Premium allocation approach
Motor (portfolio B)	Insurance contract	Premium allocation approach
Motor (portfolio C)	Insurance contract	Premium allocation approach
Motor (portfolio D)	Insurance contract	Premium allocation approach
Life (portfolio A)	Insurance contract	Premium allocation approach
Life (portfolio B)	Insurance contract	General measurement model
Fire	Insurance contract	Premium allocation approach
Marine	Insurance contract	Premium allocation approach
Medical	Insurance contract	Premium allocation approach
Travel	Insurance contract	Premium allocation approach

2. The group classifies reinsurance contracts according to the following:

Portfolio (Level 1)	Measurement Method	Portfolio (Level 1)	Measurement approach
Engineering	Premium allocation approach (Premium allocation approach)	Fire	Premium allocation approach Premium allocation approach
General Insurance	Premium allocation approach Premium allocation approach	Marine	Premium allocation approach Premium allocation approach
Motor	Premium allocation approach Premium allocation approach	Medical	Premium allocation approach Premium allocation approach
Life (portfolio A)	Premium allocation approach	Travel	Premium allocation approach
Life (portfolio B)			
Life (portfolio A)	General measurement model	-	-

Middle East Insurance Company
(Public Limited Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

6- Deposits at Banks

This item consists of the following:

	2025				2024
	Deposits due within a month	Deposits due after more than three months	Deposits due after more than three months and up to one year	Total	Total
Deposits inside Jordan					
Capital Bank of Jordan	-	-	800,000	800,000	800,000
Cairo Amman Bank	-	-	1,500,000	1,500,000	4,142,785
Jordan Ahli Bank	54,427	-	1,000,000	1,054,427	1,875,943
Jordan Commercial Bank	-	-	4,700,000	4,700,000	4,000,000
Bank al Etihad	-	-	550,000	550,000	450,000
Bank of Jordan	-	-	5,750,000	5,750,000	2,000,000
Invest Bank	-	-	5,000,000	5,000,000	5,750,000
Bank ABC	-	-	900,000	900,000	850,424
Kuwait Jordan bank	-	-	2,000,000	2,000,000	-
Provision for Expected Credit Losses	-	-	-	-	-
	54,427	-	22,200,000	22,254,427	19,869,152

- Interest rates on bank deposits balances in Jordanian Dinar ranges from 4.75% to 5.8% during the year ended December 31, 2025.
- The restricted withdrawal balances, represented by deposits pledged in favor of the Governor of the Central Bank of Jordan in addition to his position, amounted to (800,000) as of December 31, 2025, compared to (800,000) as of December 31, 2024.

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

	2025	2024
Inside Jordan		
Listed Shares	7,098,178	4,853,160
Sub-total	7,098,178	4,853,160
Outside Jordan		
Listed Shares	2,373,837	2,226,448
Sub-total	2,373,837	2,226,448
Ground	9,472,015	7,079,608

8- Financial Assets at Fair Value through Other Comprehensive Income

	2025	2024
Inside Jordan		
listed Shares	6,994,224	4,641,673
listed Shares	1,340,707	1,340,708
Sub-total	8,334,931	5,982,381
Outside Jordan		
Listed Shares	5,153,539	4,803,427
Unlisted Shares	3,002,241	2,960,399
Sub-total	8,155,780	7,763,827
Total	16,490,711	13,746,207

Middle East Insurance Company
(Public Limited Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

9- Financial Assets at Amortized Cost

	<u>2025</u>	<u>2024</u>
<u>Inside Jordan</u>		
Siniora Company bonds*	354,500	354,500
Jordanian treasury bonds**	10,102,224	8,502,224
Sub-total	<u>10,456,724</u>	<u>8,856,724</u>

* Siniora Company's bonds mature on 10/03/2029, with an interest rate of 7.75% per annum, and are paid in full on the maturity date. Note that these bonds are listed.

** The annual interest rates on the bonds in Jordanian Dinars range from 6.386% to 6.899%, and are paid in full at the bonds maturity.

10- Investment Properties

<u>2025</u>	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost			
Opening balance	12,424,049	14,060,011	26,484,060
Additions	-	-	-
Disposals	-	-	-
Ending balance	<u>12,424,049</u>	<u>14,060,011</u>	<u>26,484,060</u>
Accumulated depreciation:			
Accumulated depreciation at the beginning of the year	-	4,745,310	4,745,310
Depreciation for the year	-	280,080	280,080
Disposals	-	-	-
Accumulated depreciation at the end of the year	<u>-</u>	<u>5,025,390</u>	<u>5,025,390</u>
Net investment properties at the end of the year	<u>12,424,049</u>	<u>9,034,621</u>	<u>21,458,670</u>
 <u>2024</u>	 <u>Land</u>	 <u>Buildings</u>	 <u>Total</u>
Cost			
Opening balance	12,422,549	14,060,011	26,482,560
Additions	1,500	-	1,500
Disposals	-	-	-
Ending balance	<u>12,424,049</u>	<u>14,060,011</u>	<u>26,484,060</u>
Accumulated depreciation:			
Accumulated depreciation at the beginning of the year	-	4,745,310	4,383,513
Depreciation for the year	-	9,314,701	361,797
Disposals	-	14,060,011	-
Accumulated depreciation at the end of the year	<u>-</u>	<u>4,745,310</u>	<u>4,745,310</u>
Net investment properties at the end of the year	<u>12,424,049</u>	<u>4,383,513</u>	<u>21,738,750</u>

-Investment properties 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 36,888,026 Jordanian dinars as, in accordance with the instructions and decisions issued by the Insurance Department of the Central Bank

Middle East Insurance Company
(Public Limited Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

11- A. Right- of Use Asset

	<u>2025</u>	<u>2024</u>
Right of Use Asset	194,331	194,331
Depreciation	(77,734)	(38,867)
Balance at the end of the year	<u>116,597</u>	<u>155,464</u>

11- lease liabilities

The table below shows the book value of lease liabilities and the movement during the year:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	144,523	184
Additions	-	194,331
Lease financing costs	13,163	13,163
Paid during the year	(91,715)	(63,155)
Balance at the end of the year	<u>65,971</u>	<u>144,523</u>

12- Cash on Hand and at Banks

	<u>2025</u>	<u>2024</u>
Cash on hand	1,314	56,241
Cash at banks	3,958,158	3,346,407
	<u>3,959,472</u>	<u>3,402,648</u>

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

13- (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 cash flow	Present value of cash flow	Risk adjustment s-non financial	Risk adjustment s-non financial	Total	
Insurance contracts liabilities-beginning	2,235,107	2,374,013	2,014,015	1,302,794	47,866,030	47,590,708	1,648,660	1,737,240	54,123,810	52,644,757
Insurance contracts assets-beginning			-	-		-		-		-
Net insurance contracts liabilities/(Assets) - beginning	2,235,107	2,374,013	2,014,015	1,302,794	47,866,030	47,590,708	1,648,660	1,737,240	54,123,810	52,644,757
Insurance contracts revenues	(62,725,044)	-	(51,001,888)	-	-	-	-	-	(62,725,044)	(51,001,888)
Claims incurred	-	-	-	-	41,735,183	25,884,388	-	-	41,735,183	25,884,388
Acquisition cost	2,099,209	-	1,772,841	-	-	-	-	-	2,099,209	1,772,841
Employees cost	-	-	-	-	7,504,654	5,743,904	616,362	(88,580)	8,121,015	5,655,324
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses resulting from contracts expected to be lost and the recovery of these losses	-	(591,168)	-	1,071,219	-	-	-	-	(591,168)	1,071,219
Insurance contracts expenses	2,099,209	(591,168)	1,772,841	1,071,219	49,239,836	31,628,292	616,362	(88,580)	51,364,238	34,383,772
Insurance service results	(60,625,836)	(591,168)	(49,229,047)	1,071,219	49,239,836	31,628,292	616,362	(88,580)	(11,360,806)	(16,618,116)
Finance costs - from insurance contracts	-	-	-	-	380,986	663,489	-	-	380,986	663,489
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	(60,625,836)	(591,168)	(49,432,094)	1,071,219	49,620,822	32,291,782	616,362	(88,580)	(10,979,820)	(15,954,626)
Cash received from written contracts	63,550,292	-	51,310,436	-	-	-	-	-	63,550,292	51,310,390
Claims incurred	-	-	-	-	(40,126,085)	(32,016,460)	-	-	(40,126,085)	(32,016,460)
Paid from acquisition costs	(1,528,596)	-	(1,860,252)	-	-	-	-	-	(1,528,596)	(1,860,252)
Other expenses	-	-	-	-	-	-	-	-	-	-
Total cash flows	62,021,696	-	49,450,138	-	(40,126,085)	(32,016,460)	-	-	21,895,611	17,433,679
Insurance contracts liabilities-Ending	3,630,967	1,782,845	2,235,106	2,374,013	57,360,767	47,866,030	2,265,021	1,648,660	65,039,600	54,123,809
Insurance contracts assets-Ending	-	-	-	-	-	-	-	-	-	-
Net insurance contracts liabilities/(Assets) – Ending	3,630,967	1,782,845	2,235,106	2,374,013	57,360,767	47,866,030	2,265,021	1,648,660	65,039,600	54,123,809

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

13,1 Receivables Related to Insurance Operations (By Type)

	2025	2024
Receivables from insurance contract holders	9,468,475	7,738,337
Agents' receivables	1,686,562	1,086,645
Brokers' receivables	3,675,775	3,665,367
Other receivables*	-	-
Total receivables	14,830,812	12,490,349
Less: allowance for expected credit losses provision	(2,471,583)	(1,571,583)
Total receivables	12,359,229	10,918,766

Analysis of account receivables according to their time period:

	2025	2024
Due for Payment for 0-30 Days	3,845,665	3,645,152
Due for Payment for 31-90 Days	3,900,246	3,768,083
Due for Payment for 91-180 Days	2,359,511	1,508,695
Due for Payment for 181-365 Days	2,396,798	2,485,731
Due for Payment for more 365 Days	2,328,592	1,082,687
Total	14,830,812	12,490,349

13, 2- Cheques under collection*:

	2025	2024
The total value of Cheques under collection related to insurance operations	540,286	469,070
Less: expected credit losses provision	-	-
Net value of Cheques under collection related to insurance operations	540,286	469,070

Analysis of cheques under collection according to their time period:

	2025	2024
Due for 0-6 Months	493,918	376,302
Due for 6-12 Months	46,368	92,768
Due for More Than 12 Months	-	-
Total	540,286	469,070

13,3- Accounts Payable (Reinsurance Contracts held)

	2025	2024
Total Value of Accounts Payable Related to Insurance Operations	6,328,569	6,332,239
Total Value of Accounts Payable Related to Insurance Operations	6,328,569	6,332,239

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

14- (Liabilities) / Assets Insurance Contracts (General Approach)

	Liability for Remaining Coverage (LRC)				Liability for Incurred Claims (LIC)					
	2025	2025	2024	2024	2025	2024	2025	2024	2025	2024
	Excluding loss component	Loss component	Excluding loss component	Loss component	Present value of future cash	Present value of future cash	Non-financial risk adjustments	Non-financial risk adjustments	Total	
Insurance contracts liabilities-beginning	4,038,800	785,227	-	4,181,713	51,000	50,000	-	-	4,875,027	4,231,713
Insurance contracts assets-beginning		-	-	-		-	-	-		-
Net Insurance Contract Liabilities (Assets) Beginning	4,038,800	-	-	4,181,713	51,000	50,000	-	-	4,875,027	4,231,713
Insurance revenue	1,560,700	-	-	(1,649,918)	-		-	-	1,560,700	1,649,918)
Incurred claims	-	-	-	-	736,619	1,000	-	-	736,619	624,612
Changes related to past service – Adjustments to LfIC (Liability for Incurred Claims)	-	-	-	-	-	-	-	-		-
Employee expenses	-	-	-	-	-	-	-	-		150,438
Amortization of acquisition costs	211,232	-	-	151,513	-	-	-	-	211,232	151,513
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses from onerous contracts and reversals of such losses	-	80,186	785,227	-	-	-	-	-	80,186	785,227
Insurance service expenses	211,232	80,186	785,227	151,513	736,619				867,665	1,711,790
Results of insurance operations	1,349,467	705,041	785,227	(1,498,405)	736,619	1,000	-	-	211,232	61,872
Finance expenses – from insurance contracts	445,892	49,898	-	-	2,133	-	-	-	493,657	144,520
Impact of exchange rate movements	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change – Other comprehensive	1,795,359	130,085	785,227	(1,498,405)	738,752	-	-	-	1,186,692	206,392
Cash received from underwritten contracts	1,760,086		-	1,507,005		-	-	-	1,760,086	1,507,005
Incurred claims			-	-	(753,752)	-	-	-	(753,752)	(918,570)
Paid acquisition costs	(133,222)	(151,513)	-	-	-	-	-	-	(133,222)	(151,513)
Other expenses	(211,232)		-	-		-	-	-	(211,232)	-
Total cash flows	1,415,632			1,355,492	(753,752)	-	-	-	661,318	436,922
Insurance contract liabilities – end of period	3,658,886	655,143	785,227	4,038,800	36,000	51,000	-	-	-	4,875,027
Insurance contract assets – end of period										
Net (liabilities)/assets of insurance contracts –end of period	3,658,886	655,143	785,227	4,038,800	36,000	51,000	-	-	(4,350,029)	4,875,027

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

14- (Liabilities) / Assets Insurance Contracts (General Approach)

	2025	2024	2025	2024	2025	2024	2025	2024
	Best Estimate of Liabilities	Best Estimate of Liabilities	Risk adjustments-non financial	Risk adjustments-non financial	Contractual Service Margin	Contractual Service Margin	Total	Total
Insurance contracts liabilities-beginning	3,861,897	3,337,464	348,376	295,203	-	599,046	-	4,231,713
Insurance contracts assets-beginning								
Net Insurance Contract Liabilities (Assets) – Beginning	3,861,897	3,337,464	348,376	295,203	664,754	599,046	4,875,027	4,231,713
Changes related to current services								
Release of Contractual Service Margin (+/-)	-	-	43,662	49,599	(764,563)	64,701	(720,901)	114,300
Experience Adjustments	(378,943)	(1,764,218)	-	-	-	-	(378,943)	(1,764,218)
Change in Risk Adjustment - Non-financial			-	-	-	-	-	-
Changes Related to Future Services								
Impact of Initially Recognized Contracts During the Period	5,023,595	1,571,897	(177,602)	6,398	137,677	132,496	4,845,993	1,710,790
Impact of Changes in Assumptions for Contractual Service Margin	-	-	-	-	-	-	-	-
Losses resulting from contracts expected to be onerous and the recovery of these losses	-	-	-	-	-	-	-	-
Changes Related to Previous Services								
Changes in Liabilities Related to Claims Incurred	(738,994)	1,000	-	-	-	-	(738,994)	1,000
Insurance service results	1,393,860	(191,322)	(73,939)	55,997	(626,886)	197,197	693,035	61,871
Financing Revenue (expense) - from insurance contract	524,232	278,832	39,155	(2,823)	(69,730)	(131,489)	493,657	144,520
The effect of movements in exchange rates	-	-	-	-	-	-	-	-
Net change - other comprehensive income	1,918,093	87,509	(34,784)	53,174	(696,617)	65,708	1,186,692	206,391
Cash received from written contracts	1,760,086	1,218,852	-	-	-	-	1,760,086	1,218,852
Claims incurred	(753,939)	(623,612)	-	-	-	-	(753,939)	(623,612)
Paid from acquisition costs	(344,454)	(119,605)	-	-	-	-	(344,454)	(119,605)
Other expenses	-	(38,710)	-	-	-	-	-	(38,710)
Net Cash Flows	661,693	436,923	-	-	-	-	661,693	436,923
Insurance contracts liabilities-Ending	-	3,861,897	383,160	348,377	1,361,371	664,754	4,350,029	4,875,027
Insurance contracts assets-Ending	-	-	-	-	-	-	-	-
Net insurance contracts liabilities/(Assets) – Ending	2,605,310	3,861,897	383,160	348,377	1,361,371	664,754	4,350,029	4,875,027

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2024
(Jordanian Dinars)

15- (Liabilities) / Assets Reinsurance Contracts Held (Premium Allocation Approach)

	Assets for remaining coverage (ARC)				Assets for Incurred Claims (AIC)					
	2025	2025	2024	2024	2025	2024	2025	2024	2025	2024
	Excluding loss recovery component	Loss recovery component	Excluding loss recovery component	Loss recovery component	Present value of cash flow	Present value of cash flow	Risk adjustm ents-non financial	Risk adjustm ents-non financial	Total	
reinsurance contracts liabilities-beginning	-	-	-	-	-	-	-	-	-	-
reinsurance contracts assets-beginning	(12,797,996)	-	(11,321,253)	-	29,797,156	28,498,698	964,618	1,072,478	17,963,779	18,249,923
Net reinsurance contracts liabilities/(Assets) – beginning	(12,797,996)	-	(11,321,253)	-	29,797,156	28,498,698	964,618	1,072,478	17,963,779	18,249,923
Reinsurance payments	(28,250,647)	-	(26,959,675)	-	-	-	-	-	(28,250,647)	(26,959,675)
Reinsurance recoveries	-	-	-	-	15,299,488	8,515,611	-	-	15,299,488	8,515,611
Commissions received	-	-	-	-	2,906,684	2,908,288	444,418	(107,860)	3,351,102	2,800,428
Administrative expenses	-	-	-	-	(207,359)	-	-	-	(207,359)	-
Reinsurance contracts revenues	-	-	-	-	-	-	-	-	-	-
Reinsurance service contracts results	(28,250,647)	-	(26,959,675)	-	17,998,813	11,423,899	444,418	(107,860)	(9,807,417)	(15,643,635)
Finance cost - from reinsurance contracts	-	-	-	-	76,044	102,255	-	-	76,044	102,255
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net change - comprehensive income	(28,250,647)	-	(26,959,675)	-	18,074,857	11,526,154	444,418	(107,860)	(9,731,373)	(15,541,380)
Cash received from written contracts paid to reinsurers	26,805,760	-	25,482,932	-	-	-	-	-	26,805,760	25,482,932
Incurred claims recovered from reinsurers	-	-	-	-	-	(10,227,696)	-	-	-	(10,227,696)
Other recovered amounts	-	-	-	-	(8,328,347)	-	-	-	(8,328,347)	-
Recovered profit commission from reinsurers	-	-	-	-	-	-	-	-	-	-
Total cash flows	26,805,760	-	25,116,528	-	(8,328,347)	(10,227,696)	-	-	18,477,413	15,255,235
Reinsurance contracts assets-Ending	(14,242,883)	-	(12,797,996)	-	39,543,666	29,797,156	1,409,036	964,618	26,709,819	17,963,778
Reinsurance contracts liabilities-Ending	-	-	-	-	-	-	-	-	-	-
Net reinsurance contracts liabilities/(Assets) – Ending	(14,242,883)	-	(12,797,996)	-	39,543,666	29,797,156	1,409,036	964,618	26,709,819	17,963,778

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

15,1 Accounts Receivable* (Reinsurance Contracts Held)

	2025	2024
Assets reinsurance contracts held (Internal)	1,919,532	1,734,285
Assets reinsurance contracts held (External)	7,291,413	5,617,938
Total accounts receivable value related to insurance operations	9,210,945	7,352,223
Less: Expected credit losses provision	(550,000)	450,000
Net accounts receivable value related to insurance operations	8,660,945	6,902,223

Analysis of accounts receivable according to their time period:

	2025	2024
Payable for 0-30 days	4,768,500	3,909,705
Payable for 31-90 days	2,262,527	2,007,169
Payable for 91-180 days	790,791	710,582
Payable for 181-365 days	955,286	279,665
Payable for more than one year	433,842	445,102
Total	9,210,945	7,352,223

15,2 Accounts Payable* (Reinsurance Contracts Held)

	2025	2024
Assets reinsurance contracts held (Local)	408,174	434,920
Assets reinsurance contracts held (International)	17,420,292	15,167,471
Total accounts receivable value related to insurance operations	17,828,466	15,602,391

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

16- (Liabilities) / Assets Reinsurance Contracts Held (General Approach)

	Assets for remaining coverage (ARC)				Assets for Incurred Claims (AIC)				Total	
	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 cash flow	Present value of cash flow	Risk adjustments-non financial	Risk adjustments-non financial		
reinsurance contracts liabilities-beginning	-	-	-	-	-	-	-	-	-	-
reinsurance contracts assets-beginning	139,644	-	304,532	-	25,000	25,000	-	-	164,644	329,532
Net reinsurance contracts liabilities/(Assets) – beginning	139,644	-	304,532	-		25,000	-	-	164,644	329,532
Reinsurance payments	(141,452)	-	245,745	-		-	-	-	(141,452)	(248,769)
Reinsurance recoveries	-	-	-	-	4,069	-	-	-	4,069	-
Commissions received	-	-	-	-		-	-	-	-	-
Administrative expenses	-	-	-	-		-	-	-	-	-
Reinsurance contracts revenues	-	-	-	-		-	-	-	-	-
Reinsurance service contracts results	(141,452)	-	245,745	-	4,069	-	-	-	(137,384)	(248,769)
Finance cost - from reinsurance contracts	(32,093)	-	3,024	-	827	-	-	-	(31,265)	(3,024)
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net change - comprehensive income	(173,545)	-	248,769	-	4,896	-	-	-	(168,649)	(251,793)
Cash received from written contracts paid to reinsurers	(74,608)	-	83,880	-		-	-	-	(74,608)	83,881
Incurred claims recovered from reinsurers	-	-	-	-	10,000	-	-	-	10,000	3,024
Other recovered amounts	-	-	-	-		-	-	-	-	-
Recovered profit commission from reinsurers	-	-	-	-		-	-	-	-	-
Total cash flows	(74,608)	-	83,880	-	10,000	-			(64,608)	86,905
Reinsurance contracts assets-Ending	40,707	-	139,644	-	19,896	25,000	-	-	60,603	164,644
Reinsurance contracts liabilities-Ending	-	-	-	-	-	-	-	-	-	-
Net reinsurance contracts liabilities/(Assets) – Ending	40,707	-	139,644	-	19,896	25,000	-	-	60,603	164,644

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

16- (Liabilities) / Assets Reinsurance Contracts Held (General Measurement Model)

	2025	2024	2025	2024	2025	2024	2025	2024
	Best Estimate of Liabilities	Best Estimate of Liabilities	Risk adjustments- non financial	Risk adjustments- non financial	Contractual Service Margin	Contractual Service Margin	Total	Total
reinsurance contracts liabilities-beginning	-	-	-	-	-	-	-	-
reinsurance contracts assets-beginning	664	38,977	8,579	9,356	155,401	281,200	164,644	329,533
Net reinsurance contracts liabilities/(Assets) - beginning	664	38,977	8,579	9,356	155,401	281,200	164,644	329,533
Changes Related to Current Services								
service margin release (+/-)	-	-	-	-	(521,317)	(163,292)	(521,317)	(163,292)
Experience adjustments	388,748	(69,739)	-	-	-	-	388,748	(69,739)
Change in Risk Adjustment - Non-Financial	-	-	(4,814)	(2,714)	-	-	(4,814)	(2,714)
Changes Related to Future Services	-	-	-	-	-	-	-	-
Impact of Initially Recognized Contracts During the Period	-	(49,233)	-	1,612	-	47,621	-	-
Impact of Changes in Assumptions for Contractual Service Margin	-	-	-	-	-	(10,000)	-	(10,000)
Impact of Recognition of Loss Recovery Component from Contracts Expected to be Loss-Making	-	-	-	-	-	-	-	-
Impact of Reversal of Loss Recovery Component Recognition from Contracts Expected to be Loss-Making	-	-	-	-	-	-	-	-
Impact of Changes in Estimates That Do Not Adjust the Contractual Service Margin	-	-	-	-	-	-	-	-
Changes Related to Previous Services	-	-	-	-	-	-	-	-
Changes in Recoverable Amounts Resulting from Changes in Liabilities Related to Claims Incurred	-	-	-	-	-	-	-	-
Financing Revenue (expense) - from reinsurance contract	(13,958)	(3,221)	(16)	325	(17,291)	(128)	(31,265)	(3,024)
Impact of Changes in Default Risk (Non-payment) by Reinsurers	-	-	-	-	-	-	-	-
The effect of movements in exchange rates	-	-	-	-	-	-	-	-
Net change - other comprehensive income	374,790	(122,193)	(4,830)	(777)	(538,609)	(125,799)	(168,649)	(248,769)
Cash received from written contracts paid to reinsurers	74,608	83,880	-	-	-	-	74,608	83,880
Claims Incurred Recovered from Reinsurance	(10,000)	-	-	-	-	-	(10,000)	-
Profit Commission Recovered from Reinsurance	-	-	-	-	-	-	-	-
Other Amounts Recovered	-	-	-	-	-	-	-	-
Total cash flows	64,608	83,880	-	-	-	-	64,608	83,880
Reinsurance contracts liabilities-Ending	-	-	-	-	-	-	-	-
Reinsurance contracts assets-Ending	440,062	664	3,749	8,579	(383,207)	155,401	60,603	164,644
Net reinsurance contracts liabilities/(Assets) – Ending	440,062	664	3,749	8,579	(383,207)	155,401	60,603	164,644

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

17- Income Tax

A- Provision for Income Tax:

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

	2025	2024
Balance at beginning of the year	408,470	866,093
Income tax paid	(226,209)	(806,749)
Income tax expense for the year	828,108	462,648
Bank Interest Tax	(68,730)	(89,878)
National Contribution on Bank Interest	(17,318)	(23,644)
Prior period adjustments	(1,096)	-
Provision for income tax – prior years (War Profits Fund)	81,726	-
Balance at the end of the year	1,004,951	408,470

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

	2025	2024
Accrued income tax for profit of the year	1,618,334	116,247
Deferred tax assets / liabilities amortization	-	-
Balance at the end of the year	1,618,334	116,247

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

	2025	2024
Accounting profit	5,091,226	1,773,037
Non-taxable profits	(7,508,667)	(4,710,094)
Expenses that are not tax acceptable	5,602,441	4,864,756
Tax profit	3,185,000	1,927,699
Actual income tax	1,618,334	116,247
Actual income tax rate	%32	%7
Statutory income tax rate	%24	%24

A final tax settlement has been reached with the Income and Sales Tax Department up to the end of fiscal year 2019.

Self-assessment tax returns for the fiscal years 2020, 2021, 2022, 2023, and 2024 have been duly filed; however, they have not yet been reviewed by the Income and Sales Tax Department.

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

17- Income Tax (continued)

Deferred Tax Assets/Liabilities

	2025					2024
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
A- Deferred tax assets:						
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	<u>2,655,532</u>	<u>3,537,882</u>	<u>882,351</u>	<u>-</u>	<u>-</u>	<u>490,912</u>
	2025					2024
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
B- Deferred tax liabilities:						
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	<u>1,205,027</u>	<u>424,166</u>	<u>2,805,718</u>	<u>3,586,579</u>	<u>1,326,191</u>	<u>313,307</u>

Movement on deferred tax assets and liabilities is as follows:

	Liabilities		Assets	
	2025	2024	2025	2024
Balance at the beginning of the year	313,307	488,686	490,912	527,914
Additions	1,012,884	-	-	171,022
Disposals	-	(175,379)	(490,912)	(208,024)
Balance at the end of the year	<u>1,326,191</u>	<u>313,307</u>	<u>-</u>	<u>490,912</u>

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

18- Property and Equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machines and equipment</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>					
Balance as of December 31, 2024	760,236	6,027,125	871,342	201,200	7,859,903
Additions	-	15,629	31,860	-	47,489
Balance As of December 31, 2025	760,236	6,042,754	903,202	201,200	7,907,392
<u>Less:</u>					
<u>Accumulated depreciation</u>					
Balance as of December 31, 2024	-	2,405,673	831,906	195,181	3,432,760
Depreciation	-	118,080	15,154	6,019	139,253
Balance As of December 31, 2025	-	2,523,753	847,060	201,200	3,572,013
<u>Net Book value:</u>					
Balance As of December 31, 2025	760,236	3,519,001	56,142	-	4,335,379
Balance as of December 31, 2024	760,236	3,621,452	39,436	6,019	4,427,143

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

19- Intangible Assets

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the period	5,950	17,050
Additions	-	-
Amortization	<u>(5,950)</u>	<u>(11,100)</u>
Balance at the end of the year	<u>-</u>	<u>5,950</u>

20- Other Assets

	<u>2025</u>	<u>2024</u>
Receivables	341,940	926,052
Accrued and unreceived revenues	469,806	452,487
Prepaid expenses	419,358	319,810
Refundable deposits	10,527	10,387
Other*	345,710	447,802
	<u>1,587,341</u>	<u>2,156,538</u>

This amount represents loans to employees against their pledge in favor of the company in accordance with the company's internal regulations:

	<u>2025</u>	<u>2024</u>
Analysis of Debts by Maturity Period:		
Due for 0-30 Days	794,307	1,079,135
Due for 31-90 Days	227,586	309,195
Due for 91-180 Days	88,533	120,279
Due for 181-365 Days Due for payment for more than a year	476,915	647,929
	<u>1,587,341</u>	<u>2,156,538</u>

21- Accounts Payable

	<u>2025</u>	<u>2024</u>
Agent's payables	143,666	74,533
Employees' payables	6,603	710,730
Broker's payables	507,117	434,174
Policyholders' Receivables	3,586,176	2,889,318
Other payables *	2,085,007	445,255
	<u>6,328,569</u>	<u>4,554,010</u>

22- Other Provisions

	<u>2025</u>	<u>2024</u>
Provision for end of service benefits	27,751	98,944
	<u>27,751</u>	<u>98,944</u>

The following table shows the movement in the other provisions:

	Beginning balance	Additions during the year	Used during the year	Returned revenues	Ending balance
Provision for end of service benefits	98,944	-	71,193	-	27,751

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

23- Other Liabilities

	2025	2024
Employee savings fund deposits	2,156,197	2,516,700
Board of Directors' remuneration	50,000	50,000
Advance received revenues - rents	13,686	13,680
Social security deposits	65,478	66,306
Shareholder deposits	-	436,333
Stamps	26,284	15,132
General sales tax deposits	46,231	80,156
National contribution deposits	46,388	(28,831)
Technical provisions	600,489	-
Employee dues	-	710,730
	3,004,753	3,860,206

24- Share Capital

The capital at the end of the year amounted to JD 22,050,000, divided into 22,050,000 shares, with a nominal value of one dinar per share, (The previous year: 22,050,000 shares with a nominal value of one Jordanian Dinar per share).

25- 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.

26- Accumulated change in fair value

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

	2025	2024
Balance at the beginning of the year	(910,457)	(1,502,526)
Change during the year	2,030,933	592,069
Balance at the end of the year	1,120,476	(910,457)

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

27- Retained earnings

	2025	2024
Balance at the beginning of the year	7,465,794	10,399,129
Profit for the year	3,892,017	521,302
Dividends	1,385,336	(1,847,633)
Gain (losses) on sale of financial assets through other Comprehensive Income	(1,543,500)	(1,543,500)
Prior year adjustment	-	(63,504)
Balance at the end of the year	11,199,647	7,465,794

28- Translation of Foreign Currency Differences

They are differences resulting from the translation of net investment in foreign companies and foreign branches of the company and the statement of movement on them as follows:

	2025	2024
Balance at the beginning of the year	4,197,225	2,925,766
(Disposals) /Additions during the year	(3,057,377)	1,344,887
Transfer to profit and loss statement	16,308	(73,428)
Balance at the end of the year	1,156,156	4,197,225

29- Related Parties Transactions

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

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

	2025			2024
	Executive management	Members of the Board of Directors	Total	Total
<u>Items of financial position statement</u>				
Insurance contract assets	74,072	41,490	115,562	203,778
Insurance contract liabilities	7,560	1,200	8,760	11,724
<u>Items of profit or loss statement</u>				
Insurance revenues	7,136	11,644	18,780	23,080
Insurance expenses	8,596	10,475	19,071	41,134

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

	2025	2024
Salaries and rewards	1,106,602	1,555,700
Other expenses	3,950	4,050
	1,110,552	1,559,750

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

30- Insurance Contracts Revenue

	Motor	Marine	Aviation	Fire	Engineer	Responsibility	Medical	Others	Group life	Individual life	Total
2025											
Insurance contracts revenue and change in insurance contracts liabilities against remaining coverage	20,228,267	7,157,230	191,445	9,522,635	3,198,404	1,416,220	12,746,019	54,566	5,762,767	1,560,700	61,838,253
Change in Insurance Contract Liabilities for Remaining Coverage	(77,729)	(577,925)	24	(641)	(339)	5,744	(123,496)	15,955	(1)	-	(758,408)
Insurance contracts issuance fees	353,565	72,103	1,263	248,728	86,301	33,728	428,298	3,542	71,647	-	1,299,175
Change in Insurance Contract Liabilities for Remaining Coverage of Issuance Fees	(23,301)	(9,734)	2,334	(9,503)	(16,952)	(2,546)	(23,949)	(720)	589	14,035	(69,747)
Other income	359,345	56,426	-	-	-	-	-	-	-	-	415,771
Total insurance contracts revenue	20,840,147	6,698,100	195,066	9,761,219	3,267,414	1,453,146	13,026,872	73,343	5,835,002	1,574,735	62,725,044

	Motor	Marine	Aviation	Fire	Engineer	Responsibility	Medical	Others	Group life	Individual life	Total
2024											
Insurance contracts revenue and change in insurance contracts liabilities against remaining coverage	15,877,277	5,435,305	222,990	9,493,947	3,375,705	1,436,910	7,524,778	63,030	5,877,338	1,063,338	50,370,618
Change in Insurance Contract Liabilities for Remaining Coverage	29,782	441,916	(6)	(333)	(39)	7,203	123,771	-	-	561,202	1,163,496
Insurance contracts issuance fees	306,890	43,038	4,047	253,852	99,011	48,576	294,435	3,004	71,596	9,021	1,133,470
Change in Insurance Contract Liabilities for Remaining Coverage of Issuance Fees	(14,961)	(4,298)	45	(2,624)	2,558	(2,343)	(10,405)	-	(106)	-	(32,134)
Other income	-	-	-	15,787	-	-	-	-	(15,788)	16,357	16,356
Total insurance contracts revenue	16,198,988	5,915,961	227,076	9,760,629	3,477,235	1,490,346	7,932,579	66,034	5,933,040	1,649,918	52,651,806

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Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

31- Insurance Contracts Expenses

										Individual	
	Motor	Marine	Aviation	Fire	Engineer	Responsibility	Medical	Others	Group life	life	Total
2025											
Insurance claims incurred	17,159,546	15,655	-	8,061,287	869,251	501,611	11,248,083	9,952	3,194,216	675,582	41,735,183
Administrative expenses	2,398,443	562,794	16,749	1,073,705	360,629	177,116	1,882,532	90,046	932,809	192,083	7,686,906
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Risk Adjustments – Other Finance	31,661	(11,085)	136	522,586	(1,764)	50,876	12,274	3,817	7,864	-	616,365
Loss component	(467,234)	-	-	-	-	-	(154,454)	30,519	-	-	(591,169)
Undistributed Expenses	40,476	2,786	-	333	(182)	(31)	11,903	477	(1)	-	55,761
Deferred Expenses	(101,334)	(38,332)	463	(13,646)	(10,016)	(7,090)	(49,522)	(18,116)	(423)	-	(238,016)
Transferred from acquisition costs / acquisition costs (according to the Company's method of recognition)	754,979	114,074	-	107,094	4,562	4,089	409,916	3,608	700,886	-	2,099,208
Total insurance contracts expenses	19,816,537	645,892	17,348	9,751,359	1,222,480	726,571	13,360,732	120,303	4,835,351	867,665	51,364,238

										Individual	
	Motor	Marine	Aviation	Fire	Engineer	Responsibility	Medical	Others	Group life	life	Total
2024											
Insurance claims incurred	12,938,343	412,803	297,683	2,405,644	249,011	446,081	5,961,890	12,837	3,204,087	624,612	26,552,991
Administrative expenses	1,863,895	459,574	7,413	840,820	298,965	139,578	1,363,563	71,078	730,567	150,438	5,925,891
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Risk Adjustments – Other Finance	68,666	(8,085)	2,719	(90,093)	-	(99,067)	550	-	36,729	-	(88,581)
Loss component	990,684	-	-	-	-	-	80,535	-	-	785,227	1,856,446
Undistributed Expenses	(12,317)	(941)	123	(492)	(145)	54	(2,402)	-	(27,870)	-	(43,990)
Deferred Expenses	(21,368)	29,452	1,476	1,019	7,854	(6,904)	(38,490)	-	(4,588)	-	(31,549)
Transferred from acquisition costs / acquisition costs (according to the Company's method of recognition)	411,286	186,711	-	136,364	4,312	6,365	892,785	3,501	131,517	151,513	1,924,354
Total insurance contracts expenses	16,239,189	1,079,514	309,414	3,293,262	559,997	486,107	8,258,431	87,416	4,070,442	1,711,790	36,095,562

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

32- Reinsurance Contracts Revenues

	<u>Motor</u>	<u>Marine</u>	<u>Aviation</u>	<u>Fire</u>	<u>Engineer</u>	<u>Responsibility</u>	<u>Medical</u>	<u>Others</u>	<u>Group life</u>	<u>Individual life</u>	<u>Total</u>
<u>2025</u>											
Expected Claims Incurred	267,781	(136,882)	-	8,054,336	864,562	502,661	3,322,148	2,376	2,418,437	4,069	15,299,488
Commissions Received	47,356	750,284	41,774	1,691,072	185,221	182,199	8,791	(11)	-	-	2,906,686
Reinsurers' share of deferred commission expenses	(6,724)	52,789	6,945	(222,188)	(15,175)	(23,007)	-	-	-	-	(207,360)
Changes in Risk Adjustments - Non-financial	<u>(7,562)</u>	<u>(15,402)</u>	<u>98</u>	<u>417,693</u>	<u>(1,608)</u>	<u>40,725</u>	<u>4,488</u>	<u>2,204</u>	<u>3,781</u>	<u>-</u>	<u>444,417</u>
Total Reinsurance Contracts Revenues	<u>300,851</u>	<u>650,789</u>	<u>48,817</u>	<u>9,940,913</u>	<u>1,033,000</u>	<u>702,578</u>	<u>3,335,427</u>	<u>4,569</u>	<u>2,422,218</u>	<u>4,069</u>	<u>18,443,231</u>

	<u>Motor</u>	<u>Marine</u>	<u>Aviation</u>	<u>Fire</u>	<u>Engineer</u>	<u>Responsibility</u>	<u>Medical</u>	<u>Others</u>	<u>Group life</u>	<u>Individual life</u>	<u>Total</u>
<u>2024</u>											
Expected Claims Incurred	(333,534)	421,715	293,582	2,388,317	272,635	443,750	2,630,959	1	2,398,186	-	8,515,611
Commissions Received	341,651	651,326	56,790	1,479,040	239,959	202,074	16,301	4,514	-	-	2,991,656
Reinsurers' share of deferred commission expenses	(7,622)	(41,371)	(3,731)	(20,025)	(1,352)	(9,267)	-	-	-	-	(83,368)
Changes in Risk Adjustments - Non-financial	<u>18,831</u>	<u>(262)</u>	<u>1,967</u>	<u>(69,096)</u>	<u>(918)</u>	<u>(79,270)</u>	<u>(1,224)</u>	<u>-</u>	<u>22,112</u>	<u>-</u>	<u>(107,860)</u>
Total Reinsurance Contracts Revenues	<u>19,326</u>	<u>1,031,408</u>	<u>348,608</u>	<u>3,778,236</u>	<u>510,324</u>	<u>557,287</u>	<u>2,646,036</u>	<u>4,515</u>	<u>2,420,298</u>	<u>-</u>	<u>11,316,039</u>

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

33- Reinsurance Contracts Expenses

	<u>Motor</u>	<u>Marine</u>	<u>Aviation</u>	<u>Fire</u>	<u>Engineer</u>	<u>Responsibility</u>	<u>Medical</u>	<u>Others</u>	<u>Group life</u>	<u>Individual life</u>	<u>Total</u>
<u>2025</u>											
Reinsurance Contracts Premiums	360,364	5,559,733	191,445	9,445,716	3,187,382	1,412,811	3,583,158	17,674	4,310,972	141,452	28,210,707
Change in reinsurance contract liabilities versus remaining coverage	1,290	(245,976)	23	(711)	(365)	5,738	(61,553)	5,738	-	-	(295,816)
Excess Loss Premiums	285,056	9,100	-	41,600	-	-	-	-	-	-	335,756
Total Reinsurance Contracts Expenses	646,710	5,322,857	191,468	9,486,605	3,187,017	1,418,549	3,521,605	23,412	4,310,972	141,452	28,250,647
	<u>Motor</u>	<u>Marine</u>	<u>Aviation</u>	<u>Fire</u>	<u>Engineer</u>	<u>Responsibility</u>	<u>Medical</u>	<u>Others</u>	<u>Group life</u>	<u>Individual life</u>	<u>Total</u>
<u>2024</u>											
Reinsurance Contracts Premiums	157,026	4,409,610	222,990	9,400,084	3,382,958	1,433,378	2,817,370	38,504	4,299,246	238,769	26,399,934
Change in reinsurance contract liabilities versus remaining coverage	(2,969)	243,968	(4)	(219)	(78)	7,256	61,830	-	122,322	10,000	442,106
Excess Loss Premiums	316,653	8,500	-	41,250	-	-	-	-	-	-	366,403
Total Reinsurance Contracts Expenses	470,710	4,662,078	222,986	9,441,115	3,382,880	1,440,634	2,879,200	38,504	4,421,568	248,769	27,208,444

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

34- Financing Expenses-Insurance contract

	2025	2024
Insurance contract (expenses)	(380,986)	808,009
	(380,986)	808,009

The company used discount rates ranging from 5,81% to 6,71% as of December 31, 2025 (December 31, 2024: 5.18% , 6,32%).

35- Financing revenue -Reinsurance contract

	2025	2024
Reinsurance contract – (financing revenue)	76,044	99,231
	76,044	99,231

The company used discount rates ranging from 5,81% to 6,71% as of December 31, 2025 (December 31, 2024: 5.18% , 6,31%).

36- Interest Income

	2025	2024
Bank Interest	962,458	1,145,220
Siniora Bonds Interest	27,519	22,734
Jordanian Treasury Bonds Interest	453,107	370,740
	1,443,084	1,538,694

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

	2025	2024
Cash dividend returns (through profit or loss statement)	543,670	669,659
Cash dividend returns (through other comprehensive income statement)	202,324	180,000
Net change in the fair value of financial assets through profit or loss statement	2,805,718	(674,534)
Gains (Losses) on Sale Investments property	-	200
Income (Expenses) Investment Building	(31,914)	48,670
Investment Revenues Attributable to Subscription Accounts	464,219	462,780
Net gains on disposal of financial assets	243,768	-
	4,227,785	686,775

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

38- Other Income

	2025	2024
Currency differences	152,500	6,705
Foreign currency revaluation profits	16,308	(73,428)
Others	27	8,545
Cheque Issuance Service Fees	1,859	1,789
Stamp Duty Fees	(392)	(386)
Gain on disposal of fixed assets	12,300	-
	182,602	(56,775)

39- Unallocated expenses

	2025	2024
Salaries, wages and benefits of employees	1,192,033	(761,708)
Depreciation and amortization	273,093	(361,796)
Board of Directors' Remuneration Expense	50,000	(50,000)
Depreciation of investment properties	-	(38,867)
General and administrative expenses	-	(172,120)
End of service benefits provision	-	(50,000)
Expected credit losses provision	-	(13,162)
	1,515,126	(1,447,653)

40,A- Employees Expenses

	2025	2024
Salaries and Bonuses	3,109,472	3,493,360
Savings Fund	99,335	118,004
Social security	351,433	341,019
Medical Expenses	288,092	281,442
Training and Development Expenses	9,892	9,228
Travel and Transportation	47,521	58,616
Others	3,282	1,080
	3,909,027	4,302,749

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

40,B- General and Administrative Expenses

	2025	2024
Stationery and Printings	347,857	324,782
Advertising and Promotion	155,781	154,870
Bank Fees	28,554	29,558
Water, Electricity, and Heating	26,634	43,263
Postage and Communications	53,214	33,687
Stamps	13,806	32,480
Hospitality	59,444	58,857
Legal Fees and Expenses	9,099	71,751
Subscriptions	160,356	199,865
Tender Expenses	37,903	34,765
Insurance Authority Fees	277,780	227,985
Government Fees	329,728	293,891
Donations	10,953	50,065
Office Insurance Expenses	13,152	26,561
Cleaning Expenses	41,693	41,584
Security and Protection Expenses	70,800	73,035
Legal Fees and Consultancy Expenses	317,887	251,304
Travel and Transportation	63,881	53,313
Board Members' Transportation and Delegation Allowances	48,000	43,613
Vehicle Expenses	7,672	10,932
Maintenance	161,918	54,643
Others	115,119	102,650
	2,351,231	2,213,454

41- Earnings per Share

	2025	2024
Net profit for the year	3,892,017	521,302
Weighted Average for Share	22,050,000	22,050,000
Earnings per share for the year	0.177	0.023

42- Risk Management

Risk Exposure and How It Arises

- Identifying the types of risks the company is exposed to, such as: insurance risks, market risks, credit risks, operational risks, and legal and regulatory risks.
- Analyzing the sources from which these risks arise, such as: natural hazards, customer behavior, economic changes, and operational errors.
- Assessing the potential impact of each type of risk on the company using risk analysis tools such as the Impact-Likelihood Matrix.

Company Policies and Procedures for Risk Acceptance, Measurement, Monitoring, and Control

A. Structure and Organization of the Risk Management Function

- Establishing an independent risk management unit responsible for setting, monitoring, and overseeing the implementation of risk policies.
- Defining levels of accountability and authority for the Board of Directors, Executive Management, and the Risk Committee.
- Ensuring the independence of the risk management function from other departments to avoid conflicts of interest.

B. Scope and Nature of Risk Measurement and Reporting Systems

- Using advanced risk measurement systems, such as Sensitivity Analysis and Actuarial Models.
- Preparing periodic reports for the Board of Directors and senior management that include assessments of current and emerging risks.
- Adopting Key Risk Indicators (KRIs) to monitor risk trends and analyze their developments.

C. Company Policies for Hedging or Mitigating Risks

- Developing reinsurance strategies to reduce exposure to significant insurance risks.
- Applying strict credit policies and conducting thorough creditworthiness assessments for clients and suppliers.
- Ensuring the availability of financial or legal guarantees when providing insurance facilities.
- Establishing adequate reserves to address anticipated risks

D. Risk Control Procedures and Ongoing Monitoring of the Effectiveness of Hedging and Mitigation Measures

- Conducting regular stress testing to ensure the company's ability to withstand risks under various scenarios.
- Performing independent internal audits to verify the effectiveness of risk control policies and procedures.
- Monitoring compliance with relevant regulatory and legal requirements.
- Providing continuous training for employees on risk management practices and approved policies.

Policies and Procedures to Avoid Risk Concentration

- Setting limits and ceilings for exposure to specific risks, such as maximum underwriting limits for a certain type of insurance or a defined customer category.
- Diversifying the insurance portfolio to include multiple insurance classes (life, health, motor, fire, liability).
- Diversifying reinsurance strategies to avoid reliance on a single reinsurer.
- Continuous monitoring of geographic or sectoral concentration in the insurance portfolio and implementing preventive measures to reduce excessive concentration.

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.
 3. Policies and procedures followed to avoid concentration of risks.
- (Any changes will be disclosed in the above descriptive disclosure for the previous period and the reasons for this, which may be the result of a change in the amount of risk exposure or methods of managing it).

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.

- (Its objectives, policies and procedures for managing risks arising from insurance contracts are disclosed in order to mitigate these risks).
- (The Company must disclose insurance risk information that is consistent with the information provided internally to the Board of Directors and the CEO).
- When dealing with quantitative data related to insurance risks, the Company must disclose the methods used, the strengths and limitations of these methods, the assumptions, the impact of reinsurance, the participation of the contract holder, and other mitigating factors.
- The Company must disclose if the Company is exposed to insurance risks on the reporting date that reflect the reality of the exposure during the period.
- Disclosing the general nature of the characteristics of participation in insurance contracts in the implementation of individual contracts or groups of contracts and facilities, including the general nature of any participation formula and the extent of any freedom of action enjoyed by the insurance Company.
- Disclosing any provisions information, any contingent liability of the insurance Company contributed to the government or other guarantee funds.

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations

The tables below present information on total 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 Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	188,230	104,573	105,602	35,612	8,861,182	9,295,199
After 1 year	-	111,404	171,405	35,612	8,861,182	9,179,603
After 2 years	-	-	821,235	35,612	8,861,182	9,718,029
After 3 years	-	-	-	35,612	8,861,182	8,896,794
After 4 years	-	-	-	-	8,764,682	8,764,682
After 5 years	-	-	-	-	8,764,682	8,764,682
After 6 years	-	-	-	-	8,765,506	8,765,506
After 7 years	-	-	-	-	8,747,133	8,747,133
After 8 years	-	-	-	-	8,722,361	8,722,361
After 9 years	-	-	-	-	15,594,011	15,594,011
Total accumulated claims paid	185,980	95,359	821,235	10,612	14,964,100	16,077,286
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	2,250	16,045	-	25,000	629,911	673,206

* Estimates represent reported and unreported claims

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

Marine and transportation Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	179,786	56,728	49,666	78,434	22,838,800	23,203,416
After 1 year	-	192,113	234,108	78,434	23,039,949	23,544,604
After 2 years	-	-	139,066	78,433	23,590,947	23,808,446
After 3 years	-	-	-	188,925	23,489,995	23,678,920
After 4 years	-	-	-	-	24,748,003	24,748,003
After 5 years	-	-	-	-	23,825,265	23,825,265
After 6 years	-	-	-	-	24,667,454	24,667,454
After 7 years	-	-	-	-	23,348,697	23,348,697
After 8 years	-	-	-	-	22,693,867	22,693,867
After 9 years	-	-	-	-	21,788,201	21,788,201
Total accumulated claims paid	114,284	54,293	138,845	187,825	20,738,808	21,234,055
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	65,502	137,820	221	1,100	1,049,393	1,254,036

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations(continued)

* Estimates represent reported and unreported claims

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

Fire Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	157,625	111,869	2,636,249	618,404	26,307,977	29,832,124
After 1 year	-	5,197,920	2,771,488	632,089	27,826,425	36,427,922
After 2 years	-	-	5,428,567	632,089	27,876,438	33,937,095
After 3 years	-	-	-	637,802	28,638,521	29,276,323
After 4 years	-	-	-	-	28,638,521	28,638,521
After 5 years	-	-	-	-	28,638,521	28,638,521
After 6 years	-	-	-	-	28,638,521	28,638,521
After 7 years	-	-	-	-	28,638,521	28,638,521
After 8 years	-	-	-	-	28,638,521	28,638,521
After 9 years	-	-	-	-	28,638,521	28,638,521
Total accumulated claims paid	55,115	74,370	2,741,987	394,302	22,015,756	25,281,530
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	102,510	5,123,550	2,686,580	243,500	6,622,766	14,778,905

* Estimates represent reported and unreported claims

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

liability insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	12,200	103,409	148,039	5,576,455	1,718,331	7,558,434
After 1 year	-	187,409	225,989	5,607,955	1,718,331	7,739,684
After 2 years	-	-	228,544	5,600,920	1,839,179	7,668,643
After 3 years	-	-	-	5,613,227	1,916,869	7,530,096
After 4 years	-	-	-	-	2,281,766	2,281,766
After 5 years	-	-	-	-	2,462,266	2,462,266
After 6 years	-	-	-	-	2,592,979	2,592,979
After 7 years	-	-	-	-	2,738,121	2,738,121
After 8 years	-	-	-	-	2,865,771	2,865,771
After 9 years	-	-	-	-	3,525,106	3,525,106
Total accumulated claims paid	2,700	8,409	13,944	428,727	1,781,806	2,235,586
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	9,500	179,000	214,600	5,184,500	1,743,300	7,330,900

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations(continued)

* Estimates represent reported and unreported claims

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

Aviation Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>	-	41,000	253,582	-	432,230	726,812
As in the year of accident	-	41,000	253,582	-	432,230	726,812
After 1 year	-	-	253,582	-	432,230	685,812
After 2 years	-	-	-	-	432,230	432,230
After 3 years	-	-	-	-	432,230	432,230
After 4 years	-	-	-	-	432,230	432,230
After 5 years	-	-	-	-	432,230	432,230
After 6 years	-	-	-	-	432,230	432,230
After 7 years	-	-	-	-	432,230	432,230
After 8 years	-	-	-	-	432,230	432,230
After 9 years	-	-	-	-	432,230	685,812
Total accumulated claims paid	-	-	253,582	-	432,230	726,812
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	-	41,000	-	-	-	41,000

* Estimates represent reported and unreported claims

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

Others Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	2,775	12,837	1,393	533	287,003	293,474
After 1 year	-	-	1,393	253	251,103	254,519
After 2 years	-	-	500	253	258,820	259,573
After 3 years	-	-	-	265	259,067	259,332
After 4 years	-	-	-	-	259,067	259,067
After 5 years	-	-	-	-	259,067	259,067
After 6 years	-	-	-	-	259,067	259,067
After 7 years	-	-	-	-	259,067	259,067
After 8 years	-	-	-	-	259,067	259,067
After 9 years	-	-	-	-	207,188	207,188
Total accumulated claims paid	2,775	12,837	500	-	154,936	159,981
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	-	-	-	265	52,252	52,517

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Individual Life Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	3,276,074	2,235,770	3,290,999	2,678,672	10,315,843	21,797,357
After 1 year	-	2,235,770	3,290,999	2,678,672	10,315,843	18,521,283
After 2 years	-	-	3,290,999	2,678,672	10,315,843	16,285,513
After 3 years	-	-	-	2,678,672	14,018,723	16,697,395
After 4 years	-	-	-	-	14,018,723	14,018,723
After 5 years	-	-	-	-	14,018,723	14,018,723
After 6 years	-	-	-	-	14,018,723	14,018,723
After 7 years	-	-	-	-	14,018,723	14,018,723
After 8 years	-	-	-	-	14,018,723	14,018,723
After 9 years	-	-	-	-	14,018,723	14,018,723
Total accumulated claims paid	2,891,476	1,985,472	3,098,564	2,284,238	11,657,577	21,917,327
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	384,598	250,298	192,435	394,434	2,361,146	3,582,911

* Estimates represent reported and unreported claims

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

Group Life Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	36,000	416,014	402,473	689,892	3,323,713	4,868,092
After 1 year	-	416,014	443,473	689,892	3,323,713	4,873,092
After 2 years	-	-	443,473	689,892	3,323,713	4,457,078
After 3 years	-	-	-	689,892	3,323,713	4,013,605
After 4 years	-	-	-	-	3,323,713	3,323,713
After 5 years	-	-	-	-	3,323,713	3,323,713
After 6 years	-	-	-	-	3,492,231	3,492,231
After 7 years	-	-	-	-	3,527,620	3,527,620
After 8 years	-	-	-	-	3,535,429	3,535,429
After 9 years	-	-	-	-	3,614,308	3,614,308
Total accumulated claims paid	16,000	416,014	414,928	430,575	3,206,024	4,483,541
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	20,000	-	28,545	259,317	408,284	716,146

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Medical Insurance – Individual	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	513,286	350,938	474,020	424,266	13,626,639	15,389,150
After 1 year	-	-	474,020	424,266	13,626,639	14,875,864
After 2 years	-	-	-	424,266	13,626,639	14,524,926
After 3 years	-	-	-	-	13,626,639	14,050,906
After 4 years	-	-	-	-	13,626,639	13,626,639
After 5 years	-	-	-	-	13,626,639	13,626,639
After 6 years	-	-	-	-	13,626,639	13,626,639
After 7 years	-	-	-	-	13,626,639	13,626,639
After 8 years	-	-	-	-	13,626,639	13,626,639
After 9 years	-	-	-	-	13,626,639	13,626,639
Total accumulated claims paid	390,526	257,931	474,020	424,266	13,626,639	15,266,390
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	122,760	93,007	-	-	-	122,760

* Estimates represent reported and unreported claims

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

Medical Insurance- Group	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	2,184,956	1,185,662	1,610,296	1,534,444	39,359,982	45,875,340
After 1 year		-	1,610,296	1,534,444	39,359,982	43,690,384
After 2 years		-	-	1,534,444	39,359,982	42,504,723
After 3 years		-	-	-	39,359,982	40,894,427
After 4 years		-	-	-	39,359,982	39,359,982
After 5 years		-	-	-	39,359,982	39,359,982
After 6 years		-	-	-	39,359,982	39,359,982
After 7 years		-	-	-	39,359,982	39,359,982
After 8 years		-	-	-	39,359,982	39,359,982
After 9 years		-	-	-	39,359,982	39,359,982
Total accumulated claims paid	1,803,493	948,186	1,610,296	1,534,444	39,359,982	45,493,877
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	381,463	237,476	-	-	-	381,463

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Compulsory Insurance - Motor	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	11,915,804	10,529,321	8,998,093	7,685,930	60,070,282	99,199,430
After 1 year	-	-	9,193,276	7,815,979	60,230,032	89,643,881
After 2 years	-	-	-	7,877,114	60,333,489	77,848,569
After 3 years	-	-	-	-	60,414,806	68,370,818
After 4 years	-	-	-	-	59,464,784	59,464,784
After 5 years	-	-	-	-	58,872,162	58,872,162
After 6 years	-	-	-	-	58,408,259	58,408,259
After 7 years	-	-	-	-	58,135,530	58,135,530
After 8 years	-	-	-	-	58,114,560	58,114,560
After 9 years	-	-	-	-	58,093,014	58,093,014
Total accumulated claims paid	7,637,218	6,147,387	7,837,045	7,023,653	54,868,058	88,784,338
Discount effect	-	-	109,321	68,795	226,443	565,155
Total liabilities versus claims incurred	4,278,586	4,381,934	1,246,910	784,666	2,998,513	10,657,898

* Estimates represent reported and unreported claims

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

Comprehensive Insurance – Motor	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	5,593,313	3,374,960	3,197,351	3,596,630	57,966,316	73,728,570
After 1 year	-	-	3,358,842	3,278,254	57,685,543	68,363,290
After 2 years	-	-	-	3,067,367	57,480,918	63,915,921
After 3 years	-	-	-	-	57,444,400	60,464,033
After 4 years	-	-	-	-	54,424,767	54,424,767
After 5 years	-	-	-	-	54,424,767	54,424,767
After 6 years	-	-	-	-	54,424,767	54,424,767
After 7 years	-	-	-	-	54,424,767	54,424,767
After 8 years	-	-	-	-	54,424,767	54,424,767
After 9 years	-	-	-	-	53,922,854	53,922,854
Total accumulated claims paid	3,874,309	1,941,870	2,633,314	2,558,959	51,961,973	64,662,537
Discount effect	-	-	22,676	15,890	73,542	150,427
Total liabilities versus claims incurred	1,719,004	1,433,090	702,852	492,518	1,887,339	5,131,123

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Supplementary Insurance – Motor	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	369,226	124,168	63,139	71,206	1,692,976	2,320,715
After 1 year	-	-	62,219	55,436	1,699,883	1,942,452
After 2 years	-	-	-	61,523	1,713,122	1,837,064
After 3 years	-	-	-	-	1,721,479	1,783,002
After 4 years	-	-	-	-	1,721,479	1,721,479
After 5 years	-	-	-	-	1,721,479	1,721,479
After 6 years	-	-	-	-	1,721,479	1,721,479
After 7 years	-	-	-	-	1,721,479	1,721,479
After 8 years	-	-	-	-	1,721,479	1,721,479
After 9 years	-	-	-	-	1,721,479	1,721,479
Total accumulated claims paid	298,249	77,513	56,522	57,338	1,613,045	2,147,518
Discount effect	-	-	102	75	1,562	2,876
Total liabilities versus claims incurred	70,977	46,654	5,594	4,110	106,872	189,167

* Estimates represent reported and unreported claims

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

Border and Orange Card Insurance – Motor	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	624,299	337,953	209,666	170,076	2,998,837	4,340,832
After 1 year	-	276,795	201,380	161,962	2,998,837	3,638,974
After 2 years	-	-	153,216	162,156	2,998,837	3,314,209
After 3 years	-	-	-	162,156	2,998,837	3,160,993
After 4 years	-	-	-	-	2,711,709	2,711,709
After 5 years	-	-	-	-	2,711,709	2,711,709
After 6 years	-	-	-	-	2,711,709	2,711,709
After 7 years	-	-	-	-	2,711,709	2,711,709
After 8 years	-	-	-	-	2,711,709	2,711,709
After 9 years	-	-	-	-	2,711,709	2,711,709
Total accumulated claims paid	488,931	255,567	135,083	137,043	2,468,758	3,485,381
Discount effect	-	333	759	824	2,953	4,869
Total liabilities versus claims incurred	135,368	20,896	17,374	24,289	239,999	437,926

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Bus Insurance – Motor	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	598,371	388,887	185,932	355,251	3,359,275	4,887,715
After 1 year	-	245,090	175,933	349,762	3,327,832	4,098,617
After 2 years	-	-	190,836	350,595	3,309,908	3,851,340
After 3 years	-	-	-	356,719	3,288,660	3,645,379
After 4 years	-	-	-	-	3,123,414	3,123,414
After 5 years	-	-	-	-	3,123,414	3,123,414
After 6 years	-	-	-	-	3,123,414	3,123,414
After 7 years	-	-	-	-	3,123,414	3,123,414
After 8 years	-	-	-	-	3,123,414	3,123,414
After 9 years	-	-	-	-	2,957,616	2,957,616
Total accumulated claims paid	464,256	195,139	148,695	242,479	2,779,342	3,829,910
Discount effect	-	97	618	1,315	3,598	5,628
Total liabilities versus claims incurred	134,115	49,854	41,524	112,925	174,676	513,094

* Estimates represent reported and unreported claims

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

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

The tables below present information on 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 Insurance	2025	2024	2023	2022	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	2,257	1,254	1,266	427	106,262	111,467
After 1 year	-	1,336	2,055	427	106,262	110,081
After 2 years	-	-	9,848	427	106,262	116,537
After 3 years	-	-	-	427	106,262	106,689
After 4 years	-	-	-	-	105,105	105,105
After 5 years	-	-	-	-	105,105	105,105
After 6 years	-	-	-	-	105,115	105,115
After 7 years	-	-	-	-	104,894	104,894
After 8 years	-	-	-	-	104,597	104,597
After 9 years	-	-	-	-	187,001	187,001
Net accumulated claims paid	2,230	1,144	9,848.14	127	179,448	192,797
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	27	192	-	300	7,554	8,073

* Estimates represent reported and unreported claims

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

Marine and transportation Insurance	2025	2024	2023	2022	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	100,534	31,722	27,773	43,860	12,771,204	12,975,092
After 1 year	-	107,427	130,910	43,860	12,883,684	13,165,881
After 2 years	-	-	77,764	43,859	13,191,795	13,313,418
After 3 years	-	-	-	105,645	13,135,344	13,240,989
After 4 years	-	-	-	-	13,838,808	13,838,808
After 5 years	-	-	-	-	13,322,824	13,322,824
After 6 years	-	-	-	-	13,793,766	13,793,766
After 7 years	-	-	-	-	13,056,332	13,056,332
After 8 years	-	-	-	-	12,690,158	12,690,158
After 9 years	-	-	-	-	12,183,720	12,183,720
Net accumulated claims paid	63,906	30,360	77,641	105,030	11,596,911	11,873,848
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	36,628	77,067	124	615	586,809	701,243

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Fire Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of net undiscounted maximum claims*</u>						
As in the year of accident	1,235	876	20,650	4,844	206,071	233,676
After 1 year	-	40,715	21,709	4,951	217,965	285,341
After 2 years	-	-	42,522	4,951	218,357	265,830
After 3 years	-	-	-	4,996	224,326	229,322
After 4 years	-	-	-	-	224,326	224,326
After 5 years	-	-	-	-	224,326	224,326
After 6 years	-	-	-	-	224,326	224,326
After 7 years	-	-	-	-	224,326	224,326
After 8 years	-	-	-	-	224,326	224,326
After 9 years	-	-	-	-	224,326	224,326
Net accumulated claims paid	432	583	21,478	3,089	172,450	198,031
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	803	40,133	21,044	1,907	51,876	115,763

* Estimates represent reported and unreported claims

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

liability insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of net undiscounted maximum claims*</u>						
As in the year of accident	18	149	214	8,049	2,480	10,910
After 1 year	-	271	326	8,095	2,480	11,171
After 2 years	-	-	330	8,084	2,655	11,069
After 3 years	-	-	-	8,102	2,767	10,869
After 4 years	-	-	-	-	3,294	3,294
After 5 years	-	-	-	-	3,554	3,554
After 6 years	-	-	-	-	3,743	3,743
After 7 years	-	-	-	-	3,952	3,952
After 8 years	-	-	-	-	4,136	4,136
After 9 years	-	-	-	-	5,088	5,088
Net accumulated claims paid	4	12	20	619	2,572	3,227
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	14	258	310	7,483	2,516	10,581

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Aviation Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of net undiscounted maximum claims*</u>						
As in the year of accident	-	-	-	-	-	-
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	-	-	-	-	-	-
Net accumulated claims paid	-	-	-	-	-	-
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	-	-	-	-	-	-

* Estimates represent reported and unreported claims

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

Others Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of net undiscounted maximum claims*</u>						
As in the year of accident	630	402	316	121	65,115	66,583
After 1 year	-	402	316	57	56,970	57,745
After 2 years	-	-	113	57	58,721	58,892
After 3 years	-	-	-	60	58,777	58,837
After 4 years	-	-	-	-	58,777	58,777
After 5 years	-	-	-	-	58,777	58,777
After 6 years	-	-	-	-	58,777	58,777
After 7 years	-	-	-	-	58,777	58,777
After 8 years	-	-	-	-	58,777	58,777
After 9 years	-	-	-	-	47,007	47,007
Net accumulated claims paid	630	402	113	-	35,152	36,296
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	-	-	-	60	11,855	11,915

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Individual Life Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of net undiscounted maximum claims*</u>						
As in the year of accident	777,833	530,835	781,377	635,993	2,449,275	5,175,313
After 1 year	-	530,835	781,377	635,993	2,449,275	4,397,480
After 2 years	-	-	781,377	635,993	2,449,275	3,866,644
After 3 years	-	-	-	635,993	3,328,444	3,964,437
After 4 years	-	-	-	-	3,328,444	3,328,444
After 5 years	-	-	-	-	3,328,444	3,328,444
After 6 years	-	-	-	-	3,328,444	3,328,444
After 7 years	-	-	-	-	3,328,444	3,328,444
After 8 years	-	-	-	-	3,328,444	3,328,444
After 9 years	-	-	-	-	3,328,444	3,328,444
Net accumulated claims paid	686,519	471,408	735,687	542,343	2,767,841	5,203,797
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	91,315	59,428	45,689	93,650	560,603	850,685

* Estimates represent reported and unreported claims

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

Group Life Insurance	2025	2024	2023	2022	Before	Total
<u>Estimates of net undiscounted maximum claims*</u>						
As in the year of accident	3,646	42,128	40,756	69,862	336,576	492,967
After 1 year	-	42,128	44,908	69,862	336,576	493,474
After 2 years	-	-	44,908	69,862	336,576	451,346
After 3 years	-	-	-	69,862	336,576	406,438
After 4 years	-	-	-	-	336,576	336,576
After 5 years	-	-	-	-	336,576	336,576
After 6 years	-	-	-	-	353,641	353,641
After 7 years	-	-	-	-	357,225	357,225
After 8 years	-	-	-	-	358,015	358,015
After 9 years	-	-	-	-	366,003	366,003
Net accumulated claims paid	1,620	42,128	42,018	43,602	324,658	454,026
Discount effect	-	-	-	-	-	-
Net liabilities versus claims incurred	2,025	-	2,891	26,260	41,345	72,521

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

<u>Medical Insurance – Individual</u>	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	513,286	350,938	474,020	424,266	13,626,639	15,389,150
After 1 year	-	350,938	474,020	424,266	13,626,639	14,875,864
After 2 years	-	-	474,020	424,266	13,626,639	14,524,926
After 3 years	-	-	-	424,266	13,626,639	14,050,906
After 4 years	-	-	-	-	13,626,639	13,626,639
After 5 years	-	-	-	-	13,626,639	13,626,639
After 6 years	-	-	-	-	13,626,639	13,626,639
After 7 years	-	-	-	-	13,626,639	13,626,639
After 8 years	-	-	-	-	13,626,639	13,626,639
After 9 years	-	-	-	-	13,626,639	13,626,639
Total accumulated claims paid	390,526	350,938	474,020	424,266	13,626,639	15,266,390
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	122,760	-	-	-	-	122,760

* Estimates represent reported and unreported claims

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

<u>Medical Insurance- Group</u>	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	2,184,956	1,185,662	1,610,296	1,534,444	39,359,982	45,875,340
After 1 year	-	1,185,662	1,610,296	1,534,444	39,359,982	43,690,384
After 2 years	-	-	1,610,296	1,534,444	39,359,982	42,504,723
After 3 years	-	-	-	1,534,444	39,359,982	40,894,427
After 4 years	-	-	-	-	39,359,982	39,359,982
After 5 years	-	-	-	-	39,359,982	39,359,982
After 6 years	-	-	-	-	39,359,982	39,359,982
After 7 years	-	-	-	-	39,359,982	39,359,982
After 8 years	-	-	-	-	39,359,982	39,359,982
After 9 years	-	-	-	-	39,359,982	39,359,982
Total accumulated claims paid	1,803,493	1,185,662	1,610,296	1,534,444	39,359,982	45,493,877
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	381,463	-	-	-	-	381,463

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

<u>Compulsory Insurance - Motor</u>	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	11,915,804	10,529,321	8,998,093	7,685,930	60,070,282	99,199,430
After 1 year	-	12,404,594	9,193,276	7,815,979	60,230,032	89,643,881
After 2 years	-	-	9,637,967	7,877,114	60,333,489	77,848,569
After 3 years	-	-	-	7,956,013	60,414,806	68,370,818
After 4 years	-	-	-	-	59,464,784	59,464,784
After 5 years	-	-	-	-	58,872,162	58,872,162
After 6 years	-	-	-	-	58,408,259	58,408,259
After 7 years	-	-	-	-	58,135,530	58,135,530
After 8 years	-	-	-	-	58,114,560	58,114,560
After 9 years	-	-	-	-	58,093,014	58,093,014
Total accumulated claims paid	7,637,218	10,355,425	8,650,318	7,273,319	54,868,058	88,784,338
Discount effect	-	173,581	89,315	75,816	226,443	565,155
Total liabilities versus claims incurred	4,278,586	1,875,588	898,334	606,877	2,998,513	10,657,898

* Estimates represent reported and unreported claims

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

<u>Comprehensive Insurance – Motor</u>	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	5,593,313	3,374,960	3,197,351	3,596,630	57,966,316	73,728,570
After 1 year	-	4,040,652	3,358,842	3,278,254	57,685,543	68,363,290
After 2 years	-	-	3,367,635	3,067,367	57,480,918	63,915,921
After 3 years	-	-	-	3,019,633	57,444,400	60,464,033
After 4 years	-	-	-	-	54,424,767	54,424,767
After 5 years	-	-	-	-	54,424,767	54,424,767
After 6 years	-	-	-	-	54,424,767	54,424,767
After 7 years	-	-	-	-	54,424,767	54,424,767
After 8 years	-	-	-	-	54,424,767	54,424,767
After 9 years	-	-	-	-	53,922,854	53,922,854
Total accumulated claims paid	3,874,309	3,374,960	2,815,836	2,558,959	51,961,973	64,662,537
Discount effect	-	16,820	30,517	29,548	73,542	150,427
Total liabilities versus claims incurred	1,719,004	648,872	521,282	354,626	1,887,339	5,131,123

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Supplementary Insurance – Motor	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	369,226	124,168	63,139	71,206	1,692,976	2,320,715
After 1 year	-	124,914	62,219	55,436	1,699,883	1,942,452
After 2 years	-	-	62,419	61,523	1,713,122	1,837,064
After 3 years	-	-	-	61,523	1,721,479	1,783,002
After 4 years	-	-	-	-	1,721,479	1,721,479
After 5 years	-	-	-	-	1,721,479	1,721,479
After 6 years	-	-	-	-	1,721,479	1,721,479
After 7 years	-	-	-	-	1,721,479	1,721,479
After 8 years	-	-	-	-	1,721,479	1,721,479
After 9 years	-	-	-	-	1,721,479	1,721,479
Total accumulated claims paid	298,249	120,263	56,922	59,038	1,613,045	2,147,518
Discount effect	-	173	458	683	1,562	2,876
Total liabilities versus claims incurred	70,977	4,477	5,039	1,802	106,872	189,167

* Estimates represent reported and unreported claims

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

Border and Orange Card Insurance – Motor	2025	2024	2023	2022	Before	Total
Estimates of total undiscounted maximum claims*						
As in the year of accident	624,299	337,953	209,666	170,076	2,998,837	4,340,832
After 1 year	-	276,795	201,380	161,962	2,998,837	3,638,974
After 2 years	-	-	153,216	162,156	2,998,837	3,314,209
After 3 years	-	-	-	162,156	2,998,837	3,160,993
After 4 years	-	-	-	-	2,711,709	2,711,709
After 5 years	-	-	-	-	2,711,709	2,711,709
After 6 years	-	-	-	-	2,711,709	2,711,709
After 7 years	-	-	-	-	2,711,709	2,711,709
After 8 years	-	-	-	-	2,711,709	2,711,709
After 9 years	-	-	-	-	2,711,709	2,711,709
Total accumulated claims paid	488,931	255,567	135,083	137,043	2,468,758	3,485,381
Discount effect	-	333	759	824	2,953	4,869
Total liabilities versus claims incurred	135,368	20,896	17,374	24,289	239,999	437,926

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

2. Development of allegations (continued)

* Estimates represent reported and unreported claims

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

Bus Insurance – Motor	2025	2024	2023	2022	Before	Total
Estimates of net undiscounted maximum claims*						
As in the year of accident	598,371	388,887	185,932	355,251	3,359,275	4,887,715
After 1 year	-	245,090	175,933	349,762	3,327,832	4,098,617
After 2 years	-	-	190,836	350,595	3,309,908	3,851,340
After 3 years	-	-	-	356,719	3,288,660	3,645,379
After 4 years	-	-	-	-	3,123,414	3,123,414
After 5 years	-	-	-	-	3,123,414	3,123,414
After 6 years	-	-	-	-	3,123,414	3,123,414
After 7 years	-	-	-	-	3,123,414	3,123,414
After 8 years	-	-	-	-	3,123,414	3,123,414
After 9 years	-	-	-	-	2,957,616	2,957,616
Net accumulated claims paid	464,256	195,139	148,695	242,479	2,779,342	3,829,910
Discount effect	-	97	618	1,315	3,598	5,628
Net liabilities versus claims incurred	134,115	49,854	41,524	112,925	174,676	513,094

* Estimates represent reported and unreported claims

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

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- 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.

<u>Type of Insurance</u>	2025		2024	
	<u>Net</u>	<u>Grand Total</u>	<u>Net</u>	<u>Grand Total</u>
Motor	18,998,247	21,871,520	17,634,051	20,378,302
Marine	1,926,910	2,593,703	4,006,456	5,017,770
Aviation	29,243	70,243	43,626	84,626
Fire and General Accident	171,017	14,954,386	621,488	7,662,345
Engineer	176,456	870,557	252,273	1,012,861
Responsibilities	42,400	7,417,372	63,105	6,971,474
Medical	3,132,274	3,586,398	1,038,416	1,308,141
Others	49,239	91,945	37,915	78,517
Life	1,979,246	5,975,336	1,245,446	5,352,826
Total	26,505,032	57,431,460	24,942,776	47,866,862

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

A- According to Geographical region

	2025				2024			
	<u>Assets</u>	<u>Liabilities</u>	<u>Reinsurance Assets</u>	<u>Reinsurance Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Reinsurance Assets</u>	<u>Reinsurance Liabilities</u>
Inside Kingdom	79,198,774	65,112,107	-	-	71,991,434	55,495,807	-	-
Middle east countries	8,327,964	6,424,068	17,828,856	-	7,570,093	5,475,308	12,073,363	-
Europe	2,594,956	2,239,395	8,665,813	-	2,358,806	1,908,663	5,868,324	-
Asia*	-	-	260,663	-	-	-	176,516	-
Africa*	9,641	1,243,563	15,090	-	8,764	1,059,903	10,219	-
America	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	90,131,335	75,019,133	26,770,422	-	81,929,097	63,939,681	18,128,422	-

* Except middle East countries

B- By Sector

	2025			2024		
	<u>Assets</u>	<u>Liabilities</u>	<u>Items outside financial position statement</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Items outside financial position statement</u>
Public sector						
Private sector	1,642,697	3,918,858	-	1,406,003	3,340,088	-
Companies and Establishments	109,948,995	68,997,875	-	94,106,573	58,807,694	-
Individuals	5,310,065	2,102,400	-	4,544,943	1,791,900	-
Total	116,901,757	75,019,133	-	100,057,519	63,939,682	-

42- 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 and has adopted the one-at-a time (OAT) approach 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.

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

5. Insurance risk sensitivity (continued)

2025	Percentage Change	Gross Contract Service Margin	Net Contract Service Margin	Profit or Loss	Net Profit or Loss	Total Impact on Equity	Net Impact on Equity
Mortality Rate	5+%	35,396	50,290	20,175	(48,463)	20,175	(48,463)
Mortality Rate	-5%	(40,358)	(58,671)	(24,821)	39,853	(24,821)	39,853
Morbidity Rate	5+%	-	-	-	-	-	-
Morbidity Rate	-5%	-	-	-	-	-	-
Life Expectancy	5+%	(40,358)	(58,671)	(24,821)	39,853	(24,821)	39,853
Life Expectancy	-5%	35,396	50,290	20,175	(48,463)	20,175	(48,463)
Expenses	5+%	30,394	30,274	12,507	12,372	12,507	12,372
Expenses	-5%	(16,275)	(16,395)	(3,381)	(3,516)	(3,381)	(3,516)
Lapse Rate	5+%	26,253	25,351	17,549	(3,627)	17,549	(3,627)
Lapse Rate	-5%	(70,437)	(69,805)	(61,885)	(42,000)	(61,885)	(42,000)
Total Loss Ratio	5+%	-	-	-	-	-	-
Total Loss Ratio	-5%	-	-	-	-	-	-

2024	Percentage Change	Gross Contract Service Margin	Net Contract Service Margin	Profit or Loss	Net Profit or Loss	Total Impact on Equity	Net Impact on Equity
Mortality Rate	5+%	17,284	11,243	(4,147)	(32,078)	(4,147)	(32,078)
Mortality Rate	-5%	(19,706)	(12,280)	2,175	31,346	2,175	31,346
Morbidity Rate	5+%	-	-	-	-	-	-
Morbidity Rate	-5%	-	-	-	-	-	-
Life Expectancy	5+%	(19,706)	(12,280)	2,175	31,346	2,175	31,346
Life Expectancy	-5%	17,284	11,243	(4,147)	(32,078)	(4,147)	(32,078)
Expenses	5+%	14,841	14,890	(10,273)	(10,224)	(10,273)	(10,224)
Expenses	-5%	(7,947)	(7,898)	10,028	10,077	10,028	10,077
Lapse Rate	5+%	12,819	13,185	6,686	8,449	6,686	8,449
Lapse Rate	-5%	(34,394)	(34,651)	(28,163)	(29,747)	(28,163)	(29,747)
Total Loss Ratio	5+%	-	-	-	-	-	-
Total Loss Ratio	-5%	-	-	-	-	-	-

42- Risk Management (continued)

C-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.

Sensitivity Analysis

The company conducts sensitivity analysis to measure the impact on the **Value at Risk (VAR)** resulting from changes in key factors, such as:

- Market volatility
- Changes in interest rates
- Foreign exchange rate fluctuations
- Movements in equity and bond markets
- Changes in market supply and demand

The company follows the **Historical Simulation** approach, which is based on the following:

- Historical data related to past price movements and returns
- Sensitivity is analyzed by altering the historical data window or by assessing the impact of previous crisis periods

The importance of sensitivity analysis lies in the following points:

- It helps identify the most influential factors affecting financial risk
- It enables companies to make informed investment decisions based on worst-case scenarios
- It facilitates the design of hedging strategies to minimize potential losses

The company manages these risks through several strategies, including:

Risk Mitigation

To mitigate the impact of interest rate fluctuations, the company utilizes several hedging tools, including:

- Financial Derivatives: Such as Interest Rate Swaps, which allow for the exchange of cash flows between fixed and floating interest rates, thus reducing the impact of rate changes.
- Portfolio Diversification: By investing in a variety of assets that react differently to changes in interest rates.

42- Risk Management (continued)

1- Market risk (continued)

- Matching the Maturity of Assets with Liabilities: Aligning the cash flows from investments with future obligations to policyholders, achieved through:
 - Duration Analysis: Calculating the average duration of assets and liabilities and adjusting investments so that their maturities are closely aligned, thereby reducing gaps.
 - Cash Flow Management: Ensuring that expected returns from investments align with future payment obligations, thus minimizing the need to sell assets before maturity and avoid potential losses.
 - Investment in Insurance-Linked Bonds: Such as government bonds, which ensures that returns are aligned with liabilities.

Yield Gaps

The yield gap refers to the difference between the return on assets and the return required to cover liabilities. To manage this, the company takes the following actions:

- Adjusting the Investment Portfolio Structure: By increasing investments in assets with higher yields when necessary to cover the gap.
- Using a Mix of Fixed and Floating Rate Instruments: To avoid full exposure to interest rate fluctuations.
- Repricing Insurance Products: If the gap is negative, insurance product prices may be adjusted to compensate for lower returns.

Conclusion

The company's interest rate risk management relies on hedging strategies, maturity matching, and yield gap management to ensure financial stability and protect returns from market fluctuations.

The table below illustrates the sensitivity of the income statement to possible changes in interest rates as of December 31, 2024, and 2023, with all other variables held constant. The sensitivity of the income statement reflects the impact of the assumed possible changes in interest rates on the company's profit for the year, calculated on financial assets and liabilities carrying a variable interest rate as of December 31, 2024, and 2023.

<u>Currency</u>	<u>Interest Rate Increase of 0%</u>	<u>Impact on Profit Before Tax for the Year 2025</u>	<u>Impact on Profit Before Tax for the Year 2024</u>
Jordanian Dinar (JOD)	%1	327,112	198,692
US Dollar (USD)	%1	-	18,448
Euro (EUR)	%1	-	11,834
British Pound (GBP)	%1	-	10,851
Total		327,112	239,825

B- Foreign currency risks:

Foreign Exchange Risk refers to the risk of changes in the value of financial instruments due to fluctuations in foreign exchange rates. The Jordanian Dinar is the company's functional currency. The Board of Directors sets limits for the financial position of each currency held by the company. The foreign exchange position is monitored daily, and strategies are followed to ensure that the foreign exchange position remains within the approved limits.

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

42- Risk Management (continued)

1- Market risk (continued)

2- B- Foreign currency risks (continued):

Below is the net foreign currency position for the company's major currencies:

Currency	In foreign currencies		Equivalent in Jordanian Dinar	
	2025	2024	2025	2024
US Dollar (USD)	692,505	2,610,990	490,986	1,844,864
British Pound (GBP)	4,689	1,219,954	4,492	1,085,119
Euro (EUR)	175,768	1,604,266	146,771	1,183,427
Saudi Riyal (SAR)	368,199	368,199	69,601	69,512
UAE Dirham (AED)	54,577	81,143	10,536	15,663

2- Credit Risk

This is the risk that one party to the financial cycle will fail to meet an obligation, causing the other party to incur a financial loss.

The company believes it is not significantly exposed to credit risk, as it sets credit limits for customers and continuously monitors outstanding receivables. The company also maintains balances and deposits with leading banking institutions.

The company engages in various insurance activities and insures a large number of customers. No single customer represents more than 10% of receivables as of December 31, 2025.

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.

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):

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than one year	Total
December 31, 2025						
Insurance liabilities (GMM)	207,241	226,255	158,750	53,738	3,704,045	4,350,029
Insurance liabilities (PAA)	4,219,905	11,085,558	10,797,978	9,522,000	29,414,159	65,039,600
December 31, 2024						
Insurance liabilities (GMM)	232,253	253,561	177,909	60,224	4,151,080	4,875,027
Insurance liabilities (PAA)	3,511,666	9,225,036	8,985,720	7,923,894	24,477,493	54,123,809

42- 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.

43 - Analysis Of Main Sectors

Information about the Company's business sectors:

For administrative purposes, the Company has been organized to include two business sectors, the general insurance sector, which includes Motor, Marine, Fire, Responsibilities, Medical, others and the life insurance sector, which includes (Individual life and Group life) 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:

	Inside Kingdom		Outside Kingdom		Total	
	2025	2024	2025	2024	2025	2024
Total revenues	56,027,253	47,029,638	6,697,791	5,622,169	62,725,044	52,651,807
Total assets	100,773,210	86,252,915	16,128,547	13,804,603	116,901,757	100,057,518
Capital expenditures	139,239	41,935	-	-	139,239	41,935

44 – Share Capital Management

Capital Requirements are set and regulated by the insurance management. These requirements have been established to ensure an adequate margin. Additional objectives have been set by the company to maintain strong credit ratings and a high capital ratio to support its operations.

The company manages its capital structure and makes the necessary adjustments in light of changing business conditions. The company has not made any adjustments to the objectives, policies, and procedures related to its capital structure during the current year or the previous year.

In the management's opinion, the regulatory capital is sufficient to address any risks or liabilities that may arise in the future.

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

44 – Share Capital Management (continued)

- The amount the company considers as capital and the solvency margin ratio are as follows in the table below:

	2025	2024
Basic share capital items:	22,050,000	22,050,000
Paid-up Capital	5,512,500	5,512,500
Legal Reserve	2,000,000	2,000,000
Optional Reserve	13,308,113	9,993,384
Retained Earnings	-	(1,543,500)
Proposed Dividends	42,870,613	38,012,384
Total Basic Capital		
Additional Capital Items	15,429,356	14,761,250
Increase in Value of Investments property	1,120,476)910,457(
accumulated change in fair value	16,549,832	13,850,793
Total Additional Capital	59,420,445	51,863,177
Total Regulatory Capital (A)	22,579,544	22,102,173
Total Required Capital (B)	%263	%235
Solvency Margin Ratio (A)/(B)	22,050,000	22,050,000

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

45 - Maturity Analysis of Current and Non-Current Assets and Liabilities

	Up to one year	More than one year	Total
December 31, 2025			
Assets:			
Deposits with banks	22,254,427	-	22,254,427
Financial assets at fair value through profit and	-	9,472,015	9,472,015
Financial assets at fair value through other comprehensive income	-	16,490,711	16,490,711
Financial assets at amortized cost	-	10,456,724	10,456,724
Investments Properties	-	21,458,670	21,458,670
cash on hand and at banks	3,959,472	-	3,959,472
Insurance Assets	26,770,422	-	26,770,422
Deferred tax assets	-	-	-
property and equipment, net	-	4,335,379	4,335,379
Intangible assets, net	-	-	-
Other assets	-	1,703,938	1,703,938
	52,984,321	63,917,437	116,901,758
Liabilities:			
Insurance contract liabilities (GMM)	3,867,176	482,853	4,350,029
Insurance contract liabilities (PAA)	54,334,081	10,705,519	65,039,600
Accrued expenses	199,889	-	199,889
Income tax provision	65,971	-	65,971
Deferred tax liabilities	-	1,004,951	1,004,951
Different provisions	-	1,326,191	1,326,191
Other liabilities	84,933	2,947,571	3,032,504
Obligation right of use asset	-	-	-
Total	58,552,050	16,467,085	75,019,135
The Net	(5,567,729)	47,450,352	41,882,623

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

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

	Up to one year	More than one year	Total
December 31, 2024			
Assets:			
Deposits with banks			19,869,152
Financial assets at fair value through profit and loss	19,869,152	7,079,608	7,079,608
Financial assets at fair value through other comprehensive income		13,746,207	13,746,207
Financial assets at amortized cost		8,856,724	8,856,724
Investments Properties		21,738,750	21,738,750
cash on hand and at banks			3,402,648
Reinsurance contract assets held	3,402,648		18,128,422
Deferred tax assets	18,128,422		-
property and equipment, net	-	490,912	490,912
Intangible assets, net	-	4,427,143	4,427,143
Other assets	-	5,950	5,950
	-	2,312,002	2,312,002
Liabilities:	41,400,222	58,657,297	100,057,518
Insurance contract liabilities (GMM)	52,449,966	6,548,871	58,998,837
Insurance contract liabilities (PAA)	-	-	-
Accrued expenses	-	-	-
Income tax provision	408,470	-	408,470
Deferred tax liabilities	-	313,307	313,307
Different provisions	-	98,944	98,944
Other liabilities	115,395	4,004,728	4,120,123
Obligation right of use asset	-	-	-
Total	52,973,831	10,965,850	63,939,681
The Net	(11,573,609)	47,691,447	36,117,837

46- Cases Filed Against the Company

The company is a defendant in several lawsuits with a total value of 975,483 Jordanian Dinars as of December 31, 2025. The company has made adequate provisions to cover potential liabilities related to these lawsuits. In the opinion of the company and its legal advisor, the provisions made, amounting to 975,483 Jordanian Dinars as of December 31, 2025 (2024: 1,170,411 Jordanian Dinars), are sufficient to cover the obligations arising from these lawsuits.

The value of lawsuits filed by the company against third parties is 2,341,591 Jordanian Dinars as of December 31, 2025 (December 31, 2024: 1,981,417 Jordanian Dinars). These lawsuits represent outstanding receivables from third parties and returned checks resulting from the company's regular business activities.

47 - Obligations that May Arise

As of the financial statement date, the company has potential obligations that may arise in the form of bank guarantees amounting to 3,062,801 Jordanian Dinars, compared to 1,784,636 Jordanian Dinars as of December 31, 2025 and 2024, respectively.

48 - Subsequent Events

are no subsequent events that have a material impact on the Group's business results or continuity.

49 - Comparative Figures

Certain comparative figures have been reclassified to align with the classification numbers for the current year, and it has no impact on equity and net profit.

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

50- The financial statements are distributed by product type

1- Balance Sheet Items

2025	Motors	Marine and Transport	Aviation	Fire and General Insurance	Engineering	Liability	Medical	Others	Group Life	Individual Life	Total
Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-	-
Reinsurance Contract Assets	4,633,615	-	-	13,523,867	-	7,410,030	839,844	41,097	3,440,451	60,603	29,949,507
Receivables	4,110,316	1,293,987	29,720	1,352,644	1,104,619	277,403	4,009,767	18,566	2,633,789	-	14,830,811
Checks for Collection	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Total Assets	8,743,931	1,293,987	29,720	14,876,511	1,104,619	7,687,433	4,849,611	59,663	6,074,240	60,603	44,780,318
Insurance Contract Liabilities	31,478,296	2,791,689	61,886	15,900,317	468,790	7,851,380	3,004,032	113,025	3,370,185	4,875,027	69,914,627
Reinsurance Contract Liabilities	1,195	536,468	23,523	-	1,240,674	-	1,179,750	-	197,476	-	3,179,086
Payables	1,778,356	1,167,667	143	24,480	142,351	5,472	2,380,175	8,428	804,783	-	6,311,855
Other Provisions	125,000	25,000	25,000	25,000	25,000	25,000	125,000	25,000	50,000	-	450,000
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	33,382,847	4,520,824	110,552	15,949,797	1,876,815	7,881,852	6,688,957	146,453	4,422,444	4,875,027	79,855,568

2024	Motors	Marine and Transport	Aviation	Fire and General Insurance	Engineering	Liability	Medical	Others	Group Life	Individual Life	Total
Insurance Contract Assets	-	-	-	-	-	-	-	-	-	-	-
Reinsurance Contract Assets	2,859,033	-	-	4,631,632	352,670	8,843,119	598,616	56,808	2,143,586	164,644	19,650,107
Receivables	4,277,952	1,406,003	55,188	2,270,871	823,372	361,672	1,865,921	-	1,429,370	-	12,490,349
Checks for Collection	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Total Assets	7,136,985	1,406,003	55,188	6,902,503	1,176,042	9,204,791	2,464,537	56,808	3,572,956	164,644	32,140,456
Insurance Contract Liabilities	27,961,519	4,568,524	82,854	6,856,647	428,441	7,174,902	2,938,008	111,898	4,001,016	4,875,027	58,998,837
Reinsurance Contract Liabilities	-	1,211,103	38,741	-	-	-	48,359	-	223,482	-	1,521,685
Payables	1,634,322	3,340,088	14,526	479,939	222,060	25,474	498,700	-	117,128	-	6,332,239
Other Provisions	125,000	25,000	25,000	25,000	25,000	25,000	125,000	25,000	50,000	-	450,000
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	29,720,841	9,144,714	161,121	7,361,586	675,502	7,225,376	3,610,068	136,898	4,391,626	4,875,027	67,302,761

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

50- The financial statements are distributed by product type

2- Income Statement Items

2025	-4	Motors	Marine and Transport	Aviation	Fire and General Insurance	Liability	Medical	Others	Group Life Insurance	Individual Life Insurance	Total
Insurance Contract Revenue		20,840,147	6,698,100	195,066	13,028,632	1,453,146	13,026,872	73,344	5,835,002	1,574,735	62,725,044
Insurance Contract Expenses		19,816,537	645,892	17,347	10,973,839	726,571	13,360,732	120,304	4,835,351	867,665	51,364,238
Insurance Contracts Operating Results		1,023,611	6,052,209	177,719	2,054,792	726,575	(333,860)	(46,960)	999,651	707,070	11,360,806
Reinsurance Contracts Revenue		646,710	5,322,857	191,468	12,673,621	1,418,549	3,521,605	23,413	4,310,973	141,452	28,250,648
Reinsurance Contracts Expenses		300,851	650,789	48,817	10,973,913	702,578	3,335,427	4,569	2,422,218	4,069	18,443,231
Reinsurance Contracts Operating Results		(345,859)	(4,672,068)	(142,651)	(1,699,708)	(715,971)	(186,178)	(18,843)	(1,888,755)	(137,384)	(9,807,417)
Net Insurance Operations Results		677,751	1,380,141	35,068	355,084	10,604	(520,038)	(65,803)	(889,104)	569,686	1,553,389
Finance Expenses/Income - Insurance Contracts		(874,643)	-	-	-	-	-	-	-	493,657	(380,986)
Finance Expenses/Income - Insurance Contracts		107,309	-	-	-	-	-	-	-	(31,265)	76,044
Net Results of Insurance Operations Financing		(767,334)	-	-	-	-	-	-	-	462,392	(304,942)
Net Revenues of Insurance and Reinsurance Operations		(89,582)	1,380,141	35,068	355,084	10,604	(520,038)	(65,803)	(889,104)	1,032,078	1,248,448
2024		Motors	Marine and Transport	Aviation	Fire and General Insurance	Liability	Medical	Others	Group Life Insurance	Individual Life Insurance	Total
Insurance Contract Revenue		16,198,989	5,915,961	227,076	13,237,865	1,490,345	7,932,580	66,034	5,933,040	1,649,918	52,651,806
Insurance Contract Expenses		(16,239,190)	(1,079,514)	(309,414)	(3,853,258)	(486,107)	(8,258,431)	(87,416)	(4,070,443)	(1,711,790)	(36,095,562)
Insurance Contracts Operating Results		(40,201)	4,836,448	(82,338)	9,384,607	1,004,238	(325,851)	(21,382)	1,862,597	(61,871)	16,556,246
Reinsurance Contracts Revenue		(470,710)	(4,662,078)	(222,986)	(12,823,996)	(1,440,634)	(2,879,201)	(38,504)	4,421,568	248,769	(27,208,444)
Reinsurance Contracts Expenses		19,326	1,031,408	348,608	4,288,561	557,287	2,646,036	4,515	(2,420,299)	-	11,316,039
Reinsurance Contracts Operating Results		(451,384)	(3,630,670)	125,622	(8,535,436)	(883,347)	(233,165)	(33,988)	2,001,269	248,769	(15,892,406)
Net Insurance Operations Results											
Finance Expenses/Income - Insurance Contracts		(663,488)	-	-	-	-	-	-	-	(144,520)	(808,009)
Finance Expenses/Income - Insurance Contracts		96,206	-	-	-	-	-	-	-	3,024	99,231
Net Results of Insurance Operations Financing		(567,282)	-	-	-	-	-	-	-	(141,496)	(708,778)
Net Revenues of Insurance and Reinsurance Operations		(1,058,867)	1,205,778	43,284	849,171	120,891	(559,016)	(55,370)	(138,672)	(452,136)	(44,938)

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

51- Written Premiums - Insurance Branch

	Motors		Marine and Transport		Aviation		Fire and General Insurance		Liability		Medical		Others		Life		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Written Premiums																		
Direct Business	22,041,583	17,291,443	7,051,778	5,781,225	161,963	226,904	9,872,128	11,350,553	1,511,745	1,486,965	12,489,440	7,651,778	57,829	48,196	6,670,316	5,430,256	59,856,782	49,267,320
Incoming Facultative Reinsurance	358,215	297,607	-	-	-	-	3,519,103	1,427,228	6	39	-	-	-	-	1,533,290	168,219	5,410,615	3,407,069
Written Premiums	22,399,798	17,589,050	7,051,778	5,781,225	161,963	226,904	13,391,231	12,777,781	1,511,751	1,487,004	12,489,440	7,651,778	57,829	48,196	8,203,606	7,112,451	65,267,397	52,674,389
Less:																		
Local Reinsurance Premiums	360,091	188,974	74,191	6,439	-	-	4,321,454	1,184,495	1,998	13,956	-	-	-	-	1,498,766	1,643,547	6,256,500	3,037,411
Foreign Reinsurance Premiums	33,291	26,596	5,432,894	4,554,823	161,963	226,904	8,979,335	11,500,469	1,506,293	1,469,438	3,649,620	3,144,370	17,364	35,852	2,842,594	2,929,550	22,623,355	23,888,002
Net Premiums	22,006,417	17,373,480	1,544,693	1,219,963	-	-	90,443	92,817	3,460	3,610	8,839,820	4,507,408	40,465	12,344	3,862,245	2,539,354	36,387,543	26,925,413

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

52- Expected recognition in the Contractual Service Margin (CSM) under the General Measurement Model / Variable Fee Approach

2025

Expected Years for Recognition of Contractual Service Margin:

	Issued Insurance Contracts			Reinsurance Contracts		
	Term Insurance	Endowment Insurance	Total	Term Insurance	Endowment Insurance	Total
1 Year	6,846	97,503	104,349	1,516	(29,544)	(28,028)
2 Years	6,242	94,709	100,951	994	(28,675)	(27,681)
3 Years	5,939	91,667	97,606	934	(27,705)	(26,771)
4 Years	5,278	90,677	95,956	473	(27,362)	(26,889)
5 Years	4,712	89,250	93,961	565	(26,873)	(26,308)
6 to 10 Years	14,785	294,034	308,819	187	(87,615)	(87,428)
More than 10 Years	12,385	547,344	559,729	4,538	(164,640)	(160,102)
Total	56,187	1,305,184	1,361,371	9,207	(392,414)	(383,207)

2024

Expected Years for Recognition of Contractual Service Margin:

	Issued Insurance Contracts			Reinsurance Contracts		
	Term Insurance	Endowment Insurance	Total	Term Insurance	Endowment Insurance	Total
1 Year	4,325	68,144	72,469	38,230	6,239	44,469
2 Years	3,745	111,476	115,221	29,375	10,480	39,855
3 Years	1,730	127,990	129,720	12,338	12,491	24,829
4 Years	471	117,873	118,344	3,211	12,141	15,352
5 Years	75	92,950	93,025	517	10,329	10,846
6 to 10 Years	7	134,172	134,179	51	19,479	19,530
More than 10 Years	-	1,796	1,796	-	520	520
Total	10,353	654,401	664,754	83,722	71,679	155,401

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

53- Expected Recognition in the Contractual Service Margin for the General Measurement Model / Variable Costing Method

2025

The expected number of years to amortize acquisition costs for insurance contract assets in 2025

	Reinsurance Contracts		
	Term Insurance	Endowment Insurance	Total
1 Year			
2 Years	2,192	10,253	12,445
3 Years	1,898	11,194	13,092
4 Years	1,669	9,593	11,262
5 Years	1,401	8,468	9,870
6 to 10 Years	952	7,810	8,762
More than 10 Years	2,243	26,065	28,308
Total	11,752	121,351	133,103

2024

The expected number of years to amortize acquisition costs for insurance contract assets in 2025

	Reinsurance Contracts		
	Term Insurance	Endowment Insurance	Total
1 Year	5,397	254,985	260,382
2 Years	1,655	52,994	54,649
3Years	919	26,529	27,448
4 Years	264	12,078	12,342
5 Years	45	2,830	2,875
6 to 10 Years	-	2,029	2,029
More than 10 Years	-	-	-
Total	8,280	351,445	359,725

Middle East Insurance Company
(Public Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2025
(Jordanian Dinars)

54- Receivables Analysis

	2025			2024		
	Receivables	Expected credit losses provision	Net	Receivables	Expected credit losses provision	Net
Motors	4,110,317	(848,248)	3,262,069	4,277,952	(538,268)	3,739,684
Marine	1,293,987	(267,041)	1,026,946	1,406,003	(176,909)	1,229,094
Aviation	29,720	(6,133)	23,587	55,188	(6,944)	48,244
Fire	2,457,263	(507,107)	1,950,156	3,094,243	(389,329)	2,704,914
Responsibility	277,403	(57,248)	220,155	361,672	(45,507)	316,165
Medical	4,009,767	(472,957)	3,536,810	1,865,921	(234,777)	1,631,144
Others	18,566	(2,190)	16,376	-	-	-
Individual life	2,633,789	(310,659)	2,323,130	1,429,370	(179,849)	1,249,521
Total	14,830,812	(2,471,583)	12,359,229	12,490,349	(1,571,583)	10,918,766