

الرقم: FIN/958/14/2025

التاريخ: ٢٠٢٥/٤/٦

السادة هيئة الأوراق المالية المحترمين

الموضوع: البيانات المالية كما في ٢٠٢٤/١٢/٣١

تحية و بعد

بالإشارة إلى الموضوع أعلاه، نرفق لكم بطيه البيانات المالية باللغة الإنجليزية كما في ٢٠٢٤/١٢/٣١ مدققة من المدقق الخارجي حسب الأصول.

علما بان البيانات المالية تخضع لموافقة البنك المركزي الاردني .

وتفضلوا بقبول فائق الاحترام

المدير العام

د. لانا بدر



Serve to Grow ... Grow to Serve

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Financial Statements and the Independent Auditor's
Report
For the Year Ended December 31, 2024

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Amman- The Hashemite kingdom of Jordan
Financial Statements and the Independent Auditor's Report
For the year ended December 31, 2024

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of **Euro Arab Insurance Group ("the Company")** which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 31 December 2024, and its financial performance and statements of changes in shareholders' equity, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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

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

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

Key Audit Matters

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

Key Audit Matters (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p>Assessment of incurred liabilities and Loss component.</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, 2024, the estimated present value of future cash flows and the risk adjustment for non-financial risks amount to 26 million Jordanian Dinars, as disclosed in Note 12 of the financial statements.</p> <p>We have considered this a key audit matter due to the inherent uncertainty in the estimation and the subjective judgments involved in assessing the estimated present value of future cash flows and the risk adjustment for non-financial risks arising from insurance contracts.</p> <p>Refer to Note 5 for significant accounting policies, 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 around 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.

Other Information included in the Company's 2024 Annual Report

The other information consists of information included in the company's 2024 annual report, excluding the financial statements and the auditor's report thereon. Management is responsible for the other information. The company's 2024 annual report is expected to be provided to us at a later date.

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

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

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

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

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

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

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

We 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.

Independent Auditor's Report (Continued)

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

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

Report on Other Legal and Regulatory Requirements:

Euro Arab Insurance Group Public Limited Shareholding Company has proper accounting records for the year ended December 31, 2024 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 is in charge of the audit resulting in this auditor's report was Hasan Amin Othman; license number 674.

Date: February 27, 2025

Amman – Jordan



Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statement of Financial Position
As of December 31, 2024
(Jordanian Dinars)

	Note	2024	2023
<u>Assets</u>			
Deposits at banks, net	6	22,194,715	21,547,289
Financial assets at fair value through profit or loss statement	7	2,665,854	2,048,980
Financial assets at fair value through other comprehensive income	8	381,252	-
Financial assets at amortized cost	9	10,836,202	7,520,722
Investment properties	10	1,218,459	1,224,232
Total investments		37,296,482	32,341,223
Cash in hand and at banks	11	3,403,911	3,510,544
Insurance contract assets, net	12	409,891	38,275
Reinsurance contract assets held	14	3,052,489	2,973,347
Deferred tax assets	17	1,785,078	1,595,416
Property and equipment, net	18	2,766,700	2,774,965
Intangible assets, net	19	80,128	32,216
Other assets	20	905,574	620,504
		12,403,771	11,545,267
Total Assets		49,700,253	43,886,490
<u>Liabilities and Shareholders' Equity</u>			
<u>Liabilities:</u>			
Insurance contract liabilities	12	26,370,264	25,230,930
Reinsurance contract liabilities	14	1,183,062	1,106,556
Total insurance contract liabilities		27,553,326	26,337,486
Due to bank	21	3,615,352	2,803,316
Other provisions	22	150,224	53,507
Provision for income tax	17	701,747	440,086
Deferred tax liabilities	17	-	-
Other liabilities	23	601,940	605,820
		5,069,263	3,902,729
Total liabilities		32,622,589	30,240,215
<u>Shareholders' Equity:</u>			
Authorized and paid-up share capital	24	10,054,312	9,000,000
Statutory reserve	25	2,513,578	2,227,331
Voluntary reserve		-	15,676
Retained earnings	26	4,509,774	2,403,268
Total Shareholders' Equity		17,077,664	13,646,275
Total Liabilities and Shareholders' Equity		49,700,253	43,886,490

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

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statements of Profit or Loss
For the year ended December 31, 2024
(Jordanian Dinars)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<u>Revenues:</u>			
Insurance contract revenues	28	48,624,460	45,713,541
Insurance contract expenses	29	(39,938,875)	(37,141,980)
Insurance contract operations result		8,685,585	8,571,561
Reinsurance contracts revenues	30	3,964,188	2,721,598
Reinsurance contracts expenses	31	(10,995,532)	(10,268,811)
Reinsurance contracts operations results		(7,031,344)	(7,547,213)
Net insurance operations results		1,654,241	1,024,348
Finance revenues/(expenses) - insurance contracts	32	375,528	50,998
Finance revenues/(expenses) – reinsurance contracts	33	17,710	34,872
Net financing results of insurance operations		393,238	85,870
Credit Interest	34	2,027,059	1,589,974
Net profit from financial assets and investments	35	121,639	122,075
Other revenues	36	5,531	9,006
Net investment income		2,154,229	1,721,055
Net results of insurance and investment (Total revenues)		4,201,708	2,831,273
Undistributed employee expenses		-	-
Undistributed general and administrative expenses		-	-
Other expenses		(409,116)	(517,245)
Total expenses		(409,116)	(517,245)
Net profit for the year before income tax		3,792,592	2,314,019
Income tax expense and national contribution	17	(734,315)	(542,058)
Net profit for the year after income tax		3,058,277	1,771,961
Earnings per share from net profit for the year	40	0.304	0.20

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

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statement of Profit or Loss – Life Insurance
For the year ended December 31, 2024
(Jordanian Dinars)

	Notes	2024	2023
<u>Revenues:</u>			
Insurance contract revenues	28	3,079,786	3,010,911
Insurance contract expenses	29	(2,705,203)	(2,272,464)
Insurance contract operations result		374,583	738,447
Reinsurance contracts expenses	30	(1,986,626)	(1,975,267)
Reinsurance contract recoveries	31	2,004,760	1,121,090
Reinsurance contracts operations results		18,134	(854,176)
Net insurance operations results		392,717	(115,729)
Finance revenues/(expenses) - insurance contracts	32	(16,610)	(48,954)
Finance revenues/(expenses) – reinsurance contracts	33	12,297	43,920
Net financing results of insurance operations		(4,313)	(5,034)
Credit Interest	34	-	-
Net Profit from financial assets and investments	35	-	-
Other revenues	36	-	-
Net investment income		-	-
Net results of insurance and investment (Total revenues)		388,404	(120,763)
Undistributed employee expenses		-	-
Undistributed general and administrative expenses		-	-
Other expenses		-	-
Total expenses		-	-
Net profit for the year before income tax		388,404	(120,763)
Income tax expense and national contribution	17	(100,985)	-
Net profit for the year after income tax		287,419	(120,763)
Earnings per share from net profit for the year		-	-

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

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statement of Other Comprehensive Income
For the year ended December 31, 2024
(Jordanian Dinars)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Net profit for the year after income tax		3,058,277	1,771,961
Add: Other comprehensive income items:			
Change in fair value reserve financial assets		-	-
Total other comprehensive income		<u>3,058,277</u>	<u>1,771,961</u>

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

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statement of Changes in Shareholders' Equity
For the year ended December 31, 2024
(Jordanian Dinars)

	Share Capital	Statutory reserve	Voluntary reserve	Retained earnings *	Total
<u>2023</u>					
The balance as of December 31, 2022	8,000,000	1,945,688	15,676	1,912,950	11,874,314
Total other comprehensive income	-	-	-	1,771,961	1,771,961
Transferred to statutory reserves	-	281,643	-	(281,643)	-
Dividends Distributed to Shareholders	1,000,000	-	-	(1,000,000)	-
Balance as of December 31, 2023	<u>9,000,000</u>	<u>2,227,331</u>	<u>15,676</u>	<u>2,403,268</u>	<u>13,646,275</u>
<u>2024</u>					
The balance as of December 31, 2023	9,000,000	2,227,331	15,676	2,403,268	13,646,275
Previous years adjustments	-	-	-	373,112	373,112
Total other comprehensive income	-	-	-	3,058,277	3,058,277
Transferred to statutory reserves	-	286,247	-	(286,247)	-
Dividends Distributed to Shareholders	1,054,312	-	(15,676)	(1,038,636)	-
Balance as of December 31, 2024	<u>10,054,312</u>	<u>2,513,578</u>	<u>-</u>	<u>4,509,774</u>	<u>17,077,664</u>

* The amount of 1,785,078 Jordanian Dinars from retained earnings as of December 31, 2024 cannot be disposed of, against deferred tax assets.

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

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statement of Cash Flows
For the year ended December 31, 2024
(Jordanian Dinars)

	<u>2024</u>	<u>2023</u>
Cash flow from Operating Activities:		
Net profit for the year before income tax	3,792,592	2,314,019
Adjustments to reconcile net profit before income tax to net cash flow provided from operating activities:		
Depreciation and amortization	124,583	117,717
Net change in fair value of financial assets through profit or loss statement	73,671	63,284
Previous years adjustments	373,112	-
Other provisions	-	8,321
Expected credit losses for financial assets in amortized cost	134,584	-
Cash flows from operating activities before changes in working capital	<u>4,498,542</u>	<u>2,503,341</u>
Changes in working capital:		
Insurance contract assets -net	(79,142)	59,971
Reinsurance contract assets -net	388,176	747,017
Other assets	(474,733)	26,943
Insurance contract liabilities	1,139,334	1,372,612
Reinsurance contract liabilities	76,506	587,846
Paid from different provisions	96,717	-
Other liabilities	(3,880)	54,550
Income tax paid	(606,788)	(602,596)
Net cash flows provided from operating activities	<u>4,274,940</u>	<u>4,749,684</u>
<u>Cash flow from Investing Activities</u>		
Deposits at banks	(647,426)	(1,322,139)
Purchase property and equipment- net	(95,826)	(19,170)
Purchase intangible assets	(63,080)	(7,050)
Purchasing/sale of financial assets at amortized cost	(3,315,480)	(1,760,800)
Proceeds from the sale of financial assets at fair value through profit or loss	(690,545)	(698,483)
Financial assets at fair value through the statement of comprehensive income	(381,252)	-
Net cash flows provided from/ (used in) investing activities	<u>(5,193,609)</u>	<u>(3,807,642)</u>
<u>Cash flow from financing activities</u>		
Due to banks	812,036	514,703
Cash flows (used in) financing activities	<u>812,036</u>	<u>514,703</u>
Net increase in cash and cash equivalent	(106,603)	1,456,745
Cash and cash equivalent at beginning of the year	3,510,544	2,053,799
Cash and cash equivalent at the end of the year	<u>3,403,911</u>	<u>3,510,544</u>
Non-cash transactions:		
Distributions of dividends through bonus shares	<u>1,038,636</u>	<u>1,000,000</u>

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

1. Legal Status and Activities

The Euro Arab Insurance Group was established under the Jordanian Corporate Law and its amendments under No. (304) as a Public Limited Shareholding Company. As a Several amendments were made to the capital, the latest was during 2024, so that the authorized and paid-up capital amounted to JD 10,054,312 divided into 10,054,312 shares, with a nominal value of 1 JD per share.

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

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

The financial statements were approved by the Board of Directors' decision held 27 February 2025 and it is subject to approval from the general assembly of Shareholders

2. Basis of Preparation

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

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

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

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

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

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

The accounting policies followed in preparing the financial statements are consistent with those followed in preparing the financial statements for the fiscal year ending on December 31, 2023, except that the Company applied the following amendments as of January 1, 2024. These standards had no material effect on the amounts or disclosures in the financial information for the current or prior periods, but may affect the accounting treatments of future transactions and arrangements if any:

New and amended Accounting Standards that are effective for the current year:

1. Lease liabilities in sale and leaseback transactions:

International Financial Reporting Standard (IFRS) 16.

2. Presentation of financial statements and classification of liabilities:

- Amendments to IAS 1 regarding the classification of liabilities as current or non-current.
- Amendments to IAS 1 regarding non-current liabilities with covenants.

3. Statement of cash flows and disclosures of financial instruments:

- Amendments to IAS 7 and IFRS 7 regarding supplier finance arrangements.

4. Disclosures related to sustainability and climate:

- IFRS S1 for financial disclosures related to sustainability.
- IFRS S2 for climate-related disclosures.

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

* The application of these standards is subject to approval by the regulatory authorities in the countries where the company operates, and no instructions have been issued regarding them as of the date of preparation of these financial statements.

Accounting standards issued but not yet effective:

The company has not previously adopted the following standards, which are not yet effective, and management is currently assessing their impact:

- **Effective for periods beginning on or after January 1, 2025:**
Amendments to IAS 21 regarding the currency non-convertibility.
- **Effective on January 1, 2027:**
IFRS (18) related to presentation and disclosures in financial statements.
- **Indefinitely delayed:**
Amendments to IFRS 10 and IAS (28) regarding the accounting for the sale or contribution of assets from an investor."

4. Use of Estimates and Assumptions

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

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

Expected Credit Loss

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

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

Impairment in the value of financial assets

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

Income Tax

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

4. Use of Estimates and Assumptions (continued)

1- Accrued Tax

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

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

2- Deferred Tax

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

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

Property, equipment and intangible assets

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

The present value of future cash flows

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

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

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

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

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

4- Use of Estimates and Assumptions (continued)

Adjustments for non-financial risks

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

Non-insurance Components

The Company discloses the following aspects:

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

Lawsuits Against the company

A provision is made for the lawsuits against the company based on a legal study prepared by the company's lawyer, which determines the potential risks that may occur in the future. These studies are reviewed periodically. There are lawsuits filed against the company, the value of which, according to the regulations of claims and cases with non-final rulings, amounted to approximately 4,521,165 Jordanian dinars for the year 2024 (4,026,385 dinars for the year 2023). There is a provision for claims under settlement, and according to the expectations and opinion of the company's legal advisor, the provision for claims under settlement is sufficient.

Fair Value Levels

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

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

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

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

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

4- Use of Estimates and Assumptions (continued)

Fair Value Levels (continued)

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

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

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

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

5- Significant Accounting Policies

A. Segments Information

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

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

B. Goodwill

The company does not record the value of goodwill.

C. Insurance contracts

Definition of insurance contract

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

Definition of non- insurance contract

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

5. Significant Accounting Policies (continued)

Company's products

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

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

Direct participating feature

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

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

5- Significate Accounting Policies (continued)

Types of direct participating feature

Investment contracts

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

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

Self-insurance

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

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

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

Separation of non-insurance components

A- The investment component:

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

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

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

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

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

5- Significant Accounting Policies (continued)

Acquisition cost

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

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

Recognition of the insurance contract

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

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

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

Amending Insurance Contracts

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

Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

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

Liabilities versus remaining coverage

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

Liabilities versus claims incurred

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

Contractual service margin

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

5- Significant Accounting Policies (continued)

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

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

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

Contracts measurement approach

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

1- Premium allocation approach

It applies to the group of insurance contracts shown below:

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

2- General approach

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

3- Variable cost approach

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

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

5- Significate Accounting Policies (continued)

3- Variable cost approach (continued)

The group classifies insurance contracts according to the following criteria:

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

*The insurance portfolios underwritten by the company are stated.

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

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

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

Portfolio	Measurement approach
Engineering	Premium allocation approach
General Insurance	Premium allocation approach
Motor	Premium allocation approach
Life	Premium allocation approach
Fire	Premium allocation approach
Marine	Premium allocation approach
Medical	Premium allocation approach
Travel	Premium allocation approach

5- Significate Accounting Policies (continued)

Materiality

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

Measurement approaches

Premium allocation approach

1- Initial proof of insurance contracts

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

2- Subsequent measurement/installment allocation approach

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

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

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

Aggregation level

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

A- Determining insurance contract portfolios

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

The company has distributed the insurance contract portfolios as follows:

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

5- Significate Accounting Policies (continued)

B- Determining insurance contract portfolios (continued)

The company has distributed the insurance contract portfolios as follows:

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

B- Proof of Cohort Level (Cohort)

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

C- Insurance Contract Aggregation

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

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

The company takes the following actions to determine the groups:

- The profitability of the contract is not assessed because the available system does not provide this service. Instead, profitability is evaluated for the products as a whole based on historical loss ratio information from the past 3 years.
- The historical loss ratio (Technical Loss Ratio) for the sub-product level is adopted in distributing the groups.
- The historical loss ratio (Technical Loss Ratio) is calculated using the following formula:

5- Significate Accounting Policies (continued)

C- Insurance Contract Aggregation (continued)

The company takes the following actions to determine the groups

The profitability of the contract is not assessed because the available system does not provide this service. Instead, profitability is evaluated for the products as a whole based on historical loss ratio information from the past 3 years. The historical loss ratio (Technical Loss Ratio) at the sub-product level is adopted in distributing the groups. The historical loss ratio (Technical Loss Ratio) is calculated using the following formula:

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

The aggregation is as follows:

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

5- Significate Accounting Policies (continued)

Treatment of Onerous Insurance Contracts

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

The present value of future cash flows

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

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

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

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

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

5- Significate Accounting Policies (continued)

The present value of future cash flows (continued)

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

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

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

Risk-free yield curve:

The risk-free yield curve will be derived 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.

Market risk premium for credit risk:

The market risk premium for credit risk will be removed from the yield curves to account for "default" in insurance contracts.

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

Non-financial risk adjustments

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

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

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

5- Significate Accounting Policies (continued)

Reinsurance contracts held

Definition of reinsurance contracts held

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

Proof of reinsurance contracts held:

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

Compilation of reinsurance contracts:

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

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

Determine the portfolios of reinsurance contracts held

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

The company has distributed the insurance contract portfolios as follows:

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

Motor (Portfolio C) Third-Party Orange Card

5- Significate Accounting Policies (continued)

Reinsurance contracts held (continued)

Definition of reinsurance contracts held (continued)

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

A- Proof of Cohort Level (Cohort)

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

B- Insurance Contract Aggregation

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

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

2- Reinsurance contract commissions

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

the contract term.

3- Reinsurance contract assets

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

Profitability level

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

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

1- Financial assets

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

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

5- Significate Accounting Policies (continued)

Profitability level (continued)

1- Financial assets (continued)

A- Financial assets at amortized cost

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

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

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

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

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

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

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

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

5- Significant 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.

Real estate investments

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 (%)
Furniture & fixtures	15%
Computers devices	25%
Transportation	10%
Equipment and tools	15%
Electricals	15%
Buildings	2%
Heating and cooling devices	15%
Fire alarm device	10%
Elevators	2%
Solar energy	5%

5- Significate Accounting Policies (continued)

Property and equipment (continued)

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

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

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

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

Intangible assets

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

- Any indications of impairment of the value of intangible assets at the date of the financial statements are reviewed. The estimate of the chronological life of those assets is also reviewed and any adjustments are made for subsequent periods.

Cash and its equivalent

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

Offsetting

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

Date of recognition of financial assets

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

5- Significate Accounting Policies (continued)

Intangible assets (continued)

Fair value

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

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

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

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

Financial liabilities

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

1- Creditors and liabilities of reinsurance contracts

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

2- Credit banks

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

3- liabilities of insurance contract

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

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

4- End of service benefits provision

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

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

5- Significate Accounting Policies (continued)

Foreign currency

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

Treasury stocks

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

Costs of issuing or purchasing insurance Company shares

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

Realize revenue

1- Dividend and interest revenue

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

2- Rental revenue

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

5- Significate Accounting Policies (continued)

Insurance contract expenses

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

Acquisition costs

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

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

Insurance contracts with expected loss

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

Statutory Reserve

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

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6- Deposits at Banks

	2024			2023
	Deposits due within a 3 month	Deposits due from 3 months to 1 year	Total	Total
Inside Jordan	10,447,146	11,462,543	21,909,689	21,262,263
Outside Jordan	-	1,023,567	1,023,567	1,023,567
Expected credit loss provision	-	(738,541)	(738,541)	(738,541)
Total	10,447,146	11,747,569	22,194,715	21,547,289

-Interest rates on bank deposits balances in Jordanian Dinar ranges from 3% to 7% and on US Dollars deposits 4,6%. during the year ended December 31,2024.

-Deposits pledged to the order of the Central Bank Governor amounted to1,050,000 JD as on December 31,2023 and December 31,2023 at 1,050,000 at the Bank.

-The restricted balances amounted to 2,200,000 JD as of December 31, 2024 (2,200,000 JD as of December 31, 2023) in the form of cash deposits.

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

	Deposits are due within one month	Deposits due for more than one month up to three months	Deposits due in more than three months	Total 2024	Total 2023
<u>Inside Jordan</u>					
Arab Bank Corporation	233,588	-	4,402,350	4,635,938	4,368,495
Jordan Al- Ahli Bank	1,200,000	-	-	1,200,000	3,700,000
Commercial Bank	3,521,914	-	-	3,521,914	3,521,917
Bank of Jordan	3,028,076	-	426,000	3,454,076	3,268,886
Bank al Etihad	-	-	3,191,134	3,191,134	3,000,018
Jordan Capital Bank	1,112,571	-	1,319,625	2,432,196	2,346,228
Cairo Amman Bank	-	-	2,123,434	2,123,434	1,056,719
Arab Bank	1,350,997	-	-	1,350,997	-
Total	10,447,146	-	11,462,543	21,909,689	21,262,263
<u>Outside Jordan</u>					
Bank Societe Generale Lebanon	-	-	1,023,567	1,023,567	1,023,567
Total	10,447,146	-	12,486,110	22,933,256	22,285,830
Expected credit loss provision	-	-	(738,541)	(738,541)	(738,541)
Total	10,447,146	-	11,747,569	22,194,715	21,547,289

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6- Deposits at Banks (continued)

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

	2024	2023
Balance at the beginning of the year	738,541	738,541
Provision during the year	-	-
Balance at the end of the year	738,541	738,541

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

	2024	2023
<u>Inside Jordan</u>		
Shares listed	2,665,854	2,048,980
Total	2,665,854	2,048,980

8- Financial Assets at Fair Value through Other Comprehensive Income

	2024	2023
<u>Outside Jordan</u>		
Arab War Risks Insurance Syndicate	381,252	-
Total	381,252	-

9- Financial Assets at Amortized Cost

	2024	2023
<u>Inside Jordan</u>		
Arab Corp loan bonds	300,000	300,000
Bank al Etihad bonds	340,800	340,800
Less: expected credit losses provision	(300,000)	(300,000)
Total	340,800	340,800
<u>Outside Jordan</u>		
New York foreign treasury bonds -Dollar	7,896,944	4,581,464
Foreign government bonds	1,178,458	1,178,458
Arab Bank Bonds - External Trading	1,420,000	1,420,000
Total	10,495,402	7,179,922
Total	10,836,202	7,520,722

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

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

* Foreign government bonds mature on 05/29/2032, with an interest rate of (7.625%) per annum, and are paid in full on the maturity date.

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

9- Financial Assets at Amortized Cost (continued)

* Arab Corp Company's loan bonds matured on 01/04/2014, and neither the principal nor any interest was paid to the company. A provision was taken for the full value of these bonds, and the recognition of interest was suspended during the past years.

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

	2024	2023
Balance at the beginning of the year	300,000	300,000
Additions	-	-
Balance at the end of the year	300,000	300,000

10- Investment Properties

	2024	2023
Buildings	288,642	288,642
Less: accumulated depreciation beginning	(51,770)	(45,997)
Less: depreciation for the year	(5,773)	(5,773)
Buildings, net	231,099	236,872
Land	987,360	987,360
	1,218,459	1,224,232

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

-The fair value of investment properties as of December 31, 2023, amounted to JD 3,772,250, based on the fair value estimate provided by accredited experts in real estate investment valuation.

11- Cash in Hand and at Banks

	2024	2023
Cash in hand	104,996	49,023
Cash at banks	3,298,915	3,461,521
	3,403,911	3,510,544

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

	Liabilities for remaining coverage				Liabilities for Incurred Claims				2024	2023
	2024	2024	2023	2023	2024	2023	2024	2023		
	Excluding the loss component	Loss	Excluding the loss component	Loss	Present value of cashflow	Present value of cashflow	Risk adjustments-non financial	Risk adjustments- non financial	Total	Total
Insurance contracts liabilities-beginning	(4,069,985)	(794,307)	(5,175,183)	(838,941)	(19,598,554)	(17,429,439)	(768,084)	(662,113)	(25,230,930)	(24,105,676)
Insurance contracts assets-beginning	491,415	-	965,804	-	(375,508)	(515,110)	(77,633)	(105,090)	38,275	345,604
Net insurance contracts liabilities/(Assets) – beginning	(3,578,569)	(794,307)	(4,209,379)	(838,941)	(19,974,062)	(17,944,549)	(845,716)	(767,203)	(25,192,655)	(23,760,072)
Insurance contracts revenues	48,624,460	-	45,713,541	-	-	-	-	-	48,624,460	45,713,541
Incurred Claims	-	-	-	-	33,827,922	31,875,746	-	-	33,827,922	31,875,746
Acquisition cost	3,181,199	-	2,917,460	-	-	-	-	-	3,181,199	2,917,460
Employees cost	-	-	-	-	2,541,450	2,314,894	50,577	(78,514)	2,592,027	2,393,408
Administrative cost	-	-	-	-	-	-	-	-	-	-
Changes related to previous service-Adjustments on LFIC	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Losses resulting from contracts expected to be lost and the recovery of these losses	-	337,727	-	(44,634)	-	-	-	-	337,727	(44,634)
Insurance contract expenses	3,181,199	337,727	2,917,460	(44,634)	36,369,372	34,190,641	50,577	(78,514)	39,938,875	37,141,980
Insurance service results	45,443,261	(337,727)	42,796,081	44,634	(36,369,372)	(34,190,641)	(50,577)	(78,514)	8,685,585	8,571,561
Finance costs - from insurance contracts	-	-	-	-	375,528	50,998	-	-	375,528	50,998
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Investment components	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	45,443,261	(337,727)	42,796,081	44,634	(35,993,844)	(34,139,642)	(50,577)	(78,514)	9,061,113	8,622,559
Cash received from written contracts	(47,896,303)	-	(45,125,723)	-	-	-	-	-	(47,896,303)	(45,125,723)
Compensation incurred	-	-	-	-	34,889,341	32,110,129	-	-	34,889,341	32,110,129
Paid from acquisition costs	1,149,752	-	1,122,857	-	-	-	-	-	1,149,752	1,122,857
Other expenses	2,028,378	-	1,837,594	-	-	-	-	-	2,028,378	1,837,594
Total cashflows	(44,718,173)	-	(42,165,271)	-	34,889,341	32,110,129	-	-	(9,828,832)	(10,055,142)
Insurance contracts liabilities-Ending	(3,738,642)	(1,132,034)	(4,069,985)	(794,307)	(20,682,699)	(19,598,554)	(816,889)	(768,084)	(26,370,264)	(25,230,930)
Insurance contracts assets-Ending	885,161	-	491,415	-	(395,866)	(375,508)	(79,404)	(77,633)	409,891	38,275
Net insurance contracts liabilities/(Assets) – Ending	(2,853,481)	(1,132,034)	(3,578,569)	(794,307)	(21,078,565)	(19,974,062)	(896,293)	(845,716)	(25,960,373)	(25,192,655)

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13- Receivables Related to Insurance Operations *

	2024	2023
Total value of receivables related to insurance operations	17,560,646	13,538,152
<u>Less: expected credit losses provision</u>	<u>(1,421,409)</u>	<u>(1,302,939)</u>
Net value receivables Related to Insurance Operations	<u>16,139,237</u>	<u>12,235,213</u>

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

Analysis of accounts receivable according to their time period:

	2024	2023
Payable during 0-30 days	4,865,841	3,859,254
Payable during 31-90 days	3,821,894	5,258,698
Payable during 91-180 days	4,660,954	1,704,217
Payable during 181-365 days	2,965,090	972,194
Payable during for more than one year	1,246,867	1,743,789
	<u>17,560,646</u>	<u>13,538,152</u>

Checks under collection that are not related to insurance operations

	2024	2023
The total value of checks under collection that are related to insurance operations	1,846,399	1,846,160
<u>Less: expected credit losses provision</u>	<u>(22,983)</u>	<u>(22,983)</u>
Net value of checks under collection that are related to insurance operations	<u>1,823,416</u>	<u>1,823,177</u>

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

Receivables Related to Insurance Operations (By Type)

	2024	2023
Receivables from insurance contract holders	15,106,574	11,193,168
Agents' receivables	568,256	422,240
Brokers' receivables	1,757,076	1,772,130
Employees' receivables	100,015	108,819
Other receivables	28,725	41,795
Total accounts receivable	17,560,646	13,538,152
<u>Less: expected credit losses provision</u>	<u>(1,420,409)</u>	<u>(1,302,939)</u>
Net value receivables Related to Insurance Operations	<u>16,139,237</u>	<u>12,235,213</u>

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13- Receivables Related to Insurance Operations *(continued)

Payables Related to Insurance Operations

	2024	2023
Medical entities' receivables	1,972,766	2,745,656
Brokers' receivables	305,276	43,212
Agents' receivables	71,495	299,570
Policyholders' receivables	317,955	202,097
Garages and parts receivables	400,084	489,892
Employees' receivables	56,002	64,385
Other receivables	197,394	178,303
Total	3,320,972	4,023,115

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

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14- (Liabilities)/ Assets Reinsurance Contracts Held:

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

	Liabilities for remaining coverage				Liabilities for Incurred Claims				2024	2023
	2024	2024	2023	2023	2024	2023	2024	2023		
	Excluding loss recovery component	Loss recovery component	Excluding loss recovery component	Loss recovery component	Present value of cashflow- non financial	Present value of cashflow- non financial	Risk adjustments- non financial	Risk adjustments- non financial	Total	Total
Reinsurance contracts liabilities-beginning	1,110,762	-	384,210	-	(3,482)	-	(724)	-	1,106,556	384,210
Reinsurance contracts assets-beginning	(587,611)	-	(229,309)	-	(2,219,162)	(2,364,443)	(166,575)	(192,487)	(2,973,347)	(2,786,238)
Net reinsurance contracts liabilities/(Assets) – beginning	523,151	-	154,901	-	(2,222,644)	(2,364,443)	(167,299)	(192,487)	(1,866,792)	(2,402,028)
Reinsurance payments	(10,995,532)	-	(10,268,811)	-	-	-	-	-	(10,995,532)	(10,268,811)
Reinsurance recoveries	-	-	-	-	3,115,225	-	-	-	3,115,225	-
Commissions received	807,008	-	642,660	-	-	4,096,033	-	-	807,008	4,738,693
Administrative cost	-	-	-	-	-	-	41,954	(25,188)	41,954	(25,188)
Reinsurance contracts revenues	807,008	-	642,660	-	3,115,225	4,096,033	41,954	(25,188)	3,964,187	4,713,506
Reinsurance service contracts results	10,188,524	-	9,626,151	-	(3,115,225)	(4,096,033)	(41,954)	25,188	7,031,345	5,555,305
Finance cost - from reinsurance contracts	-	-	-	-	17,710	38,732	-	-	17,710	38,732
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	10,188,524	-	9,626,151	-	(3,132,935)	(4,134,765)	(41,954)	25,188	7,013,635	7,512,340
Cash received from written contracts paid to reinsurers	(10,475,449)	-	(10,023,093)	-	-	-	-	-	(10,475,449)	(10,023,093)
Incurred claims recovered from reinsurers	-	-	-	-	2,658,717	4,276,564	-	-	2,658,717	4,276,564
Other recovered amounts	-	-	-	-	-	-	-	-	-	-
Recovered profit commission from reinsurers	800,461	-	765,192	-	-	-	-	-	800,461	765,192
Total cashflows	(9,674,988)	-	(9,257,901)	-	2,658,717	4,276,564	-	-	(7,016,271)	(4,981,337)
Reinsurance contracts liabilities-Ending	1,515,990	-	1,110,762	-	(296,941)	(3,482)	(35,986)	(724)	1,183,062	1,106,556
Reinsurance contracts assets-Ending	(479,302)	-	(587,611)	-	(2,399,920)	(2,219,162)	(173,267)	(166,575)	(3,052,489)	(2,973,347)
Net reinsurance contracts liabilities/(Assets) - Ending	1,036,687	-	523,151	-	(2,696,862)	(2,222,644)	(209,253)	(167,299)	(1,869,427)	(1,866,792)

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15- Accounts Receivable* (Reinsurance Contracts Held)

	2024	2023
Assets reinsurance contracts held (Local)	973,506	811,296
Assets reinsurance contracts held (External)	356,499	473,467
Total accounts receivable value related to insurance operations	1,330,005	1,284,763
Less: Expected credit losses provision	(568,875)	(539,211)
Net accounts receivable value related to insurance operations	761,130	745,552

Analysis of accounts receivable according to their time period:

	2024	2023
Payable during 0-30 days	330,669	626,898
Payable during 31-90 days	134,782	126,969
Payable during 91-180 days	226,223	39,249
Payable during 181-365 days	128,071	31,125
Payable during for more than one year	510,260	460,522
	1,330,005	1,284,763

16- Accounts Payable* (Reinsurance Contracts Held)

	2024	2023
Liabilities reinsurance contracts held (Local)	564,452	512,291
Liabilities reinsurance contracts held (External)	3,663,378	3,244,319
Total accounts payable value related to insurance operations	4,227,830	3,756,610

17- Income Tax

A- Provision for Income Tax:

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

	2024	2023
Balance at beginning of the year	440,086	390,709
Income tax paid	(662,316)	(531,232)
Income tax expense for the year	923,977	651,963
Bank interest tax	-	(71,354)
National contribution fees	-	-
National contribution tax on bank interest	-	-
Provision for income tax – previous years	-	-
Balance at the end of the year	701,747	440,086

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17- Income Tax (continued)

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

	2024	2023
Accrued income tax for profit of the year	923,977	651,963
Deferred tax assets/ liabilities amortization	(189,662)	(109,905)
Balance at the end of the year	734,315	542,058

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

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

	2024	2023
Accounting profit	3,111,873	2,413,674
Non-taxable profits	(3,859,397)	(3,134,614)
Expenses that are not tax acceptable	4,199,666	3,291,358
Profits from foreign investments	-	-
Tax profit	3,452,142	2,570,418
Actual income tax rate	%21	%22
Statutory income tax rate	%24	%24

D- Deferred Tax Assets/ Liabilities

	2024				2023	
	Beginning Balance	Reversal	Additions	Ending Balance	Deferred Tax	Deferred Tax
<u>Deferred tax assets:</u>						
Expected credit loss provision	1,857,550	-	134,594	1,992,144	517,957	482,963
Provision for end of service benefits	38,977	46,871	18,588	10,694	2,780	10,134
Losses on financial assets at fair value through the income statement	331,327	-	73,671	404,998	105,300	86,145
Allowance for impairment of financial assets at amortized cost	300,000	-	-	300,000	78,000	78,000
Provision for unreported outstanding	2,742,315	-	25,952	2,768,267	719,750	713,002
Provision for other liabilities	14,350	-	-	14,530	3,778	3,778
Allowance premium	90,000	-	523,536	613,536	159,519	23,400
Applying IFRS (9) on bank deposits and cheques under collection	761,524	-	-	761,524	197,994	197,995
	6,136,223	46,871	776,341	6,865,693	1,785,078	1,595,416

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17- Income Tax (continued)

D- Differed Tax Assets/Liabilities (continued)

Movement on deferred tax assets and liabilities is as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Balance at the beginning of the year	1,595,416	1,485,511	-	-
Additions	201,848	119,032	-	-
Disposals	(12,186)	(9,127)	-	-
Balance at the end of the year	1,785,078	1,595,416	-	-

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

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18- Property and Equipment

			Building improvements and decorations	Cars	Equipment, appliances, and furniture	Total
December 31, 2024	Land	Buildings				
Cost						
Balance at the beginning of the year	1,385,800	1,525,142	449,377	435,066	384,745	4,180,130
Additions	-	-	3,995	40,572	51,799	96,365
Disposals	-	-	-	-	(990)	(990)
Balance at the end of the year	1,385,800	1,525,142	453,372	475,638	435,554	4,275,506
Less:						
Accumulated depreciation						
Accumulated consumption at the beginning of the year	-	395,674	441,109	247,373	321,009	1,405,165
Charge for the year	-	33,123	3,275	46,302	20,943	103,643
Disposals	-	-	-	-	(2)	(2)
Accumulated depreciation at the end of the year	-	428,797	444,384	293,675	341,950	1,508,806
Property and equipment at year end	1,385,800	1,096,345	8,988	181,963	93,604	2,766,700
			Building improvements and decorations	Cars	Equipment, appliances, and furniture	Total
December 31, 2023	Land	Buildings				
Cost						
Balance at the beginning of the year	1,385,800	1,525,143	449,376	435,066	367,246	4,162,631
Additions	-	-	-	-	19,020	19,020
Disposals	-	-	-	-	(1,700)	(1,700)
Balance at the end of the year	1,385,800	1,525,143	449,376	435,066	384,566	4,179,951
Less:						
Accumulated depreciation						
Accumulated consumption at the beginning of the year	-	363,744	433,480	203,003	304,006	1,304,233
Charge for the year	-	33,122	3,578	45,812	20,090	102,602
Disposals	-	-	-	-	(1,849)	(1,849)
Accumulated depreciation at the end of the year	-	396,866	437,058	248,815	322,247	1,404,986
Property and equipment at year end	1,385,800	1,128,277	12,318	186,251	62,319	2,774,965

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19- Intangible Assets

	2024	2023
<u>Cost</u>	Computer systems and software	Computer systems and software
Balance at the beginning of the year	212,810	205,610
Additions	63,080	7,200
Balance at the end of the year	275,890	212,810
<u>Accumulated amortization</u>		
Balance at the beginning of the year	(180,594)	(171,102)
Additions	(15,168)	(9,492)
Balance at the end of the year	(195,762)	(180,594)
Net	80,128	32,216

20- Other Assets

A- Other Assets

	2024	2023
Bank interest receivable	717,325	523,015
Prepaid income tax	22,213	22,213
Prepaid expenses	45,558	37,354
Insurance recoveries	7,596	7,005
Employees' deposits	23,504	13,922
Receivables outside insurance business	89,378	16,995
Total	905,574	620,504

Analysis of accounts Payables according to their time period:

	2024	2023
Due date exceeded 0-30 days	84,592	16,995
Due date exceeded 30-60 days	-	-
Due date exceeded 60-90 days	10	-
Due date exceeded 90 days	4,776	-
Total	89,378	16,995

B- Receivables not related to insurance operations

	2024	2023
Receivables from insurance contract holders	-	-
Agents' receivables	-	-
Brokers' receivables	-	-
Employee receivables	-	-
Other receivables	91,238	32,395
Total accounts receivable	91,238	32,395
* Less: Expected credit losses provision	(1,860)	(15,400)
	89,378	16,995

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20- Other Assets (continued)

B- Receivables not related to insurance operations (continued)

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

	2024	2023
Balance at the beginning of the year	15,400	142,407
Addition	-	-
Disposal	(13,540)	(127,007)
Balance at the end of the year	<u>1,860</u>	<u>15,400</u>

21- Credit Banks

	2024	2023
Inside Jordan	3,615,352	2,803,316
Outside Jordan	-	-
Total	<u>3,615,352</u>	<u>2,803,316</u>

The following are the details of payables to banks:

Type of facilities	Interest rate %	Credit facility limit	2024	2023
Al- Ahli Bank Jordan	%4.2	1,200,000	2,706,747	1,819,807
Jordan Bank	%6.9	1,000,000	908,605	983,509
Total			<u>3,615,352</u>	<u>2,803,306</u>

22- Other Provisions

	2024	2023
Provision for end of service benefits	10,694	38,977
Provision lawsuits	14,530	14,530
Provision bonuses	125,000	-
Total	<u>150,224</u>	<u>53,507</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	38,977	-	(28,283)	-	10,694
Provision lawsuits	14,530	-	-	-	14,530
Provision bonuses	-	125,000	-	-	125,000
	53,507	125,000	(28,283)	-	<u>150,224</u>

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23- Other Liabilities

	2024	2023
Sales tax deposits	160,793	147,168
National contribution	76,032	42,461
Income tax deposits	30,561	29,365
Social security deposits	35,330	26,267
Road accident victims fund deposits	29,761	25,136
Stamp duty deposits	19,874	13,600
Insurance Fund Trusts for Insureds and Beneficiaries – Medical	22,144	-
Shareholders' deposits	9,515	9,450
Prepaid rent revenue	1,635	7,935
Others	216,295	304,438
Total	601,940	605,820

Accounts Payable*

	2024	2023
	1,972,767	2,745,656
Brokers' receivables	305,277	43,212
Agents' receivables	71,495	299,570
Policyholders' receivables	317,956	202,097
Garages and parts receivables	400,084	489,892
Employees' receivables	56,003	64,385
Other receivables	197,395	178,303
Total	3,320,977	4,023,115

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

24- Authorized and paid-up share capital

The Authorized (paid-up) share capital at the end of the period amounted to 10,054,312 JD, divided into 10,054,312 shares, with a nominal value of one dinar per share, (2023, 9,000,000 shares with a nominal value of one 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.

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26- Retained earning

	2024	2023
Balance at the beginning of the year	2,403,268	1,912,950
Adjustments of Previous years	373,112	-
Adjusted balance	2,776,380	1,912,950
Net profit for the year	3,058,277	1,771,961
Transferred to statutory reserve	(286,247)	(281,643)
Dividends (bonus shares)	(1,038,636)	(1,000,000)
Balance at the end of the year	4,509,774	2,403,268

27- Related Parties Transactions

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

	2024		2023
Major shareholders	Members of the Board of Directors	Total	Total

Items of financial position statement

Insurance contract assets	-	563	563	-
Insurance contract liabilities	-	100,170	100,170	7,944

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, 2024.

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

	2024		2023
Major shareholders	Members of the Board of Directors	Total	Total

Items of profit or loss statement

Insurance revenue	-	-	-	405
Travel and transportation expenses	-	-	-	-
Board	-	54,000	54,000	46,159
Bonuses and consulting fees	-	96,000	96,000	96,000
Consulting fees	-	-	-	-

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

	2024	2023
Salaries and bonuses	772,200	838,353
Total	772,200	880,353

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28- Insurance Contracts Revenue

<u>2024</u>	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Change in insurance contract liabilities agents remaining coverage	21,825,285	807,847	1,041,839	218,507	3,044,710	63,646	4,139,730	14,950,746	194,859	46,287,169
Expected incurred claims	-	-	-	-	-	-	-	-	-	-
Expected incurred expenses	-	-	-	-	-	-	-	-	-	-
Change in adjustments for non-financial risks.	-	-	-	-	-	-	-	-	-	-
هامش الخدمة التعاقدية المستحق	-	-	-	-	-	-	-	-	-	-
Cash flow recovery from acquisition	-	-	-	-	-	-	-	-	-	-
Insurance contract issuance fees	425,523	15,226	11,253	5,035	35,071	3,837	49,630	666,899	9,531	1,222,006
Allocation of a portion of the premiums related to cash flow recovery for insurance acquisition.	-	-	-	-	-	-	-	-	-	-
Other income	728,516	-	90,412	13,069	5	-	-	283,283	-	1,115,285
Total insurance contract revenue	22,979,324	823,074	1,143,504	236,611	3,079,786	67,483	4,189,360	15,900,928	204,390	48,624,460
<u>2023</u>	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Change in insurance contract liabilities agents remaining coverage	19,164,255	783,432	952,037	174,857	2,972,474	30,915	3,944,443	15,686,440	209,778	629,918,43
Expected incurred claims	-	-	-	-	-	-	-	-	-	-
Expected incurred expenses	-	-	-	-	-	-	-	-	-	-
Change in adjustments for non-financial risks.	-	-	-	-	-	-	-	-	-	-
هامش الخدمة التعاقدية المستحق	-	-	-	-	-	-	-	-	-	-
Cash flow recovery from acquisition	-	-	-	-	-	-	-	-	-	-
Insurance contract issuance fees	422,451	18,038	11,561	5,566	38,435	1,411	47,673	566,912	9,613	1,121,660
Allocation of a portion of the premiums related to cash flow recovery for insurance acquisition.	-	-	-	-	-	-	-	-	-	-
Other income	424,778	-	56,483	13,089	2	-	-	178,900	-	673,252
Total insurance contract revenue	20,011,484	801,470	1,020,081	193,512	3,010,911	32,326	3,992,116	16,432,252	219,391	45,713,541

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29- Insurance Contracts Expenses

<u>2024</u>	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Insurance claims incurred	(17,128,130)	(68,096)	(472,152)	(4,583)	(2,287,236)	327	(318,180)	(13,509,464)	(40,408)	(33,827,922)
Amortization of acquisition	(11,654)	161	1,877	-	4,481	(1,398)	2,229	2,894	(1,659)	(3,069)
Employee 's expenses	(944,710)	(17,679)	(51,781)	(1,038)	(204,265)	(3,965)	(132,314)	(1,170,839)	(14,859)	(2,541,450)
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Expected loss on Contracts	(891,855)	-	-	-	-	-	-	(240,179)	-	(1,132,034)
Recovery from expected loss on contracts	600,531	-	-	-	-	-	-	193,776	-	794,307
Non-financial risk adjustments	(524,010)	(13,292)	(99,064)	(895)	(51,932)	(5,777)	(72,478)	(122,814)	(6,031)	(896,293)
Supplementary non-financial risk adjustments	520,018	5,373	54,248	-	40,298	5,892	77,633	137,003	5,251	845,716
Recoveries from undistributed expenses	-	-	-	-	-	-	-	-	-	-
Transferred from acquisition costs / acquisition cost (According to the company's recognition method)	(1,714,963)	(46,951)	(185,681)	(54,879)	(206,547)	(10,158)	(300,160)	(626,749)	(32,042)	(3,178,130)
Total insurance contracts expenses	(20,094,773)	(140,484)	(752,553)	(61,395)	(2,705,201)	(15,079)	(743,270)	(15,336,370)	(89,748)	(39,938,875)

<u>2023</u>	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Insurance claims incurred	(15,357,200)	(27,603)	(288,658)	-	(1,465,259)	8,435	(269,538)	(14,437,059)	(38,865)	(31,875,746)
Amortization of acquisition	54,866	(1,383)	(8,137)	-	(331)	1,706	(5,924)	(1)	2,195	42,992
Employee 's expenses	(274,011)	(8,781)	(726,947)	-	(607,340)	(76,424)	(67,661)	(539,561)	(14,169)	(2,314,894)
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Expected loss on Contracts	(600,531)	-	-	-	-	-	-	(193,776)	-	(794,307)
Recovery from expected loss on contracts	568,646	-	-	-	-	-	-	270,295	-	838,941
Non-financial risk adjustments	(520,018)	(5,373)	(54,248)	-	(40,298)	(5,892)	(77,633)	(137,003)	(5,251)	(845,716)
Supplementary non-financial risk adjustments	434,145	4,448	52,734	-	89,214	7,527	59,506	113,713	5,916	767,203
Recoveries from undistributed expenses	-	-	-	-	-	-	-	-	-	-
Transferred from acquisition costs / acquisition cost (According to the company's recognition method)	(1,345,920)	(64,571)	(316,772)	(13,713)	(248,450)	(143,799)	(307,961)	(484,764)	(34,503)	(2,960,451)
Total insurance contracts expenses	(17,040,022)	(103,263)	(1,342,028)	(13,713)	(2,272,464)	(208,447)	(669,210)	(15,408,156)	(84,677)	(37,141,980)

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30- Reinsurance Contracts Expenses

2024

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

2023

	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical	Other insurance	Total
Reinsurance claims incurred	195,808	4,340	214,664	-	1,165,145	(7,118)	256,659	250,702	23,928	2,104,128
Amortization of acquisition	62	34,190	206,877	51,272	43	10,703	397,161	38,746	26,138	765,192
Reinsurers' share of risk adjustments - non-financial	2,929	599	818	-	(43,886)	(1,421)	16,268	-	(496)	(25,189)
Excess of loss premiums	-	-	-	-	-	-	-	-	-	-
Transferred from reinsurers' share of acquisition costs/acquisition costs	73	(13,430)	9,355	(6,189)	(212)	(2,998)	(106,353)	(2,208)	(571)	(122,533)
Total reinsurance contracts expenses	198,872	25,699	431,714	45,083	1,121,090	(834)	563,735	287,240	48,999	2,721,598

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31- Reinsurance Contracts Revenue

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

2023	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical	Other insurance	Total
Reinsurance contract premiums	(2,155,404)	(623,761)	(788,261)	(172,422)	(1,975,267)	(42,185)	(3,542,179)	(846,757)	(122,575)	(10,268,811)
Change in reinsurance contract liabilities against remaining coverage	-	-	-	-	-	-	-	-	-	-
Expected incurred claims	-	-	-	-	-	-	-	-	-	-
Expenses incurred claims	-	-	-	-	-	-	-	-	-	-
Insurance contract issuance fees	-	-	-	-	-	-	-	-	-	-
Total reinsurance contracts revenue	(2,155,404)	(623,761)	(788,261)	(172,422)	(1,975,267)	(42,185)	(3,542,179)	(846,757)	(122,575)	(10,268,811)

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32- Financing Revenues/ (Expenses) – Insurance Contracts

	2024	2023
Financing revenues/ (expenses) – Insurance contracts	<u>375,258</u>	<u>50,998</u>
	375,258	50,998

33- Financing Revenues/(Expenses) – Reinsurance Contracts

	2024	2023
Financing revenues/(expenses) – Reinsurance contracts	<u>17,710</u>	<u>34,872</u>
	17,710	34,872

34- Interest Income

	2024	2023
Bank Interest	<u>1,383,843</u>	<u>1,202,198</u>
Interest on investments in financial assets at amortized cost	<u>643,216</u>	<u>387,776</u>
	<u>2,027,059</u>	<u>1,589,974</u>

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

	2024	2023
Cash dividend returns (through profit or loss statement)	<u>102,782</u>	<u>107,810</u>
Rental income	<u>67,930</u>	<u>68,015</u>
Profits from the sale of financial assets through the profit and loss statement	<u>30,730</u>	<u>17,258</u>
Other income	<u>-</u>	<u>693</u>
Profits from the sale of property and equipment	<u>-</u>	<u>250</u>
Investment expenses	<u>(7,085)</u>	<u>(8,667)</u>
Net change in the fair value of financial assets through profit or loss statement	<u>(72,718)</u>	<u>(63,284)</u>
	<u>121,639</u>	<u>122,075</u>

36- Other Income

	2024	2023
Others	<u>5,531</u>	<u>9,006</u>
	<u>5,531</u>	<u>9,006</u>

37- Employee Expenses

	2024	2023
Salaries and bonuses	<u>2,167,592</u>	<u>2,007,571</u>
The company's share of social security	<u>248,362</u>	<u>213,017</u>
Training and development expenses	<u>2,750</u>	<u>1,881</u>
Other	<u>45,413</u>	<u>35,351</u>
	<u>2,464,117</u>	<u>2,257,820</u>

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38-Administrative Expenses

	2024	2023
Rent	19,076	24,843
Stationery and Printing	43,368	44,730
Advertising	36,379	33,925
Debit bank interest	59,004	24,770
Electricity and water expenses	20,343	32,924
Computer supplies and photocopiers	56,537	68,943
He wants and telegraph expenses	42,543	29,799
Auditing fees	22,000	22,000
Hospitality	35,833	47,426
Miscellaneous	176,500	192,173
Subscriptions	28,973	26,012
Board of Directors transfers	54,000	46,159
Government fees	51,438	63,056
Cleanliness	57,759	42,141
Maintenance	67,420	50,265
Company car expenses	56,906	60,043
Professional consulting fees	156,135	93,161
Non- deductible sales tax	22,493	29,315
Security and protection expenses	47,388	57,696
Bank charges and stamps	11,485	8,534
Total	1,065,580	997,915

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39- Other Expenses

	2024					2023				
	Acquisition expenses	Attributable expenses For contracts (direct)	Attributable expenses For contracts (indirect)	Non- attributed expense to contracts	Total	Acquisition expenses	Attributable expenses For contracts (direct)	Attributable expenses For contracts (indirect)	Non- attributed expense to contracts	Total
Board of directors' remuneration	-	-	-	27,000	27,000	-	-	-	24,000	24,000
Depreciation and amortization	-	-	-	118,938	118,938	-	-	-	111,944	111,944
Investment properties depreciation	-	-	-	5,645	5,645	-	-	-	5,773	5,773
Expected credit loss provision-Accounts	-	-	104,930	-	104,930	-	-	141,061	-	141,061
Expected credit loss provision-Receivables from	-	-	29,664	-	29,664	-	-	130,032	-	130,032
Expected credit loss provision-Cheques under	-	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	88,644	88,644	-	-	-	57,707	57,707
Total	-	-	134,594	240,227	374,821	-	-	271,093	199,424	470,517

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

40- Earnings Per Share from profit for the year

	2024	2023
Net profit for the year	3,058,277	1,771,961
Weighted Average for Share	10,054,312	9,000,000
Earnings per share for the year	0.304	0.197

41- Risk Management

First: Descriptive disclosures

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

Second: Quantitative disclosures

1. Insurance risks

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

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

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

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

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

41- Risk Management (continued)

1. Insurance risks (continued)

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

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

2. Development of allegations

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

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

Engineering

	2024	2023	2022	2021	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	-	-	2,553	4,812	1,228,682	1,236,047
After 1 year	-	-	2,553	4,812	1,221,283	1,228,648
After 2 years	-	-	2,553	4,812	1,221,283	1,228,648
After 3 years	-	-	-	465	1,227,292	1,227,757
After 4 years	-	-	-	-	1,236,945	1,236,945
After 5 years	-	-	-	-	1,045,943	1,045,943
After 6 years	-	-	-	-	1,205,241	1,205,241
After 7 years	-	-	-	-	1,202,259	1,202,259
After 8 years	-	-	-	-	1,182,789	1,182,789
After 9 years	-	-	-	-	681,949	681,949
Total cumulative claims paid	-	-	2,553	4,812	1,201,627	1,208,992
Discount effect	-	-	-	-	1,607	1,607
Total liabilities versus claims incurred	-	-	-	-	25,448	25,449

* Estimates represent reported and unreported claims

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

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41- Risk Management (continued)

2. Development of allegations (continued)

Fire

	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	338,345	342,736	895,341	892,990	2,274,962	4,744,374
After 1 year	-	326,383	894,268	893,065	2,281,638	4,395,354
After 2 years	-	-	871,616	879,626	2,274,645	4,025,887
After 3 years	-	-	-	871,616	2,297,274	3,180,456
After 4 years	-	-	-	-	2,181,254	2,181,254
After 5 years	-	-	-	-	1,839,356	1,839,356
After 6 years	-	-	-	-	1,780,470	1,780,470
After 7 years	-	-	-	-	1,484,827	1,484,827
After 8 years	-	-	-	-	1,314,868	1,314,868
After 9 years	-	-	-	-	1,018,378	1,018,378
Total cumulative claims paid	338,345	282,483	894,571	885,926	2,043,573	4,424,828
Discount effect	-	3,532	45	413	13,740	17,730
Total liabilities versus claims incurred	20,070	56,721	725	6,651	217,649	301,817

General insurance

	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	3,167	27,723	34,423	3,120	167,059	235,492
After 1 year	-	14,471	17,382	3,120	147,059	182,032
After 2 years	-	-	7,500	3,120	143,474	154,094
After 3 years	-	-	-	3,120	142,305	145,425
After 4 years	-	-	-	-	143,194	143,194
After 5 years	-	-	-	-	102,644	102,644
After 6 years	-	-	-	-	73,958	73,958
After 7 years	-	-	-	-	86,969	86,969
After 8 years	-	-	-	-	26,958	26,958
After 9 years	-	-	-	-	45,589	45,589
Total cumulative claims paid	3,167	16,723	32,423	3,120	132,269	187,702
Discount effect	-	645	118	-	2,066	2,828
Total liabilities versus claims incurred	-	10,355	1,882	-	32,724	44,962

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41- Risk Management (continued)

2. Development of allegations (continued)

Public liabilities	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	23,708	49,125	31,810	26,038	716,313	846,994
After 1 year	-	35,321	31,810	26,038	716,313	809,482
After 2 years	-	-	19,890	28,822	714,856	763,568
After 3 years	-	-	-	1,646	709,707	711,353
After 4 years	-	-	-	-	713,756	713,756
After 5 years	-	-	-	-	513,707	513,707
After 6 years	-	-	-	-	581,554	581,554
After 7 years	-	-	-	-	469,688	469,688
After 8 years	-	-	-	-	489,580	489,580
After 9 years	-	-	-	-	436,500	436,500
Total cumulative claims paid	23,498	48,935	31,310	11,739	704,860	820,342
Discount effect	-	11	29	836	680	1,556
Total liabilities versus claims incurred	210	179	471	13,463	10,773	25,096
Marine						
	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	5,000	-	41,300	-	15,669	61,969
After 1 year	-	-	-	31,600	27,600	59,200
After 2 years	-	-	-	-	58,079	58,079
After 3 years	-	-	-	-	61,400	61,400
After 4 years	-	-	-	-	20,700	20,700
After 5 years	-	-	-	-	500	500
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	-	-	-	-	769	769
Discount effect	-	-	2,431	-	885	3,316
Total liabilities versus claims incurred	5,000	-	38,869	-	14,015	57,884

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41- Risk Management (continued)

2. Development of allegations (continued)

Marine - Goods

	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	349,120	332,898	300,133	460,772	1,401,415	2,844,338
After 1 year	-	323,532	236,172	460,772	1,401,415	2,421,891
After 2 years	-	-	244,387	457,942	1,486,654	2,188,984
After 3 years	-	-	-	258,795	1,296,341	1,555,136
After 4 years	-	-	-	-	1,141,224	1,141,224
After 5 years	-	-	-	-	825,669	825,669
After 6 years	-	-	-	-	563,503	563,503
After 7 years	-	-	-	-	425,656	425,656
After 8 years	-	-	-	-	279,480	279,480
After 9 years	-	-	-	-	234,833	234,833
Total cumulative claims paid	169,336	308,290	129,216	459,86	1,399,925	2,466,628
Discount effect	-	1,443	10,062	5	88	11,646
Total liabilities versus claims incurred	-	100,109	102,863	31,36	23,718	366,064

Motor- Comprehensive

	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	10,183,308	9,298,441	7,082,501	5,404,389	34,634,532	66,603,171
After 1 year	-	8,707,050	7,180,977	5,752,186	34,847,826	56,488,039
After 2 years	-	-	6,527,752	5,772,051	35,045,820	47,345,624
After 3 years	-	-	-	5,169,905	35,037,248	40,207,153
After 4 years	-	-	-	-	34,627,037	34,627,037
After 5 years	-	-	-	-	29,495,511	29,495,511
After 6 years	-	-	-	-	23,611,282	23,611,282
After 7 years	-	-	-	-	17,518,403	17,518,403
After 8 years	-	-	-	-	11,970,075	11,970,075
After 9 years	-	-	-	-	6,373,743	6,373,743
Total cumulative claims paid	6,128,694	7,972,842	6,433,346	5,290,985	34,42,155	60,268,022
Discount effect	-	77,708	38,216	6,628	11,424	80133,9
Total liabilities versus claims incurred	4,054,614	1,247,891	610,939	106,776	180,953	6,201,173

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41- Risk Management (continued)

2. Development of allegations (continued)

Motor – Third party liability

	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	9,512,335	9,090,664	7,491,145	5,466,636	38,745,094	70,305,874
After 1 year	-	8,087,364	7,201,060	5,516,406	39,384,254	60,189,084
After 2 years	-	-	6,002,561	5,136,631	39,050,972	50,190,164
After 3 years	-	-	-	4,341,308	38,607,260	42,948,568
After 4 years	-	-	-	-	37,023,517	37,023,517
After 5 years	-	-	-	-	31,846,061	31,846,061
After 6 years	-	-	-	-	26,052,384	26,052,384
After 7 years	-	-	-	-	20,187,627	20,187,627
After 8 years	-	-	-	-	14,201,716	14,201,716
After 9 years	-	-	-	-	8,256,944	8,256,944
Total cumulative claims paid	5,867,436	7,573,390	6,540,932	5,079,793	37,162,224	62,223,775
Discount effect	-	88,944	55,939	22,611	93,993	261,487
Total liabilities versus claims incurred	3,644,899	1,428,330	894,274	364,232	1,488,877	37,820,61

Motor – Complexes

	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	867,826	322,454	489,054	348,024	5,621,912	7,649,270
After 1 year	-	240,168	436,679	334,006	5,493,658	6,504,511
After 2 years	-	-	389,046	309,177	5,489,657	6,187,880
After 3 years	-	-	-	278,766	5,438,642	5,717,408
After 4 years	-	-	-	-	5,364,925	5,364,925
After 5 years	-	-	-	-	5,050,457	5,050,457
After 6 years	-	-	-	-	1,684,409	1,684,409
After 7 years	-	-	-	-	1,377,449	1,377,449
After 8 years	-	-	-	-	1,182,132	1,182,132
After 9 years	-	-	-	-	396,037	396,037
Total cumulative claims paid	716,485	301,927	413,996	333,124	5,243,541	7,009,073
Discount effect	-	1,203	4,419	871	22,468	28,961
Total liabilities versus claims incurred	151,341	19,324	70,639	14,029	355,903	611,236

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41- Risk Management (continued)

2. Development of allegations (continued)

Medical						
	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	15,184,520	15,184,520	11,203,916	10,448,048	44,017,895	96,038,935
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	-	-	-	-	-	-
Total cumulative claims paid	14,021,943	15,184,520	11,203,916	10,448,048	44,017,895	94,876,358
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	1,162,577	-	-	-	-	1,162,577
Life						
	2024	2023	2022	2021	Before	Total
Estimates of total undiscounted maximum claims						
As in the year of accident	3,180,640	3,180,640	4,131,027	4,881,222	9,572,045	24,945,574
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	-	-	-	-	-	-
Total cumulative claims paid	2,435,569	2,435,569	4,131,027	4,881,222	9,572,045	24,200,503
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	-	-	-	-	-	745,071

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41- Risk Management (continued)

3. Concentration of insurance risks

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

Particulars	2024	2024	2023	2023
	Grand Total	Net	Grand Total	Net
Motor- Third party liability	11,692,969	8,712,827	10,448,164	7,744,252
Motor- Comprehensive	14,311,004	13,670,159	13,637,894	13,529,604
Motor – bids	1,352,762	1,143,359	1,138,055	377,031
Motor – complexes	587,174	115,619	371,656	119,993
Marine	70,854	4,956	63,237	1,022
Fire	2,491,565	377,241	2,427,739	646,339
Engineering	114,209	11,353	54,317	32,699
Public liabilities	382,643	122,869	478,847	80,667
General insurance	126,496	55,012	129,761	51,569
Credit insurance	44,707	1,333	65,617	1,202
Medical -grouping	9,083,511	9,083,511	6,163,448	6,163,448
Medical- individual	85,016	85,016	54,864	54,864
Travel	75,438	19,393	84,326	22,246
Life grouping	1,171,021	216,138	1,219,799	343,934
Life individual	43,844	13,082	87,129	42,273
	41,633,213	33,631,868	35,946,485	29,211,143

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41- Risk Management (continued)

3. Concentration of insurance risks (continued)

A- According to Geographical region

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

	2024				2023			
	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities
Inside Kingdom	42,543,669	29,514,914	-	-	40,536,610	30,091,988	-	-
Middle Eastern	-	-	-	-	-	-	628,948	-
Eastern Europe countries	5,759,922	-	10,187	515,250	-	-	2,720,932	120,371
Asia	1,040,887	-	320,324	2,556,234	-	-	-	-
Africa	-	-	25,264	36,154	-	-	-	27,855
America	-	-	-	-	-	-	-	-
Other countries	-	-	-	-	-	-	-	-
	49,344,478	29,514,914	355,775	3,107,638	40,536,610	30,091,988	3,349,880	148,226

B- By Sector

Particulars	2024			Items outside financial position statement	2023			Items outside financial position statement
	Assets	Liabilities			Assets	Liabilities		
Public sector:	1,134,761	23,310		-	1,906,748	24,596		-
Private sector:								
Companies and Establishments	16,439,978	3,335,272		-	10,953,985	3,390,533		-
Individuals	858,443	474,685		-	281,467	613,216		-
Total	18,463,182	3,833,267		-	13,142,200	4,028,345		-

41- Risk Management (continued)

4. Reinsurance risks

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

5. Insurance risk sensitivity

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

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

41- Risk Management (continued)

5. Insurance risk sensitivity (continued)

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

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41- Risk Management (continued)

5. Insurance risk sensitivity (continued)

			Contractual service margin		Profit or loss		Impact on owners' equity	
			Total	Net	Total	Net	Total	Net
2023	Change ratio							
Death rate	+5%		-	-	4,871	851	4,871	851
Death rate	-5%		-	-	(4,871)	(851)	(4,871)	(851)
Morbidity	+5%		-	-	-	-	-	-
Morbidity	-5%		-	-	-	-	-	-
Long life	+5%		-	-	-	-	-	-
Long life	-5%		-	-	-	-	-	-
Expenses	+5%		-	-	8,790	8,790	8,790	8,790
Expenses	-5%		-	-	(8,790)	(8,790)	(8,790)	(8,790)
Expiry rate	+5%		-	-	-	-	-	-
Expiry rate	-5%		-	-	-	-	-	-
Gross loss rate	+5%		-	-	-	-	-	-
Gross loss rate	-5%		-	-	-	-	-	-

41- Risk Management (continued)

B- Financial risks

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

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

1- Market risk

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

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

C- Interest rate risk:

Interest rate risk relates to interest rates on fixed deposits with banks. As of December 31, 2023 the interest rate on bank deposits ranges from 5.75 % to 6.9 %. annually.

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

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

41- Risk Management (continued)

D- Foreign currency risks:

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

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

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

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

<u>Currency Type</u>	<u>In Foreign currency</u>		<u>Equivalent to Jordanian Dinars</u>	
	2024	2023	2024	2023
<u>US Dollar</u>	16,399,231	11,022,207	11,643,454	7,825,767

2- Credit Risk

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

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41- Risk Management (continued)

3- Liquidity Risk

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

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 months to a year	More than one year	Total
2024						
Insurance liabilities:						
Overdraft bank	-	3,615,352	-	-	-	3,615,352
Insurance contract liabilities	-	5,300,423	10,545,388	9,227,214	1,297,239	26,370,264
Reinsurance contract liabilities	-	1,183,062	-	-	-	1,183,062
Different provision	-	150,224	-	-	-	150,224
Income tax provision	-	701,747	-	-	-	701,747
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	-	354,871	-	247,069	-	601,940
Total insurance liabilities	-	11,305,679	10,545,388	9,474,283	1,297,239	32,622,589
Total insurance assets	-	16,516,911	4,068,572	13,831,849	15,282,921	49,700,253
2023						
Insurance liabilities:						
Overdraft bank	-	2,803,316	-	-	-	2,803,316
Insurance contract liabilities	-	5,094,739	10,102,227	8,839,447	1,262,778	25,299,191
Reinsurance contract liabilities	-	1,106,556	-	-	-	1,106,556
Different provision	-	53,507	-	-	-	53,507
Income tax provision	-	440,086	-	-	-	440,086
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	-	200,482	-	405,337	-	605,819
Total insurance liabilities	-	9,698,686	10,102,227	9,244,784	1,262,778	30,240,214
Total insurance assets	-	16,028,387	4,373,949	13,121,847	10,060,083	43,584,266

41- Risk Management (continued)

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

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

41- Risk Management (continued)

4- Operational Risk

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

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

5- Legal Risk

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

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

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

- Geographic distribution information:**

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

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

	Inside Kingdom		Outside Kingdom		Total	
	2024	2023	2024	2023	2024	2023
Total revenues	3,978,619	37,089,018	643,216	387,776	40,176,395	37,079,789
Total assets	38,134,618	37,657,233	10,851,901	7,843,057	48,986,519	43,739,490
Capital expenditures	159,445	26,220	-	-	159,445	26,220

42 – Share Capital Management

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

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

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42 – Share Capital Management (continued)

	2024	2023
Basic share capital items:		
paid Capital	10,054,312	9,000,000
Statutory reserve	2,498,241	2,187,055
The issuance premium and the issuance premium of treasury shares	-	-
Voluntary reserve	-	15,676
Profit for the year after deductions	2,066,371	1,630,281
Retained earnings	3,479,297	2,514,511
Profits proposed to be distributed	-	-
Additional share capital items:	18,098,221	15,347,523
Increase in the value of investments property	2,554,061	2,548,288
Cumulative change in fair value	-	-
Total additional share capital	2,554,061	2,548,288
Total of regulatory share capital (A)	20,652,282	17,895,811
Total of required share capital (B)	13,771,741	11,636,411
Solvency margin ratio (A /B)	%150	%154

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

	Up to one year	More than one year	Total
December 31, 2024			
Assets:			
Deposits with banks	22,194,715	-	22,194,715
Financial assets at fair value through profit and loss	2,665,854	-	2,665,854
Financial assets at fair value through other comprehensive income	-	381,252	381,252
Financial assets at amortized cost	-	10,836,202	10,836,202
Real estate investments	-	1,218,459	1,218,459
cash on hand and at banks	3,403,911	-	3,403,911
Insurance assets	409,891	-	409,891
Reinsurance contract assets held	3,052,489	-	3,052,489
Deferred tax assets	-	1,785,078	1,785,078
property and equipment, net	-	2,766,700	2,766,700
Intangible assets, net	-	80,128	80,128
Other assets	905,574	-	905,574
Total	32,632,434	17,067,819	49,700,253
Liabilities:			
Insurance contract liabilities	26,370,264	-	26,370,264
Bank over draft	1,183,062	-	1,183,062
Reinsurance contract liabilities held	3,615,352	-	3,615,352
Deferred tax liabilities	-	-	-
Income tax provision	701,747	-	701,747
Different provisions	150,224	-	150,224
Other liabilities	601,940	-	601,940
	32,622,589	-	32,622,589

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

	Up to one year	More than one year	Total
2023			
<u>Assets</u>			
Deposits with banks	21,547,289	-	21,547,289
Financial assets at fair value through profit and loss	2,048,980	-	2,048,980
Financial assets at fair value through other comprehensive income	-	-	-
Financial assets at amortized cost	-	7,520,722	7,520,722
Real estate investments	-	1,224,232	1,224,232
cash on hand and at banks	3,510,544	-	3,510,544
Insurance assets	38,275	-	38,275
Reinsurance contract assets held	2,973,347	-	2,973,347
Deferred tax assets	-	1,595,416	1,595,416
property and equipment, net	-	2,774,965	2,774,965
Intangible assets, net	-	32,217	32,217
Other assets	620,504	-	620,504
Total	30,738,939	13,147,552	43,886,490
<u>Liabilities:</u>			
Insurance contract liabilities	25,230,930	-	25,299,191
Reinsurance contract liabilities held	1,106,556	-	2,803,316
Creditor banks	2,803,316	-	1,106,556
Income tax provision	440,086	-	440,086
Different provisions	53,507	-	53,507
Other liabilities	605,820	-	605,819
Total	30,240,215	-	30,240,215
The Net	498,723	13,147,552	13,646,275

44- lawsuits

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

45 - Obligations That May Arise

As of the date of the financial statements, the company has potential obligations against bank guarantees in the amount of 3,307,564Jordanian dinars as of December 31, 2024 (2,724,185Jordanian dinars: 2023).

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

1- Financial position items

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

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

1- Financial position items (continued)

2023	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Insurance contract assets	-	-	-	-	-	-	38,275	-	69,161	38,275
Reinsurance contract assets	915,559	129	306,096	47,226	1,156,929	31,747	446,501	-	-	2,973,347
Account receivables	-	-	-	-	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total assets	915,559	129	306,096	47,226	1,156,929	31,747	484,776	-	69,161	3,011,622
Insurance contract liabilities	20,545,715	72,021	217,418	67,467	824,005	34,583	-	3,345,095	124,625	25,230,930
Reinsurance contract liabilities	-	127,279	320,220	-	657	12,976	-	645,423	-	1,106,556
Account payable	-	-	-	-	-	-	-	-	-	-
Different provision	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	20,545,715	199,300	537,638	67,467	824,662	47,559	-	3,990,519	124,625	26,337,485

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

2- Income statement items

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

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

2- Income statement items (continued)

<u>2023</u>	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Insurance contracts revenues	20,011,484	801,470	1,020,081	193,512	3,010,911	32,326	3,992,116	16,432,252	219,391	45,713,541
Insurance contracts expenses	(17,040,022)	(103,263)	(1,342,029)	(13,713)	(2,272,464)	(208,447)	(669,210)	(15,408,156)	(84,677)	(37,141,980)
Insurance contract business results	2,971,461	698,207	(321,948)	179,800	738,447	(176,121)	3,322,906	1,024,096	134,714	8,571,561
Reinsurance contracts expenses	(2,155,404)	(623,761)	(788,261)	(172,422)	(1,975,267)	(42,185)	(3,542,179)	(846,756)	(122,575)	(10,268,811)
Reinsurance contracts revenues	198,870	25,699	431,714	45,083	1,121,090	(835)	563,736	287,241	48,999	2,721,598
Reinsurance contract business result	(1,956,534)	(598,062)	(356,547)	(127,339)	(854,176)	(43,020)	(2,978,443)	(559,515)	(73,576)	(7,547,213)
Net insurance business results	1,014,927	100,144	(678,495)	52,461	(115,729)	(219,141)	344,463	464,580	61,137	1,024,348
Finance (expenses)/revenues- Insurance contracts	88,823	195	287	-	(48,954)	(245)	5,821	5,211	(140)	50,998
Finance (expenses)/revenues- Reinsurance contracts	(3,860)	(126)	(155)	-	43,920	213	(5,224)	-	104	34,872
Net insurance finance business results										
Net insurance and Reinsurance business results	84,964	69	132	-	(5,034)	(32)	597	5,211	(36)	85,870

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47- Written Premiums - Insurance Branch

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

2023	Vehicles	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical insurance	Other	Total
Written premiums										
Direct premiums	19,383,127	950,940	3,820,684	43,787	13,684,185	208,093	839,841	193,166	2,903,547	42,027,370
Received premiums	1,370,445	102	361,356	-	-	2,422	233	-	-	1,734,558
Total premiums Written	20,753,572	951,042	4,182,040	43,787	13,684,185	210,515	840,074	193,166	2,903,547	43,761,928
Less:										
Local reinsurer share	2,082,562	5,864	345,213	-	-	-	-	-	-	2,433,639
Foreign reinsurer share	67,143	725,125	3,355,415	37,859	852,771	120,253	690,703	189,634	1,968,775	8,007,678
Net written premiums	18,603,867	220,053	481,412	5,928	12,831,414	90,262	149,371	3,532	934,772	33,320,611

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48- Amortization of acquisition costs of insurance contract assets

		Insurance contracts issued									
2024		Vehicles - comprehensive	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical	Other insurance	Total
No. of expected years to amortize acquisition cost to insurance contracts assets											
		474,748	1,376	9,061	-	5,881	1,196	17,124	42,589	9,583	561,560
Total		474,748	1,376	9,061	-	5,881	1,196	17,124	42,589	9,583	561,560
2023		Vehicles - comprehensive	Public liabilities	Marine	Credit	Life	Engineering	Fire	Medical	Other insurance	Total
No. of expected years to amortize acquisition cost to insurance contracts assets											
		486,401	-	7,184	-	1,402	2,594	14,895	34,871	17,281	564,628
Total		486,401	-	7,184	-	1,402	2,594	14,895	34,871	17,281	564,628

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Notes to the financial Statements
For the year ended December 31, 2024
(Jordanian Dinars)

49- Receivables Analysis

	2024			2023		
	Receivables	Expected credit losses provision	Net	Receivables	Expected credit losses provision	Net
Vehicles	4,961,001	(691,512)	4,269,489	4,443,570	(368,793)	4,074,777
General insurance	384,881	(7,711)	377,170	475,438	(52,196)	423,242
Marine	501,114	(66,168)	434,946	304,499	(39,913)	264,586
Engineering	80,433	(1,423)	79,010	25,442	(1,838)	23,604
Fire	3,037,634	(67,667)	2,969,967	2,714,145	(175,694)	2,538,451
Life	497,447	(319,811)	177,636	635,133	(120,040)	515,093
Medical	9,783,269	(263,271)	9,519,998	6,786,085	(567,448)	6,218,637
Other insurance	136,299	(1,860)	134,439	4,443,570		
Total	19,382,078	(1,419,423)	17,962,655	15,384,312	(1,325,922)	14,058,390

50 - Subsequent Events

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

51- Comparative figures

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