

**AL NISR AL ARABI FOR INSURANCE COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**AMMAN -THE HASHEMITE KINGDOM OF JORDAN**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED ON DECEMBER 31, 2025**  
**TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

AL NISR AL ARABI FOR INSURANCE COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN -THE HASHEMITE KINGDOM OF JORDAN  
DECEMBER 31, 2025

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## INDEPENDENT AUDITOR'S REPORT

AM/001576 – 003

To the Chairman and Board of Directors Members  
Al Nisr Al Arabi for insurance company  
(Public Shareholding Company)  
Amman – The Hashemite Kingdom of Jordan

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Al Nisr Al Arabi Insurance Company (the "Company") and its subsidiary (together, "the Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in owners' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material aspects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### **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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (Including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the other ethical requirements that are relevant to audits of financial statements of public interest entities in the Hashemite Kingdom of Jordan and we have also fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>Valuation of insurance contract liabilities Insurance contract liabilities are carried in the statement of financial position at JD 107 million. This represents 97% of the total liabilities as of December 31, 2025.</p> <p>The Company applies the Premium Allocation Approach (PAA) for all groups of insurance contracts, except for contracts in the life – individual and savings business, which is measured using the General Measurement Model (GMM) and the Variable Fee Approach (VFA), respectively.</p> <p>Management engaged an external actuarial specialist to assist them in measuring insurance contract liabilities.</p> <p>A key element of the valuation of insurance contract liabilities and insurance contract assets for contracts measured under the PAA is the liability for incurred claims ("LIC"). As at December 31, 2025, the PVFCFs for the LIC amounted to JD 10 million.</p> <p>For groups of insurance contracts measured using the general measurement model (GMM) and the variable fee approach (VFA) approaches, the total liability includes :</p> <p>(a) the fulfillment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and</p> <p>(b) the contractual service margin.</p> <p>As at December 31, 2025 the carrying amount of these insurance contracts amounts to JD 94.4 Million with JD 92.8 million relating to the liability for remaining coverage and JD 1.6 Million relating to the liability for realized claims.</p>	<p>We performed the following procedures, inter alia, to address the key audit matter:</p> <ul style="list-style-type: none"> <li>- We obtained an understanding of the process adopted by management to determine the carrying amount of insurance contract liabilities, including the key controls in the process.</li> <li>- We assessed the abovementioned key controls to determine if they had been appropriately designed and implemented and tested these controls to determine if they were operating effectively throughout the year in instances where we intended to take reliance on those controls.</li> <li>- We evaluated the objectivity, skills, qualifications and independence of the independent external actuary and reviewed the terms of his engagement with the Group to determine if the scope of his work was sufficient for audit purposes.</li> <li>- Tested samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters, confirmations obtained from lawyers.</li> <li>- We evaluated and tested the data used in the process of the valuation of the estimate of future cash flows.</li> <li>- With the assistance of our internal actuarial specialists, we: <ul style="list-style-type: none"> <li>- evaluated the key valuation models used in the valuation process by calculating an independent estimate of the future cash flows for a sample of insurance policies and comparing the results to the Company's estimate.</li> <li>- assessed the actuarial assumptions, for example discount rates, expenses basis, mortality and lapse ratios for life business claims reserves and claims ratio for non-life operations by:</li> <li>- evaluating whether management's assumptions were determined in accordance with the requirements of IFRS Accounting Standards;</li> <li>- assessing the validity of the methodologies employed in experience studies;</li> </ul> </li> </ul>

The judgements applied and estimates of future cash flows of the liability for the remaining contracts utilises actuarial models and a number of assumptions made by management. The calculation is dependent on the accuracy of the input data. This may give rise to errors as a result of inappropriate choice of actuarial methodologies, techniques and assumptions.

The estimates with the greatest estimation uncertainty for life business include discount rates, mortality and lapse ratios, projected acquisition and maintenance expenses and, in the case of the non-life business, claims ratios and claims reserves.

We have identified the valuation of insurance contract liabilities as a key audit matter due to:

- The level of judgements applied and estimates made by management;
- The quantitative significance of the amount to the financial statements; and
- The level of audit effort required.

The relevant accounting policies are presented in note (2) to the financial statements, the information on critical accounting estimates and assumptions is presented in note (3) , further details on insurance contract liabilities are disclosed in note (10) and the relevant disclosures on sensitivity analysis is presented in note (37).

- assessing the reasonability of actuarial judgement in the derivation of reserves;
- analyzing management's interpretation and judgment of its experience study results and emerging claims experience, evaluating new and revised key assumptions, assessing reasonable possible alternative assumptions, and considering industry and other external sources of benchmarking, where applicable.
- We assessed the disclosures in the financial statement relating to this matter against the requirements of IFRS.

**Other Matters**

The consolidated financial statements of the Group for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on March 27, 2025.

The accompanying consolidated financial statements are a translation of the original consolidated financial statements, which are in the Arabic language, to which reference should be made.

**Other Information**

Management is responsible for the other information. The other information comprises the other information in the annual report but does not include the consolidated financial statements and the independent auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole 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 a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements.

The engagement partner on the audit resulting in this independent auditor's report is **Ahmad Fathi Shtawi**.

**Amman - The Hashemite Kingdom of Jordan**  
**March 2, 2026**

  
**Deloitte & Touche (M.E.) – Jordan**  
**Deloitte & Touche (M.E.)**  
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**AL NISR AL ARABI FOR INSURANCE COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**AMMAN – THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	December 31,	
		2025	2024
		JD	JD
<b>Assets</b>			
<b>Investments</b>			
Deposits at Banks – net	5	15,952,919	17,598,096
Financial assets at fair value through other comprehensive income	6	11,176,076	9,391,215
Financial assets at fair value through profit or loss	7	393,762	369,702
Financial assets at amortized cost – net	8	97,663,173	94,016,704
Investment property	9	940,001	940,001
Financial assets of policyholders linked to investment		1,289,950	304,636
<b>Total Investments</b>		<b>127,415,881</b>	<b>122,620,354</b>
Cash on hand and at banks	34	2,033,764	2,441,879
Insurance contracts assets	10	129,799	1,029,581
Re-insurance contracts assets	10	10,545,004	10,838,869
Deferred tax assets	11/C	158,453	162,396
Property, plant and equipment – net	12	2,655,480	2,565,316
Intangible assets – net	13	264,447	243,935
Other assets	14	3,294,987	3,098,854
<b>Total Assets</b>		<b>146,497,815</b>	<b>143,001,184</b>
<b>Liabilities and Owner's Equity</b>			
<b>Liabilities</b>			
Insurance contracts liabilities	10	106,822,736	86,241,992
<b>Total Insurance contract liabilities</b>		<b>106,822,736</b>	<b>86,241,992</b>
Accrued expenses		944,700	926,940
Other provisions	15	258,982	251,364
Income tax provision	11/A	546,061	561,415
Deferred tax liabilities	11/C	342,043	111,494
Other liabilities	16	1,690,429	1,442,617
		3,782,215	3,293,830
<b>Total Liabilities</b>		<b>110,604,951</b>	<b>89,535,822</b>
<b>Owner's Equity</b>			
Authorized and paid-up capital	28/A	16,000,000	10,000,000
Shares premium	28/A	-	3,750,000
Statutory reserve	28/B	3,404,416	2,718,026
Voluntary reserve	28/B	672,075	1,326,652
Fair value reserve – after tax	30	2,259,984	760,775
Insurance contracts finance recognized through other comprehensive income reserve	33	(94,415)	17,271,792
Retained earnings	32	13,650,804	17,638,117
<b>Total Owner's Equity</b>		<b>35,892,864</b>	<b>53,465,362</b>
<b>Total Liabilities and Owner's Equity</b>		<b>146,497,815</b>	<b>143,001,184</b>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.



**AL NISR AL ARABI FOR INSURANCE COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**AMMAN – THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	2025 JD	2024 JD
<b>Revenue</b>			
Insurance contracts revenue	18	30,555,586	31,695,134
<u>(Less): Insurance contracts expenses</u>	19	<u>(22,137,140)</u>	<u>(23,293,194)</u>
<b>Insurance contracts services results</b>		<b>8,418,446</b>	<b>8,401,940</b>
Re-insurance contracts (expense)	20	(7,500,538)	(8,039,183)
Re-insurance contracts recoveries	21	2,745,921	3,081,233
<b>Net (expenses) from reinsurance contracts held</b>		<b>(4,754,617)</b>	<b>(4,957,950)</b>
<b>Net insurance and re-insurance contracts results</b>		<b>3,663,829</b>	<b>3,443,990</b>
Finance (expenses) – insurance contracts	23	(4,422,205)	(4,372,061)
Finance income/ (expenses) - reinsurance contracts	24	32,669	(16,113)
<b>Insurance service result</b>		<b>(725,707)</b>	<b>(944,184)</b>
Investing revenue	17	7,263,645	6,768,603
Interest income	17	1,059,214	1,153,030
Net gain from financial assets and investments	27	38,643	27,156
Other revenue	22	76,371	25,961
<b>Total investment income</b>		<b>8,437,873</b>	<b>7,974,750</b>
Unallocated general and administrative expenses	25	(626,076)	(622,525)
Depreciation and amortization		(213,705)	(206,984)
Other expenses	26	(151,636)	(200,200)
<b>Total expenses</b>		<b>(991,417)</b>	<b>(1,029,709)</b>
<b>Profit for the year before income tax</b>		<b>6,720,749</b>	<b>6,000,857</b>
<u>(Less): income tax expense</u>	11/B	<u>(914,674)</u>	<u>(915,278)</u>
<b>Profit for the year</b>		<b>5,806,075</b>	<b>5,085,579</b>
		JD/Fils	JD/Fils
Basic and diluted earnings per share for the year	31	0/363	0/318

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**AL NISR AL ARABI FOR INSURANCE COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**AMMAN – THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	For the Year Ended December 31,	
	2025	2024
	JD	JD
Profit for the year	5,806,075	5,085,579
<b><u>Items of the Statement of Other Comprehensive Income</u></b>		
Other comprehensive income items can not be reclassified to consolidated statement of profit or loss in subsequent period:		
Change in fair value reserve after tax	1,487,634	553,910
Loss on sale of financial assets at fair value through other comprehensive income	11,575	36,440
Insurance finance (expense)/ income recognized through other comprehensive income (note 23)	(17,366,207)	1,968,099
<b>Total (Comprehensive Loss) income for the Year</b>	<b>(10,060,923)</b>	<b>7,644,028</b>

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**AL NISR AL ARABI FOR INSURANCE COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
CONSOLIDATED STATEMENT CHNAGES IN OWNER'S EQUITY**

	Note	Authorized and Paid-In Capital	Share Premium	Statutory Reserve	Voluntary Reserve	Fair Value Reserve – after tax	Insurance Contracts Finance Recognized Through Other Comprehensive Income Reserve	Retained Earnings	Total Owner's Equity
		JD	JD	JD	JD	JD	JD	JD	JD
<b>For the Year Ended December 31, 2025</b>									
Beginning Balance of the year		10,000,000	3,750,000	2,718,026	1,326,652	760,775	17,271,792	17,638,117	53,465,362
Profit for the year		-	-	-	-	-	-	5,806,075	5,806,075
Change in fair value of financial assets through other comprehensive income		-	-	-	-	1,487,634	-	-	1,487,634
Loss on sale of financial assets at fair value through other comprehensive income		-	-	-	-	11,575	-	-	11,575
(Expense) insurance finance recognized through other comprehensive income		-	-	-	-	-	(17,366,207)	-	(17,366,207)
Total (comprehensive loss) for the year		-	-	-	-	1,499,209	(17,366,207)	5,806,075	(10,060,923)
Transferred loss from on the sales of the financial assets at other comprehensive income to retained earnings		-	-	-	-	-	-	(11,575)	(11,575)
Transferred to authorized and paid-up capital	28	6,000,000	(3,750,000)	-	(1,326,652)	-	-	(923,348)	-
Transferred to statutory reserve and voluntary reserve		-	-	686,390	672,075	-	-	(1,358,465)	-
Dividends distributed	29	-	-	-	-	-	-	(7,500,000)	(7,500,000)
<b>Ending Balanced of the Year</b>		<b>16,000,000</b>	<b>-</b>	<b>3,404,317</b>	<b>672,075</b>	<b>2,259,984</b>	<b>(94,415)</b>	<b>13,650,804</b>	<b>35,892,864</b>
<b>For the Year Ended December 31, 2024</b>									
Beginning Balance of the year		10,000,000	3,750,000	2,703,679	1,326,652	170,425	15,303,693	12,603,325	45,857,774
Profit for the year		-	-	-	-	-	-	5,085,579	5,085,579
Change in fair value of financial assets through other comprehensive income		-	-	-	-	553,910	-	-	553,910
Loss on sale of financial assets at fair value through other comprehensive income		-	-	-	-	36,440	-	-	36,440
Insurance finance revenue recognized through other comprehensive income		-	-	-	-	-	1,968,099	-	1,968,099
Total comprehensive income for the year		-	-	-	-	590,350	1,968,099	5,085,579	7,644,028
Transferred loss from on the sales of the financial assets at other comprehensive income to retained earnings		-	-	-	-	-	-	(36,440)	(36,440)
Transfer to statutory reserve		-	-	14,347	-	-	-	(14,347)	-
<b>Ending Balanced of the Year</b>		<b>10,000,000</b>	<b>3,750,000</b>	<b>2,718,026</b>	<b>1,326,652</b>	<b>760,775</b>	<b>17,271,792</b>	<b>17,638,117</b>	<b>53,465,362</b>

- An amount of JD 158,656 from the retained earnings as of December 31, 2025, is restricted against deferred tax assets (JD 162,396 as of December 31, 2024).

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**AL NISR AL ARABI FOR INSURANCE COMPANY**  
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**AMMAN – THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	2025 JD	2024 JD
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		6,720,749	6,000,857
<b>Adjustments:</b>			
Bank credit interest		(1,059,214)	(1,153,030)
Credit Interest – financial assets at amortized cost and other comprehensive income		(6,459,800)	(6,126,234)
Depreciation and amortization	12,13	213,705	206,984
(Gains) on fair value measurement of financial assets through profit or loss		(31,595)	(14,745)
Losses on sale of financial assets at fair value through profit or loss		152,156	34,173
Losses on sale of financial assets at fair value through other comprehensive income		11,575	36,440
Dividend income from financial assets at fair value through other comprehensive income		(145,212)	(136,068)
(Gains) on valuation of financial assets held by policyholders linked to investments		(250,594)	(49,855)
Losses on sale of financial assets at amortized cost		6,045	-
Provision for end-of-service indemnity	15	7,618	10,503
Losses on sale of property, plant and equipment		82	523
Cash flows (used in) operating activities before changes in working capital		(834,485)	(1,190,452)
(Increase) decrease in Assets / Increase (decrease) in Liabilities			
Insurance contracts assets		899,782	119,843
Re-insurance contracts assets		293,865	560,809
Insurance contracts liabilities		3,214,537	4,366,619
Other assets		1,499,640	354,384
Accrued expenses		17,760	149,301
Other liabilities		198,472	422,602
Net cash flows from operating activities before income tax paid		5,289,571	4,783,106
Income tax paid	11/A	(899,975)	(1,916,834)
Net cash flows from operating activities		4,389,596	2,866,272
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>			
Bank interest received		991,482	1,050,421
Credit Interest - financial assets at amortized cost and through other comprehensive income – received		4,831,759	6,142,146
(Purchase) of property, plant and equipment	12	(207,362)	(71,759)
Sale of property, plant and equipment		653	-
(Purchase) of financial assets at fair value through profit or loss		(879,341)	(259,314)
Proceeds from sale of financial assets at fair value through profit or loss		734,720	-
(Purchase) of financial assets at fair value through other comprehensive income		(202,932)	(559,754)
Proceeds from sale of financial assets at fair value through other comprehensive income		110,141	852,000
(Purchase) of financial assets at amortized cost		(5,972,119)	(13,110,600)
Proceeds from sale of financial assets at amortized cost		2,291,469	3,745,500
Dividends received from financial assets at fair value through other comprehensive income		145,212	136,067
Net change in financial assets at amortized cost		28,136	36,523
(Purchase) of intangible assets	13	(117,754)	(19,111)
(Purchase) of financial assets held by policyholders linked to investment contracts		(734,720)	(212,165)
Financial assets at fair value through other comprehensive income		(11,572)	-
<b>Net cash flows (used in) from investing activities</b>		<b>1,007,772</b>	<b>(2,270,046)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>			
Dividends paid	29	(7,450,660)	-
Net cash flows (used in) financing activities		(7,450,660)	-
Net (decrease) increase in cash and cash equivalents		(2,053,292)	596,226
Cash and cash equivalents at the beginning of the year		19,239,975	18,643,749
<b>Cash and cash equivalents at the end of the year</b>	34	<b>17,186,683</b>	<b>19,239,975</b>

AL NISR AL ARABI FOR INSURANCE COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**1. General**

Al Nisr Al Arabi Insurance Company was established and registered as a Jordanian Public Shareholding Company under No. (207) on 28 September 1989 with JD 2,000,000 authorized capital divided into 2,000,000 shares at a par value of 1 JD for each. Several amendments have been made to the capital, the latest of which was during the year 2025, in which General Assembly in its extraordinary meeting held on June 25, 2025, decided to increase the Company's capital by 6 million JD/share making the authorized and paid in capital of the Group 16 million JD / shares.

The Company is engaged in insurance business against life and general insurance (marine and transportation, fire and property, liability, medical, personal accident and aviation) except motor insurance.

The objectives of the subsidiary are to manage and establish real estate complexes.

Al Nisr Al Arabi for Insurance company is 68.01% owned by Arab Bank (Parent Company) as of December 31, 2025, the financial statements of the Company are consolidated with the parent company.

The consolidated financial information were approved by the Board of Directors on February 26, 2026.

**2. Summary of Material Accounting Policy Information.**

**- Basis of Preparation of Consolidated Financial Statement**

The consolidated financial statements for the year ended December 31, 2025, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and related interpretations with applicable local laws and in accordance with the forms established by the Central Bank of Jordan.

The consolidated financial statements have been prepared on historical cost basis, except for financial assets at fair value through statement of profit or loss and financial assets at fair value through other comprehensive income that have been measured at fair value at the date of the consolidated financial statements.

The consolidated financial statements are presented in Jordanian Dinar (JD), which is the functional currency of the Group.

The group applies the going concern accounting basis in preparing the consolidated financial statements based on reasonable assumptions and expectations.

The accounting policies adopted for the preparation of the consolidated financial statements for the current year are consistent with those applied in the year ended December 31, 2024 except for the effect of the adoption of the new and amended standards mentioned in notes (4-A) and (4-B).

## **2-A Basis of Consolidation of the Financial statements**

The results of the subsidiary Company are incorporated into the consolidated statement of profit or loss from the effective date of acquisition, which is the date on which actual control over the subsidiaries is assumed by the Company. Moreover, the operating results of the disposed subsidiaries Companies are incorporated into the consolidated statement of profit or loss up to the effective date of disposal, which is the date on which the Company loses control over its subsidiaries Company.

Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect investee's returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Group considers all relevant facts and circumstances in assessing whether or not the Company voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Company loses control of any of the subsidiaries Company, the Company performs the following:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes transfer difference accumulated in owners equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in profit or loss statement.
- Reclassifies owners equity already booked in other comprehensive income to the profit or loss statement as appropriate.

Transactions, balances, revenue and expenses are eliminated between the company and the subsidiaries.

The financial statements of the subsidiaries are prepared for the same financial year, using the same accounting policies adopted by the group. If the accounting policies adopted by the subsidiary are different from those used by the Group, the necessary adjustments to the financial statements of the subsidiary are made to comply with the accounting policies followed by the Group.

The non-controlling interests (if any) represent the portion not owned by the Company relating to ownership of the subsidiaries.

The Company owns the following subsidiary as of December 31, 2025:

	Ownership Percentage	Nature of Activity	Establishment Country	Paid up Capital
	%			JD
Al Amin Al Arabi Real Estate Company*	100	Investment Properties	Jordan	458,841

\* Al-Amin Al-Arabi Real Estate Limited Liability Company was established with a capital of 458,841 JD / share, paid in full. It was registered with the Ministry of Industry and Trade on August 31, 2004 and is wholly owned by Al Nisr Al Arabi Insurance Company Public Shareholding company. The objectives of the company are to manage and establish real estate complexes.

## **2-B Material Accounting Policies**

The following are the major material accounting policies applied:

### **A. Business Sector**

The business sector represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which is measured based on the reports used by the chief operating decision maker.

The geographic sector relates to providing products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

### **B. Date of Recognition of Financial Assets**

Purchases and sales of financial assets are recognized on the trade date (that being the date at which the sale or purchase takes place).

### **C. IFRS 17 Insurance Contracts**

#### **Insurance Contract Definition**

The definition of an insurance contract in IFRS 17 is 'a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

An insurance contract with direct participation features is defined as one which, at inception, meets the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

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

- Investment contracts that have a legal form similar to an insurance contract, but they do not transfer material insurance risks to the insurance company and include financial risks such as implicit derivatives, change in the fair value of a financial instrument, change in interest rates, change in currency exchange rates, or credit rating, so that they are classified as investment contracts in accordance with IFRS 9.

- Investment contracts that contain the optional participation feature, which are investment contracts with a legal form similar to an insurance contract, except that they do not transfer substantial insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified according to IFRS 17.
- Self-insurance (i.e. maintaining the risks that could have been covered by the insurance contract within the company, i.e. there is no other party to the contract), such as the company issuing an insurance contract in the name of the company, a subsidiary or an associate company, classified in accordance with IFRS 15.

#### Insurance Contract Liabilities

Insurance contract liabilities are recognized when the Company has liabilities at the date of the consolidated financial statements arising from past events related to insurance contracts, and repayment of obligations is probable and reliably measurable.

The amounts recognized as insurance contract liabilities represent the best estimate of the amounts required to settle the obligation as at the date of the consolidated financial statements, taking into account the risks and uncertainties associated with insurance contract liabilities. When liabilities are valued on the basis of the estimated cash flows to settle the current obligation, the carrying amount represents the present value of those cash flows.

When some or all of the economic benefits required from third parties to settle liabilities are expected to be recovered, the receivable is recognized as an asset if the actual receipt of compensation is certain and its value can be reliably measured.

#### Transition to IFRS 17

On the transition date, January 1, 2022, the Group did the following:

- Identified, recognized, and measured each group of insurance contracts as if IFRS 17 had always applied.
- Identified, recognized and measured any assets for insurance acquisition cash flows as if IFRS 17 had always applied (except that it was not required to apply a recoverability assessment).
- De-recognised any existing balances that would not exist if IFRS 17 had always applied.
- Recognized any net resulting difference in retained earnings.

#### Transition application method

On transition to IFRS 17, the Group applied the full retrospective application method for all contracts measured under the PAA and the fair value method for all contracts measured under the GMM. The fair value method was determined appropriate for the long-term contracts measured under the GMM due to the unavailability of information at a supportable level without undue cost and effort. Under the fair value method the Group has aggregated the contracts issued before 2015 in a single group and applied annual cohorts from 2015 onwards.

#### Ceded reinsurance contracts

They are contracts concluded with reinsurers to compensate the insurance company for claims arising from insurance contracts issued by it.

#### Liabilities for remaining coverage

*The obligation of the Group to investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred.*



#### Liabilities for incurred claims

The obligation of the Group to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other insurance expenses incurred.

#### Contractual Service Margin

*A component of the carrying amount of the groups of insurance contracts representing the unearned profit the Group will recognize as it provides insurance contract services.*

#### Initial Recognition of Insurance Contracts / General Measurement Model

The group of insurance contracts at initial recognition is measured according to the following:

1. Cash flows to meet obligations arising from contracts which include:
  - Estimates of future cash flows
  - Adjustments to the time value of money and financial risks associated with future cash flows by not including such financial risks in future cash flow estimates.
  - Non-financial risk adjustments
2. Contractual Service Margin

#### Subsequent measurement of insurance contracts / General measurement model

The Group shall recognize the carrying amount of any of the insurance contract groups at the end of each period as the sum of the following:

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

#### Initial recognition of insurance contracts / Premiums allocation approach

The group of insurance contracts at initial recognition is measured according to the following:

- Insurance premiums received upon initial recognition.
- Minus any insurance acquisition cash flows paid on that date.
- Plus or minus any amount arising from the derecognition of any asset for insurance cash flows and any other asset or liability for cash flows previously recognized.

### Subsequent measurement / Premium allocation approach

1. At the end of each subsequent period, the Group shall recognize the carrying amount of the liability, taking into account the following adjustments to the beginning balance of the liability:
  - Add insurance premiums received for the period.
  - Minus the insurance acquisition cash flows.
  - Add any amounts related to the amortization of insurance acquisition cash flows recognized as an expense.
  - Add adjustments to the financing component.
  - Minus the amount recognized as insurance revenue for coverage provided in that period.
  - Minus any paid investment component or transfer to liabilities related to claims incurred.
2. Liabilities for incurred claims, which is calculated according to the best estimate of future cash flows for the payment of claims plus adjustments for non-financial risks, taking into account the application of the discount rate on claims. However, the Group is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

### Summary of Measurement Approach

The Group classifies insurance and reinsurance contracts according to the following:

Insurance contract		Reinsurance contract	
Type	Measurement approach	Type	Measurement approach
Motors	Premium allocation approach	Motors	Premium allocation approach
Fire and other property damages	Premium allocation approach	Fire and other property damages	Premium allocation approach
Liability	Premium allocation approach	Liability	Premium allocation approach
Marine	Premium allocation approach	Marine	Premium allocation approach
Medical	Premium allocation approach	Medical	Premium allocation approach
Personal accidents	Premium allocation approach	Personal accidents	Premium allocation approach
Life – Group	Premium allocation approach	Life – Group	Premium allocation approach
Life – Individual	General approach	Life – Individual	General approach
Life – Unit Link	Variable Fee Approach	Life – Individual	Variable Fee Approach

### Level of Aggregation

IFRS 17 requires the Group to determine the level of aggregation for applying its requirements.

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

Portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, the portfolios of contracts during each year of issue are divided into three groups, as follows:

- Any onerous contracts upon initial recognition.
- Any contracts that, upon initial recognition, do not have a substantial probability of becoming onerous later.
- Any remaining contracts in the portfolio.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. For contracts measured under the PAA, the Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Historical information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

#### Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Group recognises a group of re-insurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of re-insurance contracts held. However, the Group delays the recognition of a group of re-insurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of re-insurance contracts held.
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related re-insurance contract held in the group of re-insurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

#### Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired), or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Unit of account

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

- contracts that are onerous at initial recognition
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

For life risk and savings product lines, sets of contracts usually correspond to policyholder pricing groups that the Group determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Group monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing groups with no information available at a more granular level.

Contracts issued within participating product lines are always priced with high expected profitability margins, and thus, such contracts are allocated to groups of contracts that have no significant possibility of becoming onerous at the time of initial recognition.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of

- contracts for which there is a net gain at initial recognition, if any;
- contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and
- remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Group tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

#### Fulfilment cash flows within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (a) are based on a probability weighted mean of the full range of possible outcomes.
- (b) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
- (c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows.

The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

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

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

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

#### Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b) both of the following criteria are satisfied:
  - i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
  - ii. the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Liabilities or assets related to expected premiums or compensation outside the boundaries of the insurance contract are not recognized. These amounts relate to future insurance contracts.

#### Measurement Model Application

The Group applies the Premium Allocation Approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds for which the coverage period is less than one year. For other contracts issued and held where the coverage period is more than one year, the Group performs PAA Eligibility testing to confirm whether the PAA may be applied. Subject to passing the PAA eligibility testing, the Group applied PAA on contracts issued and reinsurance contracts held that pass the testing. *The Individual Life insurance contracts are not eligible for the application of the PAA and therefore the General Measurement Model (GMM) is applied except for direct participating contracts for which the Variable Fee Approach (VFA) is applied.*

#### **Initial measurement – Groups of contracts not measured under the PAA – contractual service margin (CSM)**

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the group will recognize as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- a) the initial recognition of the FCF;
- b) the derecognition at the date of initial recognition of any asset or liability recognized for insurance acquisition cash flows; and
- c) cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognized in the consolidated statement of income immediately with no CSM recognized on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognized as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognizes the net cost immediately in the consolidated statement of income. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognize as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired through business combination, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

- a) the initial recognition of the FCF; and
- b) cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired at the acquisition date as a proxy of the premiums received.

#### **Subsequent measurement – Groups of contracts not measured under the PAA**

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

- a) the LRC, comprising:
  - 1. the FCF related to future service allocated to the group at that date; and
  - 2. the CSM of the group at that date; and

- b) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

- a) the remaining coverage, comprising:
  - 1. the FCF related to future service allocated to the group at that date; and
  - 2. the CSM of the group at that date; and
- b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

#### Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a) changes that relate to current or past service are recognized in the consolidated statement of income; and
- b) changes that relate to future service are recognized by adjusting the CSM or the loss component within the LRC as per the policy below.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b) changes in estimates of the present value of future cash flows in the LRC.
- c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- d) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments a, b and c above are measured using the locked-in discount rates. For direct participating contracts measured under the VFA changes in fulfilment cash flows that relate to future services and adjust the CSM are measured at current discount rates and include the changes in the effect of the time value of money and financial risks that do not arise from underlying items.

#### Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

- a) The effect of any new contracts added to the group.
- b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c) Changes in the FCF relating to future service are recognized by adjusting the CSM. Changes in the FCF are recognized in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognized in insurance service expenses and a loss component is recognized within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d) The effect of any currency exchange differences.
- e) The amount recognized as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognized in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognized in the insurance service result.

*For direct participating contracts measured under the VFA, the Group adjusts the CSM for the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:*

- *a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or*
- *an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses).*

*The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.*

#### Onerous contracts – Loss component on GMM/VFA

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous, and the Group recognizes the excess in insurance service expenses and records it as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

- a) expected incurred claims and expenses for the period;
- b) changes in the risk adjustment for non-financial risk for the risk expired; and
- c) finance income (expenses) from insurance contracts issued.



The amounts of loss component allocation in a. and b. above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Initial and subsequent measurement – Groups of contracts measured under the PAA

The Group uses the PAA for measuring contracts with a coverage period of one year or less and on contracts that pass the eligibility testing as stated above.

The excess of loss reinsurance contracts held provide coverage on the insurance contracts originated for claims incurred during an accident year and are accounted for under the PAA.

*The proportional reinsurance contracts on risk attaching basis that provide coverage for short-term underlying insurance contracts and have an effective period of two years are also measured under the PAA since at inception they pass the eligibility testing stated above.*

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the acquisition cash flows asset.

For reinsurance contracts held on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a) The LRC; and
- b) The LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a) The remaining coverage; and
- b) The incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a) Increased for premiums received in the period;
- b) Decreased for insurance acquisition cash flows paid in the period;
- c) Decreased for the amounts of expected premiums received recognized as insurance revenue for the services provided in the period; and
- d) Increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a) Increased for ceding premiums paid in the period; and
- b) Decreased for the amounts of ceding premiums recognized as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. *Under IFRS 17, for contracts measured under the PAA, where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money. The Group does not discount the LIC for the contracts measured under the PAA as the majority of the cash flows are typically settled within a year.*

#### Onerous contracts – Loss component on PAA

For all contracts measured under PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise.

For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

In addition, if facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. Once a group of contracts is determined as onerous on initial or subsequent assessment, loss is recognized immediately in the consolidated statement of income in insurance service expense.

The loss component is then amortized to the consolidated statement of income over the coverage period to offset incurred claims in insurance service expense. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Group remeasures the same and adjusts the loss component as required until the loss component is reduced to zero. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance.

#### Insurance acquisition costs

The Group includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

- a) costs directly attributable to individual contracts and groups of contracts; and
- b) costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Before a group of insurance contracts is recognized, the Group could pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a group of insurance contracts when the insurance contracts are subsequently recognized.

The acquisition costs are generally capitalized and recognized in the consolidated statement of income over the life of the contracts. However, for contracts under PAA approach, there is an option to recognize any insurance acquisition cash flows as an expense when the Group incurs those costs. The Group has elected this option for all insurance contracts measured under the PAA and therefore writes off acquisition costs as incurred.

#### Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

#### Insurance revenue

As the Group provides services under the group of insurance contracts, it reduces the LRC and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Group expects to be entitled to in exchange for those services.

For contracts not measured under the PAA, insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
  - a. insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
    - amounts related to the loss component;
    - repayments of investment components;
    - amounts of transaction-based taxes collected in a fiduciary capacity; and
    - insurance acquisition expenses;
  - b. changes in the risk adjustment for non-financial risk, excluding:
    - changes included in insurance finance income (expenses);
    - changes that relate to future coverage (which adjust the CSM); and
    - amounts allocated to the loss component;
  - c. amounts of the CSM recognized in statement of income for the services provided in the period; and
  - d. experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.
- Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Group recognizes insurance revenue based on the passage of time over the coverage period of a group of contracts.

#### Insurance service expenses

Insurance service expenses include the following:

- a) incurred claims and benefits excluding investment components;
- b) other incurred directly attributable insurance service expenses;
- c) Insurance acquisitions costs incurred and amortization of insurance acquisition cash flows;
- d) changes that relate to past service (i.e. changes in the FCF relating to the LIC); and
- e) changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts not measured under the PAA, amortization of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue as described above.

For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of income.

Net income (expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis between the amounts recoverable from reinsurers and allocation of the premiums for reinsurance contracts held, comprising the following amounts:

- a) reinsurance expenses;
- b) incurred claims recovery;
- c) other incurred directly attributable insurance service expenses;
- d) effect of changes in risk of reinsurer non-performance;
- e) for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
- f) changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognized similarly to insurance revenue. The amount of reinsurance expenses recognized in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- a) insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components.
- b) changes in the risk adjustment for non-financial risk, excluding:
  - changes included in finance income (expenses) from reinsurance contracts held; and
  - changes that relate to future coverage (which adjust the CSM);
- c) amounts of the CSM recognized in statement of income for the services received in the period; and
- d) ceded premium experience adjustments relating to past and current service.

For groups of reinsurance contracts held measured under the PAA, the Group recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

### Insurance finance income or expenses and OCI policy option

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- a) the effect of the time value of money and changes in the time value of money; and
- b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

- a) interest accreted on the FCF and the CSM;
- b) the effect of changes in interest rates and other financial assumptions; and
- c) foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- a) interest accreted on the LIC; and
- b) the effect of changes in interest rates and other financial assumptions.

*For contracts measured under the VFA insurance finance income or expenses comprise changes in the measurement of the groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals)*

IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the P&L or OCI option) is applied on a portfolio basis.

For contracts not measured under the PAA the Group applies the OCI option. For contracts measured under the PAA the Group includes all insurance finance income or expenses for the period in profit or loss. *To determine the amount of the insurance finance, income or expenses included in profit or loss the Group uses the discount rates determined at the date of initial recognition of the groups of contracts.*

### Discount Rates

The Group adopts a bottom-up approach in setting appropriate discount rates where discount rates in force by banks have been used and approved by the Central Bank.

### Risk adjustments

IFRS 17 requires to measure insurance contracts at initial recognition as the sum of the following items

- Future Cash Flow (FCF) and comprising the Present Value of Future Cash Flows (PVFCF) with an appropriate discounting structure.
- Risk Adjustment (RA) for non-financial risk.
- Contractual Service Margin (CSM).

The risk adjustment for non-financial risk is the compensation that the entity requires for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk.

An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result and it can instead choose to split the amount between the insurance service result and insurance finance income or expenses. The Group does not disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

#### Derivation of the risk adjustment

The Group has determined that the derivation of the risk adjustment shall be performed at the operating Group level using an appropriate methodology that is in line with IFRS 17 guidelines.

The Risk Adjustment for the Liability for Incurred Claims (LIC) has been estimated based the quantile approach performed on Group's triangles with consideration to market benchmarks.

On a diversified basis, the Group applies specific provisions to determine the appropriate risk adjustment based on non-financial risks associated with a number of insurance contracts, in order to establish the required risk adjustment.

### **D. Fair Value**

Fair value is defined as the price at which an asset is to be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or whether it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Group takes into consideration when determining the price of any asset or liability whether market participants are required to consider these factors at the measurement date. The fair value for measurement and / or disclosure purposes in these financial statements is determined on the same basis, except for measurement procedures that are similar to fair value procedures and are not fair value such as fair value as used in IAS (36).

In addition, fair value measurements are classified for the purposes of financial reporting to level (1), (2) or (3) based on the extent to which the inputs are clear concerning the fair value measurements and the importance of inputs to the full fair value measurements. These are as follows:

Level inputs (1) inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that an enterprise can obtain on the measurement date.

Level inputs (2) inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly.

Level inputs (3) are inputs to assets or liabilities that are not based on observable market prices.

### **E. Financial assets at amortized cost**

Financial assets at amortized cost must be measured if the following conditions are met:

- Financial assets are measured at amortized cost only if these assets are held within a business model whose objective is to hold the assets to collect their contractual cash flows.
- The cash flows according to contractual condition for these assets arise in specific dates and only represent payment for the asset amount and for the interest calculated on these assets.

Assets at amortized cost are recorded at cost upon purchase plus acquisition expenses, the premium/ discount (if any) is amortized by using the effective interest rate method records on the interest or for its account. Any provisions resulted from impairment in its value is deducted and any impairment in its value is recorded in the consolidated statement of income.

The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.

The standard permits in cases to measure these assets at fair value through income statement if that eliminates or reduces to a large extent the inconsistency in measurement (sometimes called accounting mismatch) that arise from measurement of assets or liabilities or profit and loss recognition resulted from them in different basis.

**F. *Financial assets at fair value through other comprehensive income***

- Equity investments that are not held for sale in the near future.
- These financial instruments are initially measured at their fair value plus transaction costs, Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the statement of changes in equity. The gain or loss on disposal of these asset are reclassified from fair value reserve to retained earnings and not through consolidated statement of income.
- These financial assets are not subject to impairment testing.
- Dividend income is recognized in the consolidated statement of income.

**G. *Financial assets at fair value through profit or loss***

These represent assets with contractual cash flows that are not payments of principal and interest on the principal amount outstanding.

Assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or

Assets designated at fair value through the statement of income using the fair value option.

These assets are measured at fair value, with any gains/losses arising on re-measurement recognized in the consolidated statement of profit or loss.

Dividends from these investments are booked in the consolidated statement of profit or loss.

**H. *Impairment in Financial Assets Value***

The group have made an assessment at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, the recoverable value is estimated in order to determine impairment loss.

Impairment amounts are determined by the following:

- Impairment in financial assets recorded at amortized cost is determined on the basis of the present value of the expected cash flows discounted at the original interest rate.

Impairment loss is recognized in the consolidated statement of income. Any recoveries in the future resulting from previously recognized impairment is credited to the consolidated statement of income.

### **I. *Investment Properties***

Investment properties are stated at cost less accumulated depreciation and are depreciated (excluding lands). The impairment loss is recorded in the statement of income, Operating revenues and expenses related to these investments are recorded in the consolidated statement of income.

Investment properties are revalued accordance to the Insurance Administration's instructions and the related fair value is disclosed in the related note.

### **J. *Cash and Cash equivalents***

For consolidated statement of cash flow purpose cash and cash equivalents comprise cash on hand and at banks, and bank deposits maturing within three months, less bank overdrafts and restricted balances.

### **K. *Property and equipment***

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property and equipment (except land) are depreciated when its ready for use. Depreciation is computed on a straight-line basis using the following depreciation rates, and the depreciation expense is recorded in the consolidated statement of income:

	%
Building	2
Leasehold improvement	20
Elevators	10
Tools and equipment	15-20
Vehicles	15
Decorations	10-15
Computers	20

Depreciation expense is calculated when property and equipment are ready for use.

Property and equipment under construction are stated at cost less impairment loss.

Assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The impairment loss is recorded in the consolidated statement of income.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Any gain or loss arising on the disposal or retirement of an item of property and equipment which represents the difference between the sales proceeds and the carrying amount of the asset is recognized in the consolidated statement of income.

Any item of property and equipment derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

### **L. *Financial Instruments***

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



### Financial assets

Financial assets are recognised when the Group becomes a party to the contractual of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (except for financial assets at fair value through statement of profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

### Debt Instruments at Amortized Cost or at Fair Value through Other Comprehensive Income

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortized cost or at fair value through other comprehensive income, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of the consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

### Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

#### Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in consolidated statement of profit or loss.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

#### Write off

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss.

#### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through statement of profit or loss.

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Trade receivables and other payables classified as financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised based on effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised consolidated statement of profit or loss

### Mortgaged Financial Assets

These are financial assets pledged in favour of other parties, where the other party has the right to dispose of them (by sale or re-pledge). The valuation of these assets continues in accordance with the accounting policies applied for the valuation of each asset according to its original classification

## **M. Intangible assets**

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are classified as finite or infinite. Intangible assets with finite lives are amortized over the useful economic life and the amortization expense is recognized in the consolidated income statement. While intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired. The impairment loss is recorded in the consolidated income statement.

Any indications of impairment of intangible assets with indefinite useful lives are reviewed at the date of the consolidated financial statements. The estimated useful lives of such assets are also reviewed, and any adjustments are made in subsequent periods

Intangible assets include computer software. These intangible assets are amortized on a rate of 20%.

## **N. Lease Contracts**

Leases are classified as finance leases when the terms of the lease provide for substantially all the risks and rewards of ownership of the lessee. All other leases are classified as operating leases.

#### The Group as a Lessor

Operating lease income is recognized using the straight-line method over the life of the lease. The initial direct costs incurred in the discussion and arrangement of the operating contract are added to the carrying amount of the leased assets and recognized in accordance with the straight-line method over the lease term.

#### The Group as a Lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **O. Provisions**

Provisions are recognized when the Group has an obligation at the date of the consolidated financial statements as a result of past events, and the cost to settle the obligation are both probable and measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the financial statements date, taking into account the risks and uncertainties surrounding the obligation where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flow.

When it is expected to recover some or all amounts due from other parties, the due amount will be recognized within the assets if the value can be measured reliably.

### **P. Provision for expected credit losses**

The Group has applied the standard's simplified approach of International Financial Reporting Standard (IFRS 9) and has calculated the expected credit losses on accounts receivable and checks under collection, The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors and economic environment.

### **Q. End of service indemnity provision**

The provision for end of service benefits for employees is calculated according to the company's internal end of service compensations for employees whose services have been terminated at the end of service. In addition, the potential provision for end of service benefits is charged to the profit or loss and other comprehensive income.

#### **R. *Commitment Adequacy Test***

At the reporting date, the adequacy and appropriateness of insurance liabilities are assessed by calculating the present value of the expected future cash flows related to existing insurance contracts.

If the assessment indicates that the present value of the insurance liabilities is insufficient compared to the expected future cash flows, the entire shortfall is recognized in the consolidated statement of profit or loss

#### **S. *Income Tax***

Income tax represents accrued and deferred tax.

##### **A- Accrued Income Tax**

The accrued income tax expense is calculated based on taxable income, The taxable income differs from the actual income in the statement of income because the accounting income contains expenditures and revenues that are not tax deductible in the current year but in the preceding years or the accepted accumulated losses or any other not deductibles for tax purposes.

The taxes are calculated based on enacted tax percentages which are stated by laws and regulation in the Hashemite Kingdom of Jordan.

##### **B- Deferred Tax**

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

Deferred tax is provided using the liability method on temporary differences at the liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to allow all or part of deferred tax asset to be utilized.

#### **T. *Offsetting***

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Group intends to settle them on a net basis, or assets are realized and liabilities are settled simultaneously.

#### **U. *Dividend and interest revenue***

The Dividends revenue are realized when the shareholders have the right to receive the payment once declared by the General Assembly of Shareholders.

Interest revenues are recorded using the accrual basis based on the accrual periods, principle amount and interest rate.

#### **V. *Expenses recognition***

All commissions and other costs incurred to obtain new or renewed insurance policies are expensed in the consolidated income statement when incurred. Other expenses are recognized on an accrual basis.

## **W. Foreign currencies**

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the transactions dates.

Monetary assets and liabilities in foreign currencies are translated into JD at rates of exchange prevailing at the consolidated statement of financial position date as issued by Central Bank of Jordan.

Non-financial assets and non-monetary liabilities demimonde in foreign currencies at fair value are translated at the date of the determined fair value.

Any gains or losses are taken to the consolidated statement of income.

Translation gains or losses on non-monetary items are recorded as part of change in fair value.

## **3. Significant Accounting Judgement Key Source of Estimations Uncertainty**

The preparation of the consolidated financial information and the application of accounting policies require the Group's management to make judgements, estimates, and assumptions that affect the amounts of financial assets and financial liabilities, as well as the disclosure of contingent liabilities. These estimates and judgements also affect revenue, expenses, provisions in general, expected credit losses, and changes in fair value that appear in the consolidated statement of comprehensive income and within equity. In particular, the Group's management is required to make significant judgements and estimates to assess the amounts and timing of future cash flows. These estimates are necessarily based on various assumptions and factors that involve different degrees of estimation uncertainty, and actual results may differ from these estimates due to changes in the circumstances and conditions affecting those estimates in the future.

### Expected useful life of tangible assets

The Group's management periodically recalculates the useful lives of tangible assets for calculating annual depreciation based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

### Income tax

The fiscal year is charged with the income tax expense in accordance with the accounting regulations, laws and standards. Moreover, deferred tax assets and liabilities and the required tax provision are recognized.

### Lawsuits provision

A provision is made to meet any potential legal liabilities based on a legal study prepared by the Group's legal counsel. This study identifies potential future risks and is reviewed periodically.

### Assets and liabilities at cost

Management periodically reviews the assets and liabilities at cost for estimating any impairment in value, which is recognized in the consolidated statement of profit or loss for the year.

### Fair value measurement and valuation procedures

When estimating the fair value of financial assets and financial liabilities, the Group uses available observable market data. In case of the absence of level 1 inputs, the Group conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

#### Provision for expected credit loss

The Group has adopted the simplified approach to recognize expected credit losses over the life of its receivables as permitted by IFRS 9. Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of stage 1 with the recognition of expected credit losses over their lifetime.

A provision for the expected credit loss should be recognized over the life of the financial instrument if the credit risk on that financial instrument increases substantially since the initial recognition and the expected credit loss is an expected weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the expectation of several future economic scenarios, discounted at the effective interest rate of the asset.

#### Insurance and reinsurance contracts

##### A. PAA Eligibility Assessment

The Group has calculated a Liability for remaining coverage (LRC) and Asset for remaining coverage (ARC) for those groups of insurance contracts issued and reinsurance contracts held respectively where the coverage period was more than one year. After calculating the liabilities/assets applying PAA and GMM approach respectively, the Group then checks for any material differences for the contracts with coverage period of more than one year. In case the Group notes any material differences, it follows the GMM approach, and where there is no material difference, the Group has opted for PAA approach. The calculation was performed under both simplified approaches i.e., Premium Allocation Approach (PAA) and General Measurement Model (GMM).

Situations, which may cause the LRC and / or ARC under the PAA to differ from the LRC and / or ARC under the GMM:

- When the expectation of the profitability for the remaining coverage changes at a particular valuation date during the coverage period of a group of contracts;
- If yield curves change significantly from those in place at the group's initial recognition;
- When the incidence of claims occurrence differs from the coverage units; and
- The effect of discounting under the GMM creates an inherent difference, this difference compounds over longer contract durations.

##### B. Liability for incurred claims

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years, but can also be further analyzed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

### C. Identification of onerous contracts

For contracts measured under GMM a group of contracts is onerous at initial recognition if there is a net outflow of fulfilment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the statement of income in insurance service expense. The loss component is then amortized to statement of income over the coverage period to offset incurred claims in insurance service expense.

For contracts measured under PAA, the Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

The Group also considers facts and circumstances to identify whether a group of contracts are onerous based on the following key inputs:

- Pricing information: Underwriting combined ratios and price adequacy ratios.
- Historical combined ratio of similar and comparable sets of contracts.
- Any relevant inputs from underwriters;
- Other external factors such as inflation and change in market claims experience or change in regulations; and
- For subsequent measurement, the Group also relies on the same group of contracts' weighted actual emerging experience.

### D. Expense attribution

The Group identifies expenses which are directly attributable towards acquiring insurance contracts (acquisition costs) and fulfilling /maintaining (other attributable expenses) such contracts and those expenses which are not directly attributable to the aforementioned contracts (non-attributable expenses). Acquisition costs, such as underwriting costs including other expenses except for initial commission paid, are written off as incurred for PAA contracts (as per Group accounting policy option) whereas for contracts not measured under the PAA they are deferred and spread over the lifetime of the groups of contracts based on the passage of time.

Other attributable expenses are allocated to the groups of contracts using an allocation mechanism considering the activity-based costing principles. The Group has determined costs directly identified to the groups of contracts, as well as costs where a judgement is applied to determine the share of expenses as applicable to that group.

On the other hand, non-directly attributable expenses and overheads are recognized in the consolidated statement of income immediately when incurred. The proportion of directly attributable and non- attributable costs at inception will change the pattern at which expenses are recognized.

### E. Estimate of cash flows for the liability for remaining coverage

In estimating fulfilment cash flows included in the contract boundary, the Group considers the range of all possible outcomes in an unbiased way specifying the amount of cash flows, timing and probability of each scenario reflecting conditions existing at the measurement date, using a probability-weighted average expectation. In determining possible scenarios, the Group uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

Cash flow estimates include both market variables and non-market variables such as mortality rates, lapses and expenses.



The non-market variables are listed below:

### ***Lapse rates***

Policy year	1	2	3	4	5	6	7	8	9	10
Lapse rates	15%- 60%	5-30%	5-12.5%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%	5-10%

### ***Mortality assumption***

40% of mortality table 75-80

### ***Expense assumptions***

Initial Expenses (per policy)	400
Initial expenses (% prem)	15%
Renewal expenses (per policy)	37
Renewal expenses (% prem)	2.5%
Renewal expenses (% Account Value)	0.1%
Expense inflation	3.0%

### ***Risk adjustment for non-financial risk***

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

IFRS 17 does not prescribe a methodology for the determination of the risk adjustment, but instead provides some guidelines on the properties that the chosen methodology should satisfy. In addition, IFRS 17 requires that the entity should disclose the confidence level of the derived risk adjustment. In estimating the risk-adjustment, the Group uses the percentile (value-at-risk) approach. The method looks at estimating the additional amount of capital required for uncertainty.

The Value-at-Risk is determined based on 6 risk sensitivity scenarios (mortality, longevity, morbidity, lapse, expenses, catastrophe) at a 99.5% confidence level consistent with Solvency II then recalibrated at 75% confidence level. In year 2025, the lapse scenario stress has been adjusted from +/- 50% to +/-30% which better aligns with the Company's observed lapse rate volatility at a 99.5% confidence level.

A correlation matrix between risks is then applied to account for diversification between risks.

### ***Discount Rates***

The Group adopts a bottom-up approach in setting appropriate discount rates where discount rates in force by banks and approved by the Company.

Discount rates for liabilities at various valuation dates were derived using a methodology based on constructing risk-free rates.

This method is more suitable for markets like Jordan, where the market struggles to find deep, highly liquid government securities with immediate returns available for all maturities.

For businesses listed in US dollars, the discount rates issued by the European Insurance and Pensions Authority (EIOPA-US) were adopted without any modifications.

The Jordanian dinar discount rate used in the discounting process was obtained from Arab Bank and constructed according to the following steps:

- Calculating the risk premium based on historical issuances of risk-free government bonds in Jordanian dinars and the active US Treasury yield curve, where the interest rate was calculated based on the weighted average yield for each quarter and maturity.
- Adding the risk premium: This spread was added to the midpoint of the current US Treasury yield curve for each maturity in each time period.
- Risk Premium Components: The calculated spread includes the difference between the Jordanian dinar and US dollar interest rates, the maturity premium, and an adjustment to reflect illiquidity. Treatment of long maturities (over 15 years): Due to the lack of recent Jordanian dinar bond issuances for these maturities, a premium of 5 basis points was added per year. This assumption is based on the spread between the risk premium for 5-year and 15-year maturities of 12 basis points per year with a downward trend. To ensure the curve completes over longer maturities while maintaining a smooth curve, a premium of 5 basis points per year was assumed. This methodology ensures the accuracy and integrity of the yield curve used in evaluating liabilities.

Given the limited issuance of long-dated government bonds, the discount curve for these maturities relies heavily on extrapolation. To maintain reasonable bounds, the curve has been capped at 7.5%. The discount rates used are presented in the table below.

Spot rates		GMM & VFA (JOD Average rates)		GMM & VFA Spot rates GMM & VFA (EURO rates) (USD rates)	
Quarter	Year	2024	2025	2024	2025
4	1	6.35%	5.55%	4.55%	3.80%
8	2	6.60%	5.62%	4.46%	3.68%
12	3	6.42%	5.67%	4.43%	3.71%
16	4	6.57%	5.82%	4.41%	3.77%
20	5	6.71%	5.97%	4.39%	3.84%
24	6	6.78%	6.03%	4.43%	3.91%
28	7	6.85%	6.09%	4.42%	3.99%
32	8	7.26%	6.14%	4.45%	4.06%
36	9	7.66%	6.19%	4.43%	4.14%
40	10	8.06%	6.25%	4.44%	4.21%

#### Return on Assets and Credited interest rates:

*In calculating the best estimate fulfilment cash flows at each valuation quarter, we set the projected return on assets equal to the forward rates built from the yield curves used in discounting cash flow of the JD portfolio, currently capped at 7.5%. However, for the USD portfolio, we kept the same 4.5% rate of return as for last year.*

*The target spread is defined as the investment margin achieved by the Company on its General Account. At year-end 2025, we assumed that the Company would credit policyholders' cash values the minimum guaranteed interest (MGR) under the USD- denominated portfolio and the maximum between 4.0%, the minimum guaranteed interest rate (MGR) on each product and the return on asset (ROA) less 3.5% investment spread (CS) (i.e. Credited Rate = Max [4.0%; MGR; ROA - 3.5%]) under the JOD-denominated portfolio.*

*The change in methodology compared to previous year is mainly due to the rationale that, in projecting cash flows, the discount rate and the investment return credited to policyholders should be considered jointly.*

*To support policyholder reasonable expectations and maintain internal consistency, a logical connection between the two assumptions should be established. One possible structure, could involve setting the credited rate as a function of the forward rate less a reasonable margin (i.e. currently at 3.5% = 7.5% - 4.0%) that is based on historical interest rates credited by the Company to the policyholders (less than 4.0%), subject to the minimum guarantees of each product.*

*The more expanded credited interest rate formula that accounts for all possibilities of Return on Assets is as follows:*

**- JOD currency**

*(1) If ROA is < 4.5%: Overall crediting rate = Contractual MGR*

*(2) If ROA is >5.5%: Overall crediting rate = Max (Contractual MGR, ROA - 3.5%, 4%)*

*(3) If ROA is between 4.5% and 5.5%, we apply a linear interpolation between equations (1) and (2)*

**- USD currency**

*Overall crediting rate = Contractual MGR*

**Recognition of the CSM in profit or loss**

The CSM is a component of the overall carrying amount of a group of insurance contracts representing unearned profit that the Group will recognize as it provides insurance contract services over the coverage period.

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided. In determining the amount of CSM to be released in each period, the Group follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract
- Allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future
- Recognize in profit or loss the amount of CSM allocated to the coverage units provided during the period

The number of coverage units change as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added to the group. The total number of coverage units depends on the expected duration of the obligations that the Group has from its contracts. These can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future insured events. By determining a number of coverage units, the Group exercises judgement in estimating the likelihood of insured events occurring and policyholder behaviour to the extent that they affect expected period of coverage in the group and the 'quantity of benefits' provided under a contract. The Group determines the coverage units on the basis of the undiscounted value of benefit outgo.

Management believes that the estimates used in the preparation of the consolidated financial information are reasonable and consistent with the estimates used in preparing the 2024 annual financial statements.

### **3. Adoption of new and revised Standards**

#### **a. New and amended IFRS Standards that are effective for the current year**

The accounting policies used in the preparation of the consolidated financial information for the period ended December 31, 2025, are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2024. However, the following amendments and interpretation were adopted that was effective for all period after January 1, 2025, in preparing the consolidated financial information and have not materially affected the amounts and disclosures in the consolidated financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements.

- Amendments to IAS 21 – Lack of Exchangeability.
- Amendments to the SASB standards to enhance their international applicability.

#### **b. New IFRS Accounting Standards in issue but not yet effective**

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

<b>New and Amended IFRS Standards</b>	<b>Effective for annual periods beginning on or after:</b>
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS - 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS - 19 Subsidiaries without Public Accountability	1 January 2027

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

## 5. Deposits at Banks – Net

This item consists of the following:

	December 31, 2025			December 31, 2024	
	Deposits maturing within one month	Deposits maturing after 1 month up to 3 months	Deposits maturing after more than three months and up to one year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan	14,044,434	-	-	14,044,434	15,834,012
Outside Jordan	-	1,917,000	-	1,917,000	1,775,000
Expected credit losses	(5,307)	(3,208)	-	(8,515)	(10,916)
	<u>14,039,127</u>	<u>1,913,792</u>	<u>-</u>	<u>15,952,919</u>	<u>17,598,096</u>

The details of deposits inside and outside Jordan as of December 31, 2025, was as follows:

	2025			2024	
	Deposits maturing in 1 month	Deposits maturing in 1 month up to 3 months	Deposits maturing in 3 months up to one year	Total	Total
	JD	JD	JD	JD	JD
<b>Inside Jordan</b>					
Investment Bank	8,500,000	-	-	8,500,000	8,500,000
ABC Bank	1,008,720	-	-	1,008,720	1,523,712
Egyptian Arab Land Bank	2,017,914	-	-	2,017,914	2,283,890
Jordan Ahli Bank	2,517,800	-	-	2,517,800	1,500,000
Arab Bank	-	-	-	-	2,026,410
<b>Total deposits at banks inside Jordan</b>	<u>14,044,434</u>	<u>-</u>	<u>-</u>	<u>14,044,434</u>	<u>15,834,012</u>
<b>Outside Jordan</b>					
Arab Bank Switzerland	-	1,917,000	-	1,917,000	1,775,000
<b>Total deposits at banks outside Jordan</b>	<u>-</u>	<u>1,917,000</u>	<u>-</u>	<u>1,917,000</u>	<u>1,775,000</u>
<b>Total deposits at banks</b>	<u>14,044,434</u>	<u>1,917,000</u>	<u>-</u>	<u>15,961,434</u>	<u>17,609,012</u>
Allowance for expected credit losses	(5,307)	(3,208)	-	(8,515)	(10,916)
<b>Total</b>	<u>14,039,127</u>	<u>1,913,792</u>	<u>-</u>	<u>15,952,919</u>	<u>17,598,096</u>

- The interest rates on deposits at banks in Jordanian Dinar ranged between 5.25% to 5.9%, 4.45% for U.S. Dollar deposits during the year ended December 31, 2025 (December 31, 2024: from 5.75% and 6.75%, for Jordanian Dinar deposits, and from 5.4% for U.S. Dollar deposits).
- The mortgaged deposits in favor of the Governor of the Central Bank, in addition to his role, amounted to JD 800,000 as of December 31, 2025, and 2024, at Invest Bank.
- There are no restricted cash balances as of December 31, 2025, and 2024.

The movement on the provision for expected credit losses for deposits at banks is as follows:

	2025	2024
	JD	JD
Beginning balance of the year	10,916	29,339
(Released) from the provision during the year	(2,401)	(18,423)
Ending balance of the year	8,515	10,916

## 6. Financial Assets at Fair Value Through Other Comprehensive Income

This item consists of the following:

	December 31,	
	2025	2024
	JD	JD
<b>Shares and Investment Funds</b>		
<b>Inside Jordan</b>		
Quoted shares	93,043	37,707
<b>Outside Jordan</b>		
Quoted shares	7,396,019	5,997,205
Quoted investment funds*	2,005,336	1,632,064
	9,401,355	7,629,269
<b>Bonds</b>		
<b>Outside Jordan</b>		
Quoted bonds**	1,681,678	1,724,239
<b>Total Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>11,176,076</b>	<b>9,391,215</b>

\* This item represents investments in quoted investment funds, noting that they are not capital guaranteed and are presented at fair value as of the date of the consolidated financial statement.

- There are no mortgaged shares in favor of His Excellency the Governor, in addition to his position, from the financial assets at fair value through other comprehensive income as of December 31, 2025 and 2024.

\*\* The maturity dates of the bonds extend as follows:

	From 3 months to 6 months	From 6 months to 9 months	From 9 months to a year	More than a year	Total
	JD	JD	JD	JD	JD
<u>2025</u>					
<u>Outside Jordan</u>					
Quoted bonds	-	-	-	1,681,678	1,681,678
	-	-	-	1,681,678	1,681,678
<u>2024</u>					
<u>Outside Jordan</u>					
Quoted bonds	-	-	-	1,724,240	1,724,240
	-	-	-	1,724,240	1,724,240

- The above bonds have a fixed yield.

- The interest rates on bonds outside of Jordan ranged between 3.875% and 7.75% during the year ended December 31, 2025, (3.875% to 7.75% during 2024).

- The details of shares, fund and bonds inside and outside Jordan are as follows:

	December 31, 2025 JD	December 31, 2024 JD
<b>Shares and investment funds</b>		
<b>Inside Jordan</b>		
<b><u>Listed Shares</u></b>		
Al Daman Investment Company	93,043	37,707
<b>Total</b>	<b>93,043</b>	<b>37,707</b>
<b>Outside Jordan</b>		
<b><u>Listed Shares</u></b>		
Shs iShare II PLC - SROXX Europe	777,754	597,013
Uts SPDR S&P 500 ETF Trust Units	1,092,272	938,760
Shs Invesco QQQ Trust	977,871	813,786
HSBC ETFS PLC - HSBC EURO STOXX	537,012	400,318
Invesco QQQ Trust	583,582	485,658
SSGA SPDR ETFS Europe PLC S&P 500	696,448	599,482
Invesco EQQQ NASDAQ	108,666	90,245
Shs B EUR Serie AB Alternative Fund - Real Estate	1,166,320	1,061,890
Shs iShare Core EURo STOXX	446,927	332,266
G Squared VI SCSP	514,505	260,428
Lexington Capital Partners	494,662	417,359
<b>Total</b>	<b>7,396,019</b>	<b>5,997,205</b>
<b><u>Listed Investment Funds</u></b>		
UTS UBS China Opportunity USD	398,535	309,772
Shs DB PWM SICAV Fix income opportunity Shs	303,410	283,882
PICTET Japanese Opportunities	973,259	781,805
UBS China Opportunities	330,132	256,605
<b>Total</b>	<b>2,005,336</b>	<b>1,632,064</b>
<b>Bonds</b>		
<b>Outside Jordan</b>		
<b><u>Quoted bonds</u></b>		
NTS Scor Se 2015 5.25%	404,636	378,884
NTS Svenska 4.75%	270,766	256,835
Banco Santander SA 4.75%	281,955	270,467
6% GLN HSBC Holding PLC	143,349	139,600
7.75% NTS Swedbank	153,374	146,359
Allianz 3.875%	292,215	297,655
MetLife 5.875%	-	106,021
NTS Svenska 4.75%	135,383	128,418
<b>Total</b>	<b>1,681,678</b>	<b>1,724,239</b>
<b>Total Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>11,176,076</b>	<b>9,391,215</b>

## 7. Financial Assets on Fair Value Through Profit or Loss

This item consists of the following:

	December 31,	
	2025	2024
	JD	JD
<b>Investment funds</b>		
<b>Outside Jordan</b>		
Quoted investment funds	393,762	369,702
	<u>393,762</u>	<u>369,702</u>

## 8. Financial Assets at Amortized Cost - Net

This item consists of the following:

	Number of bonds		December 31, 2025	December 31, 2024
	December 31, 2025	December 31, 2024		
	Bond	Bond	JD	JD
<b>Inside Jordan</b>				
<b>Unquoted Bonds in financial markets</b>				
Government bonds	51	48	91,992,317	90,118,750
<b>Total</b>			<u>91,992,317</u>	<u>90,118,750</u>
<b>Outside Jordan</b>				
Corporate bonds	25	16	5,776,547	4,003,645
<b>Total bonds outside Jordan</b>			<u>5,776,547</u>	<u>4,003,645</u>
<b>Total bonds</b>			<u>97,768,864</u>	<u>94,122,395</u>
Less: impairment on financial assets at amortized cost			(105,691)	(105,691)
<b>Net Financial Assets at Amortized Cost</b>			<u>97,663,173</u>	<u>94,016,704</u>

The maturity dates of the bonds and corporate bonds are as follows:

	From 1 to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 months to one year	More than one year	Total
	JD	JD	JD	JD	JD	JD
<b>2025</b>						
<b>Inside Jordan</b>						
Governmental Bonds	-	-	-	4,009,620	87,982,697	91,992,317
<b>Outside Jordan</b>						
Corporate Bonds	-	-	-	-	5,776,547	5,776,547
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,009,620</u>	<u>93,759,244</u>	<u>97,768,864</u>
<b>2024</b>						
<b>Inside Jordan</b>						
Governmental Bonds	-	-	-	-	90,118,750	90,118,750
<b>Outside Jordan</b>						
Corporate Bonds	-	-	-	-	4,003,645	4,003,645
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,122,395</u>	<u>94,122,395</u>



- The interest rates on governmental and corporate bonds denominated in Jordanian Dinar ranged from 5.058% to 7.999% and on foreign currency bonds ranged from 2.5% to 6.625% during the year ended December 31, 2025, (5.058% to 7.999% and on foreign currency bonds ranged from 2.5% to 6.267% during the year ended December 31, 2024).
- These bonds have fixed rates.

## **9. Investment Properties**

This item consists of the following:

	December 31,	
	2025	2024
	JD	JD
Investment Land*	940,001	940,001

- \* The fair value of properties investments has been determined by three independent and licensed real estate experts at JD 1,015,553 as of December 31, 2025 in accordance with the in-force regulations.
- There are no mortgages on the real estate investments.

# **10. Insurance Contracts Assets/Liabilities**

This item consists of the below:

## **Insurance contracts assets /liabilities**

	December 31, 2025				December 31, 2024		
	Premium allocation approach (10-A)	General approach (10-B)	Variable Fee Approach (10-C)	Total	Premium allocation approach (10-A)	General approach (10-B)	Total
	JD	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	(469,645)	-	-	(469,645)	(2,147,009)	-	(2,147,009)
Liability of incurred claims	(10,729,720)	-	-	(10,729,720)	(9,102,179)	-	(9,102,179)
Present value of future cash flows	-	(69,707,964)	681,958	(69,026,006)	-	(45,920,957)	(45,920,957)
Risk adjustment - non-financial	(1,177,546)	(1,475,925)	(27,602)	(2,681,073)	(1,474,265)	(3,316,760)	(4,791,025)
Contractual service margin	-	(23,004,303)	(782,190)	(23,786,493)	-	(23,251,241)	(23,251,241)
<b>Total - net</b>	<b>(12,376,911)</b>	<b>(94,188,192)</b>	<b>(127,834)</b>	<b>(106,692,937)</b>	<b>(12,723,453)</b>	<b>(72,488,958)</b>	<b>(85,212,411)</b>
Insurance contracts Assets	-	129,799	-	129,799	-	1,029,581	1,029,581
Insurance contracts Liabilities	(12,376,911)	(94,317,991)	(127,834)	(106,822,736)	(12,723,453)	(73,518,539)	(86,241,992)
<b>Total</b>	<b>(12,376,911)</b>	<b>(94,188,192)</b>	<b>(127,834)</b>	<b>(106,692,937)</b>	<b>(12,723,453)</b>	<b>(72,488,958)</b>	<b>(85,212,411)</b>

## **Re-insurance contracts assets**

	December 31, 2025			December 31, 2024		
	Premium allocation approach (10-D)	General approach (10-E)	Total	Premium allocation approach (10-D)	General approach (10-E)	Total
	JD	JD	JD	JD	JD	JD
Assets of remaining coverage	166,437	-	166,437	702,499	-	702,499
Assets of incurred claims	9,691,595	-	9,691,595	9,508,776	-	9,508,776
Present value of future cash flows	-	(453,265)	(453,265)	-	(361,436)	(361,436)
Risk adjustment – non-financial	-	52,497	52,497	-	1,014,592	1,014,592
Contractual service margin	-	1,087,740	1,087,740	-	(25,562)	(25,562)
<b>Total</b>	<b>9,858,032</b>	<b>686,972</b>	<b>10,545,004</b>	<b>10,211,275</b>	<b>627,594</b>	<b>10,838,869</b>

## **10-A Insurance Contracts Assets/Liabilities – Premium Allocation Approach**

	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment – non-financial	Total
December 31, 2025	JD	JD	JD	JD	JD
Insurance contracts liabilities as at January 1, 2025	(2,103,918)	(43,091)	(9,102,179)	(1,474,265)	(12,723,453)
Insurance contracts assets at January 1, 2025	-	-	-	-	-
Insurance contracts liabilities as at January 1, 2025	(2,103,918)	(43,091)	(9,102,179)	(1,474,265)	(12,723,453)
Insurance revenue	24,980,633	-	-	-	24,980,633
Incurred claims and other directly attributable expenses	-	-	(17,219,002)	(293,732)	(17,512,734)
Changes that relate to past service-changes in cash flows relating to liability for incurred claims	-	-	(583,731)	590,451	6,720
Losses and reversal of losses from onerous contracts	-	18,854	-	-	18,854
Acquisition costs written off as incurred	(1,731,463)	-	-	-	(1,731,463)
Insurance services expenses	(1,731,463)	18,854	(17,802,733)	296,719	(19,218,623)
Insurance services result	23,249,170	18,854	(17,802,733)	296,719	5,762,010
Total amounts recognized in profit or loss statement	23,249,170	18,854	(17,802,733)	296,719	5,762,010
Cash flows:					
Premiums received	(24,445,802)	-	-	-	(24,445,802)
Claims and other directly attributable expenses paid	-	-	17,298,871	-	17,298,871
Insurance contracts acquisition cash flows	1,731,463	-	-	-	1,731,463
Total cash flows	(22,714,339)	-	17,298,871	-	(5,415,468)
Transfer:					
Transfer	1,123,679	-	(1,123,679)	-	-
Insurance contracts liabilities as of December 31, 2025,	(445,408)	(24,237)	(10,729,720)	(1,177,546)	(12,376,911)
Insurance contracts assets as of December 31, 2025,	-	-	-	-	-
Insurance Contracts Liabilities as of December 31, 2025	(445,408)	(24,237)	(10,729,720)	(1,177,546)	(12,376,911)

## **10-A Insurance Contracts Assets/Liabilities – Premium Allocation Approach**

	Liability for remaining coverage		Liability for incurred claims		
			Present value of future cash flows	Risk adjustment - non-financial	Total
December 31, 2024	Non-onerous contracts	Onerous contracts	future cash flows	- non-financial	
	JD	JD	JD	JD	JD
Insurance contracts liabilities as at January 1, 2024	(1,027,785)	(9,970)	(10,228,443)	(1,776,814)	(13,043,012)
Insurance contracts assets at January 1, 2024	-	-	-	-	-
Insurance contracts liabilities as at January 1, 2024	(1,027,785)	(9,970)	(10,228,443)	(1,776,814)	(13,043,012)
Insurance revenues	24,094,165	-	-	-	24,094,165
Incurred claims and other directly attributable expenses	-	-	(17,058,224)	(88,008)	(17,146,232)
Changes that relate to past service-changes in cash flows relating to Liability for incurred claims	-	-	139,448	390,557	530,005
Losses and reversal of losses from onerous contracts	-	(33,121)	-	-	(33,121)
Acquisition costs written off as incurred	(1,510,825)	-	-	-	(1,510,825)
Insurance services expenses	(1,510,825)	(33,121)	(16,918,776)	302,549	(18,160,173)
Insurance services results	22,583,340	(33,121)	(16,918,776)	302,549	5,933,992
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognized in profit or loss statement	22,583,340	(33,121)	(16,918,776)	302,549	5,933,992
Cash flows:					
Premiums received	(25,170,298)	-	-	-	(25,170,298)
Claims and other directly attributable expenses paid	-	-	18,045,040	-	18,045,040
Insurance contracts acquisition cash flows	1,510,825	-	-	-	1,510,825
Total cash flows	(23,659,473)	-	18,045,040	-	(5,614,433)
Insurance contracts liabilities as of December 31, 2024	(2,103,918)	(43,091)	(9,102,179)	(1,474,265)	(12,723,453)
Insurance contracts assets as of December 31, 2024	-	-	-	-	-
Insurance Contracts Liabilities as of December 31, 2024	(2,103,918)	(43,091)	(9,102,179)	(1,474,265)	(12,723,453)

## **10-B Insurance Contracts Assets/Liabilities – General Approach**

<b><u>December 31, 2025</u></b>	<b>Present value of future cash flows</b>	<b>Risk adjustment - non-financial</b>	<b>Contractual Service Margin</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Insurance contracts liabilities as at 1 January 2025	(52,583,653)	(2,676,134)	(18,258,752)	(73,518,539)
Insurance contracts assets as at 1 January 2025	6,662,696	(640,626)	(4,992,489)	1,029,581
<b>Insurance contracts liabilities as at the January 1, 2025</b>	<b>(45,920,957)</b>	<b>(3,316,760)</b>	<b>(23,251,241)</b>	<b>(72,488,958)</b>
<b>Changes related to current service:</b>				
Changes in risk adjustments for non-financial risks resulting from expired risks	-	59,864	-	59,864
Amortization of the contractual service margin	-	-	2,272,041	2,272,041
Experience adjustments	279,731	-	-	279,731
<b>Changes related to future service:</b>				
Contracts initially recognized in the period	2,826,645	(235,238)	(2,606,896)	(15,489)
Changes in estimates that adjust the Contractual service margin	(3,872,027)	2,016,209	1,855,818	-
<b>Insurance services results</b>	<b>(765,651)</b>	<b>1,840,835</b>	<b>1,520,963</b>	<b>2,596,147</b>
Financing expenses from issued insurance contracts recognized in profit or loss	(3,118,907)	-	(1,274,025)	(4,392,932)
Insurance contracts finance expense recognized through other comprehensive income	(17,366,207)	-	-	(17,366,207)
<b>Total income recognized in statement of comprehensive income</b>	<b>(21,250,765)</b>	<b>1,840,835</b>	<b>246,938</b>	<b>(19,162,992)</b>
<b>Cash flows:</b>				
Premiums received	(26,713,526)	-	-	(26,713,526)
Insurance acquisition cash flows	2,541,376	-	-	2,541,376
Claims and other directly attributable expenses paid	16,572,473	-	-	16,572,473
Life policy loans	5,063,435	-	-	5,063,435
<b>Total cash flows</b>	<b>(2,536,242)</b>	<b>-</b>	<b>-</b>	<b>(2,536,242)</b>
Insurance contracts liabilities as of December 31, 2025,	(71,179,300)	(1,383,353)	(21,755,338)	(94,317,991)
Insurance contracts assets as of December 31, 2025,	1,471,336	(92,572)	(1,248,965)	129,799
<b>Insurance Contracts Liabilities as of December 31, 2025,</b>	<b>(69,707,964)</b>	<b>(1,475,925)</b>	<b>(23,004,303)</b>	<b>(94,188,192)</b>

## 10-B Insurance Contracts Assets/Liabilities – General Approach

<b>December 31, 2024</b>	<b>Present value of future cash flows</b>	<b>Risk adjustment - non-financial</b>	<b>Contractual Service Margin</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Insurance contracts liabilities as at 1 January 2024	(51,829,601)	(2,291,401)	(16,679,458)	(70,800,460)
Insurance contracts assets as at 1 January 2024	6,879,194	(665,779)	(5,063,991)	1,149,424
<b>Insurance contracts liabilities as at 1 January 2024</b>	<b>(44,950,407)</b>	<b>(2,957,180)</b>	<b>(21,743,449)</b>	<b>(69,651,036)</b>
<b>Changes related to current service:</b>				
Amortization of the contractual service margin	(4,026,909)	(73,600)	2,130,192	(1,970,317)
Experience adjustments	-	-	4,415,242	4,415,242
<b>Changes related to future service:</b>				
Changes in estimates that adjust the Contractual service margin	7,239,885	270,588	(7,510,473)	-
Experience adjustments-arising from premiums received in the period that relate to future service	4,394,479	(565,501)	(3,828,978)	-
<b>Changes related to past service:</b>				
Adjustments to liabilities for incurred claims	23,023	-	-	23,023
<b>Insurance service result</b>	<b>7,630,478</b>	<b>(368,513)</b>	<b>(4,794,017)</b>	<b>2,467,948</b>
Financing expenses from issued insurance contracts recognized through profit or loss	(3,260,768)	-	(1,111,293)	(4,372,061)
<b>Total income recognized in profit or loss statement</b>	<b>4,369,710</b>	<b>(368,513)</b>	<b>(5,905,310)</b>	<b>(1,904,113)</b>
Insurance contracts finance expense recognized through other comprehensive income	1,959,166	8,933	-	1,968,099
<b>Total income recognized in statement of comprehensive income</b>	<b>6,328,876</b>	<b>(359,580)</b>	<b>(5,905,310)</b>	<b>63,986</b>
<b>Cash flows:</b>				
Premiums received	(25,280,615)	-	-	(25,280,615)
Claims and other directly attributable expenses paid	17,981,189	-	-	17,981,189
<b>Total cash flows</b>	<b>(7,299,426)</b>	<b>-</b>	<b>-</b>	<b>(7,299,426)</b>
Other movements – Life policies experience adjustments	-	-	4,397,518	4,397,518
Insurance contracts liabilities as of December 31, 2024	(52,583,653)	(2,676,134)	(18,258,752)	(73,518,539)
Insurance contracts assets as of December 31, 2024	6,662,696	(640,626)	(4,992,489)	1,029,581
<b>Insurance Contracts Liabilities as of December 31, 2024</b>	<b>(45,920,957)</b>	<b>(3,316,760)</b>	<b>(23,251,241)</b>	<b>(72,488,958)</b>

## **10-C Insurance Contracts Assets/Liabilities – Variable Fee Approach**

	Present value of future cash flows	Risk adjustment - non-financial	Contractual Service Margin	Total
<b><u>December 31, 2025</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>	<b><u>JD</u></b>
Insurance contracts liabilities as at 1 January 2025	-	-	-	-
Insurance contracts assets as at 1 January 2025	-	-	-	-
<b>Insurance contracts liabilities as at 1 January 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes related to current service:</b>				
Changes in risk adjustments for non-financial risks resulting from expired risks	-	735	-	735
Amortization of the contractual service margin	-	-	27,029	27,029
Experience adjustments	32,525	-	-	32,525
<b>Changes related to future service:</b>				
Effect of contracts initially recognized during the year	1,473,110	(80,340)	(1,392,770)	-
Changes in estimates that adjust the Contractual service margin	(635,554)	52,003	583,551	-
Insurance services result	<b>870,081</b>	<b>(27,602)</b>	<b>(782,190)</b>	<b>60,289</b>
Financing revenue/ (expenses) from issued insurance contracts recognized in statements of profit or loss	(29,273)	-	-	(29,273)
Total income recognized in statement of comprehensive income	<b>840,808</b>	<b>(27,602)</b>	<b>(782,190)</b>	<b>31,016</b>
<b>Cash flows:</b>				
Premiums received	(995,921)	-	-	(995,921)
Insurance acquisition cash flows	844,131	-	-	844,131
Claims and other directly attributable expenses paid	(7,060)	-	-	(7,060)
Total cash flows	<b>(158,850)</b>	<b>-</b>	<b>-</b>	<b>(158,850)</b>
Insurance contracts liabilities as of December 31, 2025	681,958	(27,602)	(782,190)	(127,834)
Insurance contracts assets as of December 31, 2025	-	-	-	-
<b>Insurance Contracts Assets (Liabilities) as of December 31, 2025</b>	<b>681,958</b>	<b>(27,602)</b>	<b>(782,190)</b>	<b>(127,834)</b>

**INSURANCE CONTRACTS ASSETS/LIABILITIES – GENERAL APPROACH (DESCRIPTIVE NOTE)**

	Liability for Remaining Coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Non-financial-risk adjustments	Financial risks adjustments	Total
	JD	JD	JD	JD	JD
<b>December 31, 2025</b>					
Insurance contracts liabilities as at January 1, 2025	(72,080,970)	-	(1,437,569)	-	(73,518,539)
Insurance contracts assets as at January 1, 2025	1,029,581	-	-	-	1,029,581
<b>Insurance contracts liabilities as at January 1, 2025</b>	<b>(71,051,389)</b>	<b>-</b>	<b>(1,437,569)</b>	<b>-</b>	<b>(72,488,958)</b>
Insurance revenue	5,490,346	-	-	-	5,490,346
Changes in liability for remaining coverage	-	-	-	-	-
Incurred claims	-	-	(196,690)	-	(196,690)
Other expenses	(605,859)	-	(2,091,650)	-	(2,697,509)
Insurance services expense	<b>(605,859)</b>	<b>-</b>	<b>(2,288,340)</b>	<b>-</b>	<b>(2,894,199)</b>
Insurance service result	<b>4,884,487</b>	<b>-</b>	<b>(2,288,340)</b>	<b>-</b>	<b>2,596,147</b>
Financing expenses from issued insurance Contracts	(4,392,932)	-	-	-	(4,392,932)
Total income recognized in the statement of profit or loss	491,555	-	(2,288,340)	-	(1,796,785)
Insurance contracts finance expense recognized through other comprehensive income	(17,366,207)	-	-	-	(17,366,207)
Investment Component	14,424,957	-	(14,424,957)	-	-
Total income recognized in the statement of other comprehensive income	<b>(2,449,695)</b>	<b>-</b>	<b>(16,713,297)</b>	<b>-</b>	<b>(19,162,992)</b>
<b>Cash flows:</b>					
Premiums received	(26,713,526)	-	-	-	(26,713,526)
Claims and other directly attributable expenses paid	-	-	14,480,822	-	14,480,822
Life policies loans	5,063,435	-	-	-	5,063,435
Insurance acquisition cash flows	2,541,376	-	-	-	2,541,376
Other expenses	-	-	2,091,651	-	2,091,651
<b>Total cash flows</b>	<b>(19,108,715)</b>	<b>-</b>	<b>16,572,473</b>	<b>-</b>	<b>(2,536,242)</b>
Insurance contracts liabilities as of December 31, 2025	(92,739,598)	-	(1,578,393)	-	(94,317,991)
Insurance contracts assets as of December 31, 2025	129,799	-	-	-	129,799
<b>Insurance contracts liabilities as of December 31, 2025</b>	<b>(92,609,799)</b>	<b>-</b>	<b>(1,578,393)</b>	<b>-</b>	<b>(94,188,192)</b>



**Insurance Contracts Assets/Liabilities – General Approach (Descriptive note)**

	Liability for Remaining Coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous Contracts	Non-financial-risks adjustments	Financial risks adjustments	Total
	JD	JD	JD	JD	JD
<b><u>December 31, 2024</u></b>					
Insurance contracts liabilities as at January 1, 2024	(69,339,867)	-	(1,460,593)	-	(70,800,460)
Insurance contracts assets as at January 1, 2024	1,149,424	-	-	-	1,149,424
<b>Insurance contracts liabilities as at January 1, 2024</b>	<b>(68,190,443)</b>	<b>-</b>	<b>(1,460,593)</b>	<b>-</b>	<b>(69,651,036)</b>
Insurance revenues	7,600,969	-	-	-	7,600,969
Changes in liability for remaining coverage	-	-	23,024	-	23,024
Incurred claims	-	-	(128,123)	-	(128,123)
Other expenses	-	-	(5,027,922)	-	(5,027,922)
Insurance service expense	-	-	(5,133,021)	-	(5,133,021)
Insurance service results	7,600,969	-	(5,133,021)	-	2,467,948
Financing expenses from issued insurance contracts	(4,372,061)	-	-	-	(4,372,061)
<b>Total income recognized in the consolidated income statement</b>	<b>3,418,640</b>	<b>-</b>	<b>(5,095,466)</b>	<b>-</b>	<b>(1,904,113)</b>
Insurance contracts finance (expense)/income recognized through other comprehensive income	1,968,099	-	-	-	1,968,099
	12,912,127	-	(12,912,127)	-	-
<b>Total income recognized in the consolidated statement of other comprehensive income</b>	<b>2,403,962</b>	<b>-</b>	<b>(5,095,466)</b>	<b>-</b>	<b>63,986</b>
<b>Cash flows:</b>					
Premiums received	(25,280,615)	-	-	-	(25,280,615)
Claims and other directly attributable expenses paid	-	-	13,040,250	-	13,040,250
Life policies loans	4,397,517	-	-	-	4,397,517
Other expenses	(86,982)	-	5,027,922	-	4,940,940
<b>Total cash flows</b>	<b>(20,970,080)</b>	<b>-</b>	<b>18,068,172</b>	<b>-</b>	<b>(2,901,908)</b>
Insurance contracts liabilities as at December 31, 2024	(72,080,970)	-	(1,437,569)	-	(73,518,539)
Insurance contracts assets as at December 31, 2024	1,029,581	-	-	-	1,029,581
<b>Insurance contracts liabilities as at December 31, 2024</b>	<b>(71,051,389)</b>	<b>-</b>	<b>(1,437,569)</b>	<b>-</b>	<b>(72,488,958)</b>

### **Account Receivables related to insurance operations**

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

	December 31,	
	2025	2024
	JD	JD
Receivables of policyholders (premiums allocation approach)	7,820,426	6,872,264
Receivables of policyholders (general approach)	517,997	469,580
	8,338,423	7,341,844
Less: Allowance for expected credit losses for receivables (premiums allocation approach) *	(283,102)	(303,670)
Net receivables	8,055,321	7,038,174

Below is the aging schedule for premiums allocation approach receivables:

	1-90 day	91-180 day	181-360 day	More than 361 days	Total
<u>December 31, 2025</u>	JD	JD	JD	JD	JD
Premium allocation method	7,363,711	344,632	7,916	104,167	7,820,426
General approach	436,991	77,043	2,571	1,392	517,997
Total	7,800,702	421,675	10,487	105,559	8,338,423
Provision for expected credit losses	73,959	101,070	2,514	105,559	283,102
Coverage ratio	1%	24%	24%	100%	
<u>December 31, 2024</u>					
Premium allocation method	6,669,605	108,967	12,355	81,337	6,872,264
General approach	371,586	96,687	1,307	-	469,580
Total	7,041,191	205,654	13,662	81,337	7,341,844
Provision for expected credit losses	73,429	135,242	13,662	81,337	303,670
Coverage ratio	1%	66%	100%	100%	

\* The movement on the allowance for expected credit losses for receivables is as follows:

	December 31,	
	2025	2024
	JD	JD
Balance at the beginning of the year	303,670	305,672
Additions during the year	2,214	17,852
Written off	(22,782)	(19,854)
<b>Balance at the end of the year</b>	<b>283,102</b>	<b>303,670</b>

### Receivables not Related to Insurance Operations

This item consists of the following:

	December 31,	
	2025	2024
	JD	JD
Receivables not related to insurance operations	4,621	4,621
Less: Expected credit Losses for receivables (receivables not related to insurance operations) *	(4,621)	(4,621)
Net receivables not related to insurance operations	-	-

Below is the aging schedule for other receivables:

	Less than 30 days	30-91 day	91-180 day	181-360 day	More than 361 days	Total
	JD	JD	JD	JD	JD	JD
December 31, 2025	-	-	-	-	4,621	4,621
December 31, 2024	-	-	-	-	4,621	4,621

- \* There was no movement during the year on the expected credit loss for receivables (receivables not related to insurance operations).

### Life Policyholders' Loans Related to Insurance Operations

This item represents policyholder loans related to insurance operations, which are taken into account in the calculation of insurance contracts assets and liabilities.

This item consists of the following:

	December 31,	
	2025	2024
	JD	JD
Loans to life policyholders which do not exceed the surrender value	15,026,366	13,959,565

The maturity dates of life policyholders' loans are as follows:

	No maturity date	Total
	JD	JD
Loans to life policyholders	15,026,366	15,026,366

### Accounts Payable related to insurance operations

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

	December 31,	
	2025	2024
	JD	JD
Premium Allocation Approach (Policyholders' payables)	1,043,818	1,318,980
General Approach (Policyholders' payables)	210,888	274,263
Other payables	88,337	-
	1,343,043	1,593,243

## **10-D Re-Insurance Contracts (Assets) Liabilities – Premium Allocation Approach**

	Remaining Coverage		Incurred Claims		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment - non-financial	
	JD	JD	JD	JD	JD
<b><u>December 31, 2025</u></b>					
Re-Insurance contracts liabilities as at 1 January 2025	-	-	-	-	-
Re-Insurance contracts assets at 1 January 2025	702,499	-	8,367,588	1,141,188	10,211,275
<b>Re-Insurance contracts assets as at 1 January 2025</b>	<b>702,499</b>	<b>-</b>	<b>8,367,588</b>	<b>1,141,188</b>	<b>10,211,275</b>
Re-insurance contracts expense	(7,313,996)	-	-	-	(7,313,996)
Incurred claims recovery	-	-	15,968,050	921,233	16,889,283
Changes that relate to past service-changes in cash flow relating to incurred claims recovery	-	-	(13,006,141)	(1,160,810)	(14,166,951)
Changes in the loss recovery component	-	23,589	-	-	23,589
Re-insurance service result	(7,313,996)	23,589	2,961,909	(239,577)	(4,568,075)
<b>Total amounts recognized in statement of profit or loss</b>	<b>(7,313,996)</b>	<b>23,589</b>	<b>2,961,909</b>	<b>(239,577)</b>	<b>(4,568,075)</b>
<b>Cash flows:</b>					
Total premiums paid net of ceding commissions	6,754,345	-	-	-	6,754,345
Recoveries from re-insurance	-	-	(2,539,513)	-	(2,539,513)
<b>Total cash flows</b>	<b>6,754,345</b>	<b>-</b>	<b>(2,539,513)</b>	<b>-</b>	<b>4,214,832</b>
Re-Insurance contracts liabilities as of December 31, 2025	-	-	-	-	-
Re-Insurance contracts assets as of December 31, 2025	142,848	23,589	8,789,984	901,611	9,858,032
<b>Net re-Insurance Contracts Assets as of December 31, 2025</b>	<b>142,848</b>	<b>23,589</b>	<b>8,789,984</b>	<b>901,611</b>	<b>9,858,032</b>

## **10-D Re-Insurance Contracts Assets (Liabilities) – Premium Allocation Approach**

	Remaining Coverage		Incurred Claims		Total
	Excluding	Loss recovery	Present	Risk	
	loss recovery	Component	value of	adjustment	
<b><u>December 31, 2024</u></b>	<b>component</b>	<b>Component</b>	<b>future cash</b>	<b>- non-</b>	
	<b>JD</b>	<b>JD</b>	<b>flows</b>	<b>financial</b>	<b>JD</b>
Re-Insurance contracts liabilities as at 1 January 2024	-	-	-	-	-
Re-Insurance contracts assets at 1 January 2024	875,103	-	8,562,526	1,370,005	10,807,634
<b>Re-Insurance contracts Assets as at 1 January 2024</b>	<b>875,103</b>	<b>-</b>	<b>8,562,526</b>	<b>1,370,005</b>	<b>10,807,634</b>
Re-insurance contracts expense	(7,651,849)	-	-	-	(7,651,849)
Incurred claims recovery	-	-	2,984,426	236,200	3,220,626
Changes that relate to past service-changes in cash flow relating to incurred claims recovery	-	-	(35,637)	(465,017)	(500,654)
Effect of changes in non-performance risk on retained reinsurance contracts	-	-	-	-	-
Re-insurance services result	(7,651,849)	-	2,948,789	(228,817)	(4,931,877)
Finance income from re-insurance contracts held	-	-	-	-	-
Total amounts recognized in statement of profit or loss	(7,651,849)	-	2,948,789	(228,817)	(4,931,877)
<b>Cash flows:</b>					
Total premiums paid net of ceding commissions	7,479,245	-	-	-	7,479,245
Recoveries from re-insurance	-	-	(3,143,727)	-	(3,143,727)
Total cash flows	7,479,245	-	(3,143,727)	-	4,335,518
Re-Insurance contracts liabilities as of December 31, 2024	-	-	-	-	-
Re-Insurance contracts assets as of December 31, 2024	702,499	-	8,367,588	1,141,188	10,211,275
<b>Net re-Insurance Contracts Assets as of December 31, 2024</b>	<b>702,499</b>	<b>-</b>	<b>8,367,588</b>	<b>1,141,188</b>	<b>10,211,275</b>

## **10-E Re-Insurance Contracts (Assets) Liabilities – General Approach**

<b><u>December 31, 2025</u></b>	<b>Present value of future cash flows</b>	<b>Risk adjustment - non-financial</b>	<b>Contractual Service Margin</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Re-Insurance contracts liabilities as at 1 January 2025	-	-	-	-
Re-Insurance contracts assets as at 1 January 2025	(361,436)	1,014,592	(25,562)	627,594
<b>Re-Insurance contracts Assets as at 1 January 2025</b>	<b>(361,436)</b>	<b>1,014,592</b>	<b>(25,562)</b>	<b>627,594</b>
<b>Changes related to current service:</b>				
Amortization of contractual service margin	-	-	(116,535)	(116,535)
Change in risk adjustments for non-financial risks for resulting from expired risks	-	15,300	-	15,300
Experience adjustments relating to insurance services expenses	(85,307)	-	-	(85,307)
<b>Changes related to future service:</b>				
Changes in estimates that adjust the contractual service margin	(187,827)	(988,721)	1,176,548	-
Contracts initially recognized in the year	(26,167)	11,326	14,841	-
Re-Insurance services result	(299,301)	(962,095)	1,074,854	(186,542)
Finance income/(expense) from reinsurance contracts held	(5,779)	-	38,448	32,669
Total income recognized in statement of comprehensive income	(305,080)	(962,095)	1,113,302	(153,873)
<b>Cash flows:</b>				
Premiums paid net of ceding commissions	217,727	-	-	217,727
Recoveries from re-insurance	(4,476)	-	-	(4,476)
Total cash flows	213,251	-	-	213,251
Re-Insurance contracts liabilities as of December 31, 2025	-	-	-	-
Re-Insurance contracts assets as of December 31, 2025	(453,265)	52,497	1,087,740	686,972
<b>Re-Insurance Contracts (Liabilities) Assets as of December 31, 2025</b>	<b>(453,265)</b>	<b>52,497</b>	<b>1,087,740</b>	<b>686,972</b>

## 10.E Reinsurance contracts (Assets) Liabilities- General Approach

<b>December 31, 2024</b>	<b>Present value of future cash flows JD</b>	<b>Risk adjustment - non-financial JD</b>	<b>Contractual Service Margin JD</b>	<b>Total JD</b>
Re-Insurance contracts liabilities as at 1 January 2024	-	-	-	-
Re-Insurance contracts assets as at 1 January 2024	(267,285)	878,185	(18,856)	592,044
<b>Re-Insurance contracts Assets as at 1 January 2024</b>	<b>(267,285)</b>	<b>878,185</b>	<b>(18,856)</b>	<b>592,044</b>
<b>Changes related to current service:</b>				
Amortization of contractual service margin	-	-	(4,830)	(4,830)
Change in risk adjustments for non-financial risks for resulting from expired risks	-	66,999	-	66,999
Experience adjustments relating to insurance services expenses	(88,242)	-	-	(88,242)
<b>Changes related to future service:</b>				
Changes in estimates that adjust the Contractual service margin	(50,094)	(84,508)	134,602	-
Experience adjustments-arising from reinsurance premiums paid in the period that relate to future service	(22,420)	153,916	(131,496)	-
Re-Insurance services result	(160,756)	136,407	(1,724)	(26,073)
Finance expense from reinsurance contracts held	(11,131)	-	(4,982)	(16,113)
Total income recognized in statement of comprehensive income	(171,887)	136,407	(6,706)	(42,186)
<b>Cash flows:</b>				
Premiums paid net of ceding commissions	204,250	-	-	204,250
Recoveries from re-insurance	(126,514)	-	-	(126,514)
Total cash flows	77,736	-	-	77,736
Re-Insurance contracts liabilities as of December 31, 2024	-	-	-	-
Re-Insurance contracts assets as of December 31, 2024	(361,436)	1,014,592	(25,562)	627,594
<b>Re-Insurance Contracts Assets as of December 31, 2024</b>	<b>(361,436)</b>	<b>1,014,592</b>	<b>(25,562)</b>	<b>627,594</b>

**Accounts Receivable related to re-insurance operations**

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

	December 31,	
	2025	2024
	JD	JD
Local re-insurance companies for premium allocation approach	67,265	80,892
Foreign re-insurance companies for premium allocation approach	12,312	10,596
	79,577	91,488
Less: Provision for expected credit losses for re-insurance receivables*	(51,971)	(51,920)
<b>Net re-insurance receivables</b>	<b>27,606</b>	<b>39,568</b>

\* Movements on allowance for expected credit losses for reinsurance receivables during the year is as follow:

	December 31,	
	2025	2024
	JD	JD
Balance at the beginning of the year	51,920	51,992
Additions (released) during the year	51	(72)
<b>Balance at end of the year</b>	<b>51,971</b>	<b>51,920</b>

Below is the aging schedule of reinsurance receivables:

	Less than 30 days	30 – 90 day	91-180 day	181-361 days	More than 361 days	Total
	JD	JD	JD	JD	JD	JD
December 31, 2025	882	12,140	14,490	94	51,971	79,577
December 31, 2024	3,310	2,794	26,658	6,806	51,920	91,488

**Accounts Payable related to re-insurance operations**

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

	December 31,	
	2025	2024
	JD	JD
Local re-insurance companies for premium allocation approach	16,559	14,708
Foreign re-insurance companies for premium allocation approach	1,432,022	985,208
Foreign re-insurance companies for general approach	101,205	129,971
	1,549,786	1,129,887



## **11. Income Tax**

### **A. Income tax provision**

The movement on the income tax provision is as follows:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Beginning balance of the year	561,415	1,575,182
Income tax for the year	884,621	903,067
Income tax paid	(899,975)	(1,916,834)
Ending Balance of the Year	<u>546,061</u>	<u>561,415</u>

### **B. The income tax expense appears in the consolidated statement of profit or loss represents the following:**

	<b>For the Year Ended Ended on December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Accrued income tax	884,621	903,067
Deferred tax impact	30,053	12,211
	<u>914,674</u>	<u>915,278</u>

### **Income tax**

A final statement has been reached with the Income Tax Department up to the end of the year 2020, and all outstanding balances have been paid.

The Company has submitted the self-assessment tax returns for the years 2021 until 2024 on time and they have not been audited by Sales and Income Tax Department yet. In the opinion of the Group's management and the tax advisor, the income tax provision is sufficient to cover any tax liabilities.

### **Income Tax for Al-Amin Arabi for Real Estate Company (a subsidiary company)**

The Company's tax status has been settled the year end 2024. In the opinion of the Company's management and its tax advisor, the provision is sufficient to meet any tax liabilities.

### **C- Deferred tax assets/ Liabilities**

This item consists of the following:

	<b>December 31, 2025</b>					<b>December 31, 2024</b>
	<b>Balance at the Beginning of the Year</b>	<b>Released Amounts</b>	<b>Additional Amounts</b>	<b>Balance at the End of the Year</b>	<b>Deferred Tax</b>	<b>Deferred Tax</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>A. Deferred tax assets:</b>						
Provision for expected credit losses	373,235	22,782	-	350,453	91,118	97,041
Provision for end of service indemnity	49,789	-	7,617	57,406	14,925	12,945
Legal provision	201,575	-	-	201,575	52,410	52,410
	<u>624,599</u>	<u>22,782</u>	<u>7,617</u>	<u>609,434</u>	<u>158,453</u>	<u>162,396</u>
<b>B. Deferred tax liabilities:</b>						
Unrealized gains- Financial assets at fair value through profit or loss portfolio	64,599	64,599	282,189	282,189	33,863	7,752
Unrealized gains- Financial assets at fair value through other comprehensive income portfolio	864,518	-	1,703,648	2,568,166	308,180	103,742
	<u>929,117</u>	<u>64,599</u>	<u>1,985,837</u>	<u>2,850,355</u>	<u>342,043</u>	<u>111,494</u>

The movement on the deferred tax liabilities and assets is as follows:

	Liabilities		Assets	
	December31,	December 31,	December31,	December 31,
	2025	2024	2025	2024
	JD	JD	JD	JD
Beginning balance of the year	111,494	26,309	162,396	169,923
Additions	238,301	111,494	1,980	2,731
Disposals	(7,752)	(26,309)	(5,923)	(10,258)
Ending Balance of the Year	342,043	111,494	158,453	162,396

The tax rate applied to deferred tax assets and liabilities is 12%, except for deferred tax assets related to the allowance for expected credit losses and the end-of-service indemnity provision, which are calculated at a rate of 26%. The Company's management and its tax advisor confirm that the Company's deferred tax assets and liabilities will be realized in the future.

**D. Below is a summary of the reconciliation between accounting and taxable profit:**

	December 31,	
	2025	2024
	JD	JD
Accounting profit	6,720,749	6,000,857
Losses on sale of financial assets at fair value through other comprehensive income	(11,575)	(36,440)
Non-taxable income	(3,733,824)	(2,882,892)
Non-taxable expenses	427,038	391,810
Taxable profit	3,402,388	3,473,335
Income tax payable	884,621	903,067
Effective income tax rate and national contribution	13%	%15
Legal income tax rate	26%	%26

The income tax for the Group for the years ended on December 31, 2025 and 2024, was calculated in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

## **12. Property and Equipment**

					Tools, equipment and furniture				
	Land	Building	Leasehold improvement	Elevators		Vehicles	Decorations	Computers	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>2025</b>									
<b>Cost:</b>									
Balance at the beginning of the year	777,480	1,786,131	56,339	57,000	823,962	116,522	965,294	413,445	4,996,173
Additions	-	-	-	-	59,203	-	108,661	39,498	207,362
Disposals	-	-	-	-	(10,917)	-	-	(9,546)	(20,463)
Balance at the end of the year	777,480	1,786,131	56,339	57,000	872,248	116,522	1,073,955	443,397	5,183,072
<b>Accumulated depreciation:</b>									
Balance at the beginning of the year	-	298,361	43,466	57,000	701,006	74,028	930,102	326,894	2,430,857
Depreciation for the year	-	27,124	4,941	-	38,950	7,426	6,108	31,914	116,463
Disposals	-	-	-	-	(10,239)	-	-	(9,489)	(19,728)
Balance at the end of the year	-	325,485	48,407	57,000	729,717	81,454	936,210	349,319	2,527,592
<b>Net book value at the end of the year</b>	<b>777,480</b>	<b>1,460,646</b>	<b>7,932</b>	<b>-</b>	<b>142,531</b>	<b>35,068</b>	<b>137,745</b>	<b>94,078</b>	<b>2,655,480</b>
Depreciation rates for the year	-	2	20	10	15-20	15	10-15	20	
<b>2024</b>									
<b>Cost:</b>									
Balance at the beginning of the year	777,480	1,786,131	53,339	57,000	809,293	123,522	963,074	432,407	5,002,246
Additions	-	-	3,000	-	18,896	43,000	2,220	4,641	71,757
Disposals	-	-	-	-	(4,227)	(50,000)	-	(23,603)	(77,830)
Balance at the end of the year	777,480	1,786,131	56,339	57,000	823,962	116,522	965,294	413,445	4,996,173
<b>Accumulated depreciation:</b>									
Balance at the beginning of the year	-	271,237	38,117	57,000	667,486	78,117	924,885	320,448	2,357,290
Depreciation for the year	-	27,124	5,349	-	37,164	9,099	5,217	30,032	113,985
Disposals	-	-	-	-	(3,644)	(13,188)	-	(23,586)	(40,418)
Balance at the end of the year	-	298,361	43,466	57,000	701,006	74,028	930,102	326,894	2,430,857
<b>Net book value at the end of the year</b>	<b>777,480</b>	<b>1,487,770</b>	<b>12,873</b>	<b>-</b>	<b>122,956</b>	<b>42,494</b>	<b>35,192</b>	<b>86,551</b>	<b>2,565,316</b>
Depreciation rates for the year	-	2	20	10	15-20	15	10-15	20	

Property and equipment includes fully depreciated assets of JD 2,610,185 as of December 31, 2025 (JD 2,493,243 as of December 31, 2024).

### **13. Intangible Assets**

The intangible assets consist of computer software and are as follows:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	243,935	317,823
Additions	117,754	19,111
Amortization	(97,242)	(92,999)
<b>Balance at the end of the year</b>	<b>264,447</b>	<b>243,935</b>

### **14. Other Assets**

This item consists of the following:

	<b>December 31,</b>	
	<b>2025</b>	<b>2025</b>
	<b>JD</b>	<b>JD</b>
Accrued and unreceived revenue	1,761,411	1,749,541
Various accounts receivable	498,893	565,675
Cheques under collection*	639,304	600,568
Prepaid expenses	197,700	165,642
Refundable deposits	11,818	8,900
Others	185,861	8,528
	<b>3,294,987</b>	<b>3,098,854</b>

- \* This item represents cheques for collection related to insurance operations that have been considered in the calculation of the assets and liabilities of insurance contracts.

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Cheques under collection (premiums allocation approach) *	641,549	602,677
Less: Provision for expected credit losses for receivables (premiums allocation approach) **	(2,245)	(2,109)
<b>Net cheques under collection</b>	<b>639,304</b>	<b>600,568</b>

\* The details of this item are as follows:

	December 31,	
	2025	2024
	JD	JD
Cheques under collection due within six months	478,766	528,262
Cheques under collection due within more than six months	162,783	74,415
Cheques under collection due more than 12 months	-	-
	<b>641,549</b>	<b>602,677</b>

\*\* Movement on allowance for expected credit losses for cheques under collection, is as follows:

	2025	2024
	JD	JD
Balance at the beginning of the year	2,109	1,465
Added during the year	136	644
Balance at the end of the year	<b>2,245</b>	<b>2,109</b>

The maturity of cheques under collection extends up to December 25, 2026.

## **15. Other provisions**

The item consists of as following:

	December 31,	
	2025	2025
	JD	JD
End of service indemnity provision*	57,407	49,789
Lawsuits provision	201,575	201,575
	<b>258,982</b>	<b>251,364</b>

\* The movement in the end-of-service indemnity provision is as follows:

	2025	2024
	JD	JD
Balance at the beginning of the year	49,789	58,889
Additions during the year	7,618	10,503
Released during the year	-	(19,603)
Balance at the end of the year	<b>57,407</b>	<b>49,789</b>

## **16. Other Liabilities**

This item consists of the following:

	December 31,	
	2025	2024
	JD	JD
Shareholders' deposits	614,344	565,004
Recoveries of canceled contracts / life	736,298	406,554
Accrued agents' commissions dues	-	305,934
Other deposits	276,326	75,557
Compensation Fund for the Affected	18,461	-
Board of director's bonus	45,000	89,568
	<b>1,690,429</b>	<b>1,442,617</b>

**17. Investment Income and Interest Income**

This item consists of the following:

	<b>For the year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Interest income on financial assets at amortized cost	6,143,835	5,847,950
Bank interest	1,465,571	1,360,735
Loan interest	713,453	712,948
Total	<b>8,322,859</b>	<b>7,921,633</b>
Investments income	7,263,645	6,768,603
Interest income	1,059,214	1,153,030
	<b>8,322,859</b>	<b>7,921,633</b>

**18. Insurance Contracts Revenue**

This item consists of the following:

	<b>General Approach</b>	<b>Variable Fee Approach</b>	<b>Premium Allocation Approach</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b><u>Liability for Remaining Coverage For the year ended December 31, 2025</u></b>				
Expected benefits incurred	466,739	3,859	-	470,598
Expected expenses incurred	2,085,843	21,409	-	2,107,252
Change in risk adjustments	59,864	735	-	60,599
Contractual service margin recognized	2,272,041	27,029	-	2,299,070
Recovery from acquisition cash flows	605,859	31,574	-	637,433
Total insurance revenue for contracts measured under General Measurement Model and Variable Fee Approach	5,490,346	84,606	-	5,574,952
Insurance revenue for contracts measured under Premium Allocation Approach	-	-	24,980,634	24,980,634
<b>Insurance contracts revenue</b>	<b>5,490,346</b>	<b>84,606</b>	<b>24,980,634</b>	<b>30,555,586</b>

	<b>General Approach</b>	<b>Variable Fee Approach</b>	<b>Premium Allocation Approach</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b><u>Liability for Remaining Coverage For the year ended December 31, 2024</u></b>				
Expected benefits incurred	487,877	-	-	487,877
Expected expenses incurred	5,056,500	-	-	5,056,500
Change in risk adjustments	(73,600)	-	-	(73,600)
Contractual service margin recognized	2,130,192	-	-	2,130,192
Recovery acquisition cash flows	-	-	-	-
Total insurance revenue for contracts measured under General Measurement Model and Variable Fee Approach	7,600,969	-	-	7,600,969
Insurance revenue for contracts measured under Premium Allocation Approach	-	-	24,094,165	24,094,165
<b>Insurance contracts revenue</b>	<b>7,600,969</b>	<b>-</b>	<b>24,094,165</b>	<b>31,695,134</b>

The details of this item according to the insurance type are as follows:

<u>2025</u>	<b>Motor</b>	<b>Fire</b>	<b>Liability</b>	<b>Marine</b>	<b>Medical</b>	<b>General Accidents</b>	<b>Life</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Insurance contracts revenue	-	3,127,426	1,285,812	678,637	14,704,631	153,809	6,391,418	26,341,733
Insurance contract issuance fees	-	93,119	43,955	58,371	487,792	119,133	135,601	937,971
Expected incurred claims	-	-	-	-	-	-	470,598	470,598
Expected incurred expenses	-	-	-	-	-	-	2,107,252	2,107,252
Recovery from acquisition cash flows	-	-	-	-	-	-	637,433	637,433
Change in risk adjustments - non- financial	-	-	-	-	-	-	60,599	60,599
	<b>-</b>	<b>3,220,545</b>	<b>1,329,767</b>	<b>737,008</b>	<b>15,192,423</b>	<b>272,942</b>	<b>9,802,901</b>	<b>30,555,586</b>

  

<u>2024</u>	<b>Motor</b>	<b>Fire</b>	<b>Liability</b>	<b>Marine</b>	<b>Medical</b>	<b>General Accidents</b>	<b>Life</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Insurance contracts revenue	-	3,434,035	1,433,002	537,377	14,000,031	160,774	6,134,376	25,699,595
Insurance contract issuance fees	-	83,135	31,891	23,273	293,436	89,493	112,923	634,151
Expected incurred claims	-	-	-	-	-	-	487,877	487,877
Expected incurred expenses	-	-	-	-	-	-	(73,600)	(73,600)
Change in risk adjustments - non- financial	-	-	-	-	-	-	4,947,111	4,947,111
	<b>-</b>	<b>3,517,170</b>	<b>1,464,893</b>	<b>560,650</b>	<b>14,293,467</b>	<b>250,267</b>	<b>11,608,687</b>	<b>31,695,134</b>

**19. Insurance Contracts Expenses**

This item consists of the following:

**For the year ended December 31,  
2025**

	<b>Motor</b>	<b>Fire</b>	<b>Liability</b>	<b>Marine</b>	<b>Medical</b>	<b>General Accidents</b>	<b>Life</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Incurred insurance claims	2,872	(307,809)	(332,342)	(147,152)	(12,464,895)	22,362	(2,734,824)	(15,961,788)
Acquisition costs written off as incurred	-	(346,760)	(173,498)	(105,178)	(793,696)	(64,212)	(248,119)	(1,731,463)
Administrative expenditures	-	(88,790)	(30,185)	(22,081)	(1,758,791)	(7,641)	(2,214,541)	(4,122,029)
Amortization of the acquisition cash flows	-	-	-	-	-	-	(637,433)	(637,433)
Losses and reversal of losses from onerous contracts	-	-	-	-	-	-	(24,237)	(24,237)
Recovery from losses on onerous contracts	-	43,091	-	-	-	-	-	43,091
Risk adjustments - non-financial	-	229,458	94,954	-	(2,976)	15,416	(40,133)	296,719
<b>Total</b>	<b>2,872</b>	<b>(470,810)</b>	<b>(441,071)</b>	<b>(274,411)</b>	<b>(15,020,358)</b>	<b>(34,075)</b>	<b>(5,899,287)</b>	<b>(22,137,140)</b>

**For the year ended December 31,  
2024**

	<b>Motor</b>	<b>Fire</b>	<b>Liability</b>	<b>Marine</b>	<b>Medical</b>	<b>General Accidents</b>	<b>Life</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Incurred insurance claims	1,757	(170,364)	(47,469)	(45,936)	(11,805,461)	(30,234)	(3,016,846)	(15,114,553)
Acquisition costs written off as incurred	-	(348,040)	(160,367)	(70,740)	(638,109)	(66,510)	(1,037,777)	(2,321,543)
Administrative expenditures	-	(105,329)	(44,922)	(22,472)	(1,617,873)	(6,659)	(4,329,271)	(6,126,526)
Losses and reversal of losses from onerous contracts	-	-	-	-	(34,568)	-	-	(34,568)
Recovery from losses on onerous contracts	-	-	-	-	-	-	1,447	1,447
Risk adjustments - non-financial	-	8,238	23,070	(7,194)	(7,569)	10,505	275,499	302,549
<b>Total</b>	<b>1,757</b>	<b>(615,495)</b>	<b>(229,688)</b>	<b>(146,342)</b>	<b>(14,103,580)</b>	<b>(92,898)</b>	<b>(8,106,948)</b>	<b>(23,293,194)</b>



**20. Reinsurance Contract Expenses**

This item consists of the following:

<b>For the year ended December 31, 2025</b>	<b>Motor</b>	<b>Fire</b>	<b>Liability</b>	<b>Marine</b>	<b>Medical</b>	<b>General accidents</b>	<b>Life</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Earned reinsurance premiums	-	(2,688,686)	(963,502)	(529,833)	-	(84,994)	(3,436,324)	(7,703,339)
Excess of loss reinsurance premiums paid	-	(67,100)	-	(8,000)	-	(7,560)	-	(82,660)
Allocation of reinsurance premiums paid for Life long-term contracts	-	-	-	-	-	-	(186,542)	(186,542)
Received commission from Re-insurers	-	264,972	45,324	161,298	-	409	-	472,003
<b>Total</b>	<b>-</b>	<b>(2,490,814)</b>	<b>(918,178)</b>	<b>(376,535)</b>	<b>-</b>	<b>(92,145)</b>	<b>(3,622,866)</b>	<b>(7,500,538)</b>

  

<b>For the year ended December 31, 2024</b>								
Earned reinsurance premiums	-	(3,062,609)	(1,129,571)	(420,221)	-	(92,346)	(3,245,302)	(7,950,049)
Excess of loss reinsurance premiums paid	-	(49,500)	-	(6,000)	-	(7,560)	-	(63,060)
Allocation of reinsurance premiums paid for Life long-term contracts	-	-	-	-	-	-	(26,074)	(26,074)
<b>Total</b>	<b>-</b>	<b>(3,112,109)</b>	<b>(1,129,571)</b>	<b>(426,221)</b>	<b>-</b>	<b>(99,906)</b>	<b>(3,271,376)</b>	<b>(8,039,183)</b>

**21. Reinsurance Contract Recoveries**

This item consists of the following:

<b>For the year ended December 31, 2025</b>	<b>Motor</b>	<b>Fire</b>	<b>Liability</b>	<b>Marine</b>	<b>Medical</b>	<b>General accidents</b>	<b>Life</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Incurred claim recoveries	-	286,555	274,119	96,178	-	(26,703)	2,331,760	2,961,909
Change in Non-Financial Risk Adjustments	-	(190,348)	(74,027)	-	-	(9,092)	33,890	(239,577)
Changes in the loss recovery component	-	-	-	-	-	-	23,589	23,589
<b>Total</b>	<b>-</b>	<b>96,207</b>	<b>200,092</b>	<b>96,178</b>	<b>-</b>	<b>(35,795)</b>	<b>2,389,239</b>	<b>2,745,921</b>

  

<b>For the year ended December 31, 2024</b>								
Incurred claim recoveries	-	162,928	43,156	26,569	-	18,350	2,697,787	2,948,790
Change in Non-Financial Risk Adjustments	-	(6,777)	(16,119)	4,472	-	(5,000)	(205,393)	(228,817)
Commissions received from reinsurers	-	184,141	35,072	141,630	-	417	-	361,260
<b>Total</b>	<b>-</b>	<b>340,292</b>	<b>62,109</b>	<b>172,671</b>	<b>-</b>	<b>13,767</b>	<b>2,492,394</b>	<b>3,081,233</b>

**22. Other Income**

This item consists of the following:

		For the year ended December 31,	
		2025	2024
		JD	JD
Treaties profits		49,721	15,271
Others		26,650	10,690
		<b>76,371</b>	<b>25,961</b>

**23. Finance (Expenses) - Insurance Contracts**

This item consists of the following:

		For the year ended December 31,	
		2025	2024
		JD	JD
Finance (expenses)/income recognized in the statement of profit or loss		(4,422,205)	(4,372,061)
Finance (expenses)/income recognized in the statement of other comprehensive income		(17,366,207)	1,968,099
		<b>(21,788,412)</b>	<b>(2,403,962)</b>

**24. Finance Income/ (Expense) - Reinsurance Contracts**

This item consists of the following:

		For the year ended December 31,	
		2025	2024
		JD	JD
Finance revenue		32,669	(16,113)
		<b>32,669</b>	<b>(16,113)</b>

**25. General and Administrative Expenses**

This item consists of the following:

	<b>For the year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Salaries and bonuses*	3,489,941	3,329,333
Medical services management	630,149	688,132
Company's share of social security*	593,106	556,739
Computer expenses	302,270	246,896
Insurance management fees	239,749	225,438
Professional fees	284,122	271,397
Board members transportation fees and remuneration (note 35)	163,000	203,000
Insurance expenses	241,379	180,138
Fees and commissions	197,994	169,193
The company shares in the fund of those affected	111,619	113,295
Advertisements	99,723	107,134
Stationery and printing	60,097	65,523
Rent	57,913	56,646
Government and other fees	103,395	49,731
Marketing activities	51,504	51,622
Postage and telecommunications	51,870	55,166
Subscriptions	43,676	29,883
Medical expenses	69,526	56,857
Maintenance	38,372	27,982
Hospitality	24,564	29,623
Hakeem expenses	54,215	35,120
Training expenses*	35,383	46,997
Water, electricity, and heating	30,372	28,566
Activities and nursery allowance*	324	13,698
Donations	28,089	32,066
Travel and transportation*	32,689	27,205
Cleaning expenses	15,074	12,703
End of service indemnity*	7,618	10,503
Interest paid to re-insurers	12,050	9,283
Vehicles expenses	6,428	6,715
Branches expenses	2,289	3,179
Other expenses and policy acquisition costs	6,136	9,288
Company's contribution to the policyholders' guarantee fund	184,001	-
	<b><u>7,268,637</u></b>	<b><u>6,749,051</u></b>
Allocated general and administrative expenses to insurance contract expenses	<u>6,642,561</u>	<u>6,126,526</u>
Unallocated general and administrative expenses to insurance contract expenses	<u>626,076</u>	<u>622,525</u>
	<b><u>7,268,637</u></b>	<b><u>6,749,051</u></b>

\* **The details of employees expenses during the year are as follow:**

**Employees expenses**

	2025 JD	2024 JD
Salaries and bonuses	3,489,941	3,329,333
End of service bonus	7,618	10,503
Company's share of social security	593,106	556,739
Training	35,383	46,997
Travel and transport	32,689	27,205
Activities and nursery allowance	324	13,698
Total	<u>4,159,061</u>	<u>3,984,475</u>

**26. Other Expenses**

This item consists of the following:

	2025					2024				
	Acquisition Expenses	Contract-Related Expenses (Direct)	Contract-Related Expenses (Indirect)	Non-Contract-Related Expenses	Total	Acquisition Expenses	Contract-Related Expenses (Direct)	Contract-Related Expenses (Indirect)	Non-Contract-Related Expenses	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Other Expenses	-	-	-	151,637	151,637	-	-	-	200,200	200,200
Total	-	-	-	151,637	151,637	-	-	-	200,200	200,200

**27. Net Profit from Financial Assets and Investments**

This item consists of the following:

	For the year ended December 31,	
	2025 JD	2024 JD
Net valuation & Cash dividends (financial assets at fair value through other comprehensive income)	38,643	27,156
Transferred to statement of profit or loss	<u>38,643</u>	<u>27,156</u>

**28. Authorized and Paid-up Capital and Legal Reserves**

**a. Authorized and paid-up capital**

Authorized and paid-up capital amounted to JD 10 million/share as of December 31, 2024 at par value of JD 1 each. The Group's general assembly in its extraordinary meeting held on June 25, 2025, decided to raised its capital by JD 6 million/share by fully capitalizing the share premium of JD 3,750,000 and the voluntary reserve of JD 1,326,652, and the remaining of the required capital increase was covered by the retained earnings by an amount of JD 923,348 by distributing them to the shareholders as free shares so that the capital reaches JD 16 million/share as of December 31, 2025.

**b. Legal Reserves**

**Statutory reserve -**

This item represents the accumulated amounts deducted from profit before tax at 10% during this year and prior years for the Group in accordance with the Companies Law not to exceed 25% of the paid-up capital. This reserve is not available for distribution to shareholders.

**Voluntary reserve -**

The amount accumulated in this reserve represents the transfers from profit before tax at maximum of 20% during the year and prior years, the reserve is used for purposes determined by the Board of Directors. The General Assembly may distribute it fully or partially as dividends to shareholders.

## **29. Dividends Distributed**

The General Assembly approved in its ordinary meeting held on June 25, 2025 the distribution of cash dividends amounting to JD 7.5 million, representing 75% of the paid-up capital as of December 31, 2025.

### **Proposed dividends distribution**

The Board of Directors, in its meeting to be held during the year 2026, will recommend to the Group's General Assembly the distribution of cash dividends amounting to JD 3,520,000 to the shareholders which represents 22% of the company's capital as of December 31, 2025.

## **30. Fair Value Reserve - After Tax**

The movement on the fair value reserve is as follow:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Beginning balance of the year	760,775	170,425
Loss on sale of financial assets at fair value through other comprehensive income	11,575	36,440
Change during the year	1,692,072	634,412
Deferred tax liabilities	(204,438)	(80,502)
<b>Ending Balance of the year</b>	<b>2,259,984</b>	<b>760,775</b>

## **31. Basic and Diluted Earnings Per Share for the Year**

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

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Profit for the year / JD	5,806,075	5,085,579
	Shares	Shares
Weighted average number of (Fils/JD) *	16,000,000	16,000,000
	JD/Fils	JD/Fils
Basic earnings per share for the year	0/363	0/318

- \* The weighted average number of shares for the earnings per share from the previous year attributable to the company's shareholders was recalculated based on the number of shares issued and paid during the year ended December 31, 2025. This adjustment follows a capital increase through the issuance of free shares in amount of JD 6 million/share this, in accordance with the requirements of International Accounting Standard (IAS) No. (33).

**32. Retained Earnings:**

This item consists of the following:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Beginning balance of the year	17,638,117	12,603,325
Profit for the year	5,806,075	5,085,579
(Loss) on sale of financial assets at fair value through other comprehensive income	(11,575)	(36,440)
Transferred to reserves	(1,358,465)	(14,347)
Dividends	(7,500,000)	-
Capitalization part of retained earnings to increase paid up capital	(923,348)	-
<b>Ending Balance of the year</b>	<b>13,650,804</b>	<b>17,638,117</b>

**33. Insurance contracts finance recognized through other comprehensive income reserve**

This item consists of the following:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Beginning balance of the year	17,271,792	15,303,693
(Expense) / Revenue insurance finance recognized through other comprehensive income	(17,366,207)	1,968,099
<b>Ending Balance of the year</b>	<b>(94,415)</b>	<b>17,271,792</b>

**34. Cash and Cash Equivalents**

This item consists of the following:

- Cash on hand and at banks

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Cash on hand	3,057	3,344
Current accounts at banks	2,030,707	2,438,535
	<b>2,033,764</b>	<b>2,441,879</b>

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Cash on hand and balances at banks	2,033,764	2,441,879
<u>Add:</u> Deposits at banks maturing during less than three months (note 5)	15,952,919	17,598,096
<u>Less:</u> Mortgage deposits in favor of the Central Bank Governor (note 5)	(800,000)	(800,000)
<b>Net cash and cash equivalents</b>	<b>17,186,683</b>	<b>19,239,975</b>

### **35. Related Parties Balances and Transactions**

The Group entered into transactions with major shareholders, board members, directors and affiliate companies within the normal activities of the Group. All related parties' balances are considered performing and no provision has been taken against them.

The pricing policy and related terms for these transactions are adopted by the management of the Group.

Below is a summary of related parties' transactions during the year:

	<b>December 31, 2025</b>					<b>December 31, 2024</b>
	<b>Parent Company Arab Bank</b>	<b>Arab Bank Switzerland</b>	<b>International Islamic Arab Bank</b>	<b>Arab National Leasing Company</b>	<b>Board of Directors</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>		<b>JD</b>	<b>JD</b>
<b><u>Consolidated Statement of Financial Position items:</u></b>						
Deposits at Arab Bank	-	1,917,000	-	-	-	1,917,000
Current accounts at Arab Bank	1,467,657	9,522	10,575	-	-	1,487,754
Accrued and uncollected interest	-	35,057	-	-	-	35,057
Insurance contracts liabilities	32,664	-	-	-	-	32,664
Bank guarantees	80,074	-	-	-	-	80,074
Dividends distributions	5,100,575	-	-	-	778,901	5,879,476
<b><u>Consolidated Statement Of Profit Or Loss Items:</u></b>						
Insurance revenue	46,904	-	-	11,925	-	58,829
Acquisition costs	(335,148)	-	-	-	-	(335,148)
Credit interest	60,836	133,042	-	-	-	193,878

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

	December 31,	
	2025	2024
	JD	JD
Salaries, rewards, and other benefits	932,956	775,878
Board members remuneration	100,000	140,000
Board members transportation allowance	63,000	63,000
	<u>1,095,956</u>	<u>1,081,775</u>

### **36. Contracts expected to be lost**

There are no contracts expected to be lost as the date of financial position.

### **37. Risk Management**

The Group manages different kinds of risks through its comprehensive strategy set out to identify risks and ways to address and mitigate them through the Risk Management Unit and the Investment Committee, where the risks are reviewed, and the necessary measures are taken to address risk and work to reduce that risk. In addition, all duty stations are responsible for identifying risks related to their activities, establishing appropriate controls and monitoring the continuity of their effectiveness. The Group is exposed to insurance risks, credit risk, liquidity risk and market risk.

#### **Risk management process**

The Board of Directors is responsible for the identification and control of risks. In addition, several other parties are responsible for the Group's risk management process.

#### **Risk measurement and reporting systems**

Risk monitoring and control, it is put into effect by monitoring the limits allowed for each type of risk.

These limits reflect the Group's business strategy and the difference market factors surrounding it.

Information is collected from the different departments of the Group and analyzed to identify the expected risks that may result from it. This information is presented and explained to the Group's Board of Directors.

### **A- Insurance Risks**

#### **1- Insurance risks**

Risks of any insurance policy represent the probability of occurrence of the insured accident and the uncertainty of the related claim amount due to the nature of the insurance policy whereby the risks are volatile and unexpected in connection with insurance policies of a certain insurance class. Regarding the application of the probability theory on pricing and the reserve, the primary risks facing the Group are that incurred claims and the related payments may exceed the book value of the insurance obligations. This may happen if the probability and risk of claims are greater than expected.



As insurance accidents are unstable and vary from one year to another, estimates may differ from the related statistics.

Studies have shown that the more similar the insurance policies are, the nearer the expectations are to the actual loss. Moreover, diversifying the types of insurance risks covered decreases the probability of the overall insurance loss.

### **Duplicate Claims**

Claims can be duplicated, and their amounts can be affected due to different factors. The Group's main insurance business is fire, general accident, marine, medical and life risk insurance. These insurance policies are considered short term and are usually paid within one year from the date of the accident. This helps to reduce the risk of insurance.

### **2- Claims development**

The schedules below show the actual claims (based on management's estimates at year- end) compared to the expectations for the past four years based on the year in which the claims were reported. The Group has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applied IFRS 17.

#### **Motor Insurance:**

The accident year	<b>2021 and before</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
At the end of the year	30,505,705	-	-	-	-	30,505,705
After one year	30,517,646	-	-	-	-	30,517,646
After two years	30,510,001	-	-	-	-	30,510,001
After three years	30,508,207	-	-	-	-	30,508,207
After four years	30,581,906	-	-	-	-	30,581,906
Current estimates of accumulated claims	30,581,906	-	-	-	-	30,581,906
Accumulated payments	30,516,068	-	-	-	-	30,516,068
Discount impact	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	65,838	-	-	-	-	65,838

The commitment as shown in the budget amounted to JD 72,780, where the difference represents the value of claims under settlement for the two border branches JD 6,942 as received from the Jordan Federation of Insurance Companies.

### Marine Insurance:

The accident year	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	3,836,656	42,761	46,514	17,199	255,271	4,198,401
After one year	3,859,866	51,792	34,019	50,643	-	3,996,320
After two years	3,832,293	50,914	21,795	-	-	3,905,002
After three years	3,855,517	41,714	-	-	-	3,897,231
After four years	3,856,353	-	-	-	-	3,856,353
Current estimates of accumulated claims	3,856,353	41,714	21,795	50,643	255,271	4,225,776
Accumulated payments	3,958,573	40,172	21,795	50,642	33,714	4,104,896
Discount impact	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	<b>(102,220)</b>	<b>1,542</b>	<b>-</b>	<b>1</b>	<b>221,557</b>	<b>120,880</b>

### Fire and other property damage:

The accident year	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	22,813,472	34,362	61,978	72,691	244,031	23,226,534
After one year	25,324,465	118,354	101,792	100,726	-	25,645,337
After two years	25,386,237	186,985	100,459	-	-	25,673,681
After three years	25,375,691	186,977	-	-	-	25,562,668
After four years	25,390,125	-	-	-	-	25,390,125
Current estimates of accumulated claims	25,390,125	186,977	100,459	100,726	244,031	26,022,318
Accumulated payments	20,333,494	186,945	98,042	77,755	29,752	20,725,988
Discount impact	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	<b>5,056,631</b>	<b>32</b>	<b>2,417</b>	<b>22,971</b>	<b>214,279</b>	<b>5,296,330</b>

### Life Insurance:

The accident year	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	34,216,947	1,637,701	1,347,302	1,274,616	1,509,367	39,985,933
After one year	36,354,516	3,443,179	2,920,792	3,270,697	-	45,989,184
After two years	36,410,739	3,483,257	2,961,796	-	-	42,855,792
After three years	36,463,476	3,491,953	-	-	-	39,955,429
After four years	36,369,319	-	-	-	-	36,369,319
Current estimates of accumulated claims	36,369,319	3,491,953	2,961,796	3,270,697	1,509,367	47,603,132
Accumulated payments	36,301,150	3,357,111	2,735,717	2,700,962	322,594	45,417,534
Discount impact	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	<b>68,169</b>	<b>134,842</b>	<b>226,079</b>	<b>569,735</b>	<b>1,186,773</b>	<b>2,185,598</b>

### Liability Insurance:

The accident year	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	3,216,839	23,793	2,632	3,714	70,743	3,317,721
After one year	3,204,577	172,501	5,603	9,865	-	3,392,546
After two years	3,238,370	170,220	5,604	-	-	3,414,194
After three years	3,282,593	170,220	-	-	-	3,452,813
After four years	3,518,780	-	-	-	-	3,518,780
Current estimates of accumulated claims	3,518,780	170,220	5,604	9,865	70,743	3,775,212
Accumulated payments	2,150,881	170,218	5,600	7,271	294	2,334,264
Discount impact	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	<b>1,367,899</b>	<b>2</b>	<b>4</b>	<b>2,594</b>	<b>70,449</b>	<b>1,440,948</b>

### Personal accidents Insurance:

The accident year	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	798,194	6,599	31,776	3,771	57,272	897,612
After one year	793,195	14,493	40,977	31,193	-	879,858
After two years	810,332	14,684	43,727	-	-	868,743
After three years	804,087	11,826	-	-	-	815,913
After four years	761,959	-	-	-	-	761,959
Current estimates of accumulated claims	761,959	11,826	43,727	31,193	57,272	905,977
Accumulated payments	761,958	11,826	43,727	30,657	2,808	850,976
Discount impact	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	<b>1</b>	<b>-</b>	<b>-</b>	<b>536</b>	<b>54,464</b>	<b>55,001</b>

### Medical Insurance:

The accident year	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	129,828,034	7,531,154	7,014,119	7,804,818	8,404,950	160,583,075
After one year	137,133,328	10,684,488	10,716,548	12,031,090	-	170,565,454
After two years	137,139,136	10,712,609	10,718,290	-	-	158,570,035
After three years	137,139,688	10,712,609	-	-	-	147,852,297
After four years	137,139,687	-	-	-	-	137,139,687
Current estimates of accumulated claims	137,139,687	10,712,609	10,718,290	12,031,090	8,404,950	179,006,626
Accumulated payments	137,139,016	10,712,609	10,718,290	12,027,889	7,844,056	178,441,860
Discount impact	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	<b>671</b>	<b>-</b>	<b>-</b>	<b>3,201</b>	<b>560,894</b>	<b>564,766</b>

-The value of recoveries has been deducted from the total value of the claims above.

### 3- INSURANCE RISK CONCENTRATIONS

Below are schedules presenting risk concentration based on insurance types and the geographical distribution:

Insurance liabilities are concentrated based on insurance type as follows:

Insurance types	2025		2024	
	Net	Gross	Net	Gross
	JD	JD	JD	JD
Motor	-	-	-	-
Marine	101,313	122,361	3,584	(24,323)
Fire and properties	640,979	7,019,956	627,924	7,076,411
Liability	215,958	1,966,234	188,925	2,220,252
Personal accidents	65,834	97,827	134,647	235,876
Medical	1,447,728	1,447,728	1,553,054	1,553,055
Life	93,805,916	96,168,630	72,894,989	75,180,721
Total	96,277,728	106,822,736	75,403,123	86,241,992

Assets, liabilities, and off consolidated statement of financial position items are concentrated based on geographical distribution and sectors as follows:

	2025			2024		
	Assets	Liabilities	Reinsurance Assets	Assets	Liabilities	Reinsurance assets
	JD	JD	JD	JD	JD	JD
According to geographical area						
Inside Jordan	126,146,427	110,605,050	10,545,004	127,300,384	89,535,822	10,838,869
Other Middle Countries East	1,018,648	-	-	2,481,741	-	-
Europe	10,409,900	-	-	7,503,355	-	-
Asia	2,184,367	-	-	1,632,064	-	-
United States of America	6,738,473	-	-	4,083,640	-	-
Total	146,497,815	110,605,050	10,545,004	143,001,184	89,535,822	10,838,869

\* This item includes all Asian countries except the Hashemite Kingdom of Jordan and Middle Eastern countries.

This table represents the distribution of net receivables and payables, as well as re-insurance receivables and payables, by sector as follows:

	2025			2024		
	Assets	Liabilities	Off Balance Sheet	Assets	Liabilities	Off Balance Sheet
	JD	JD	JD	JD	JD	JD
According to Sector						
Companies and Entities	7,559,743	2,590,842	80,074	6,513,984	2,448,867	81,683
Individuals	523,184	301,987	-	563,758	274,263	-
Total	8,082,927	2,892,829	80,074	7,077,742	2,723,130	81,683

### 4- Reinsurance Risk

As is the case with insurance companies, in order to reduce its exposure to major losses that may arise from major insurance claims, the Group, within the normal course of its business, enters into reinsurance agreements with other parties.

In order to reduce its exposure to major losses arising from the insolvency of reinsurance companies, the Group evaluates the financial position of the reinsurance companies it deals with while monitoring credit concentrations coming from geographic areas and activities or economic components similar to those companies. Moreover, the reinsurance policies issued do not exempt the Group from its obligations towards policyholders. As a result, the Group remains committed to the reinsured claims balance in case the reinsurers are unable to meet their obligations according to the reinsurance agreements.

## 5- Insurance Risk Sensitivity

The table below shows the effect of the possible reasonable change in risk variables on the consolidated statement of income and consolidated statement of changes in equity keeping all other affecting variables fixed.

### Sensitivity analysis for contracts not measured under the PAA

\*Net after deducting income tax effect.

If there is a negative change the effect equals and is opposite to the change above.

2025	Change percentage	Contractual		Profit or loss	Profit or loss	Changes in equity	Changes in equity
		Contractual service margin	service margin				
		Gross JD	Net JD			Gross JD	Net JD
Death rate	5%+	(129,528)	(94,729)	(21,889)	(18,126)	107,639	76,603
Death rate	5%-	129,719	94,847	21,914	18,140	(107,806)	(76,707)
Illness	5%+	(14,167)	(10,313)	(2,319)	(1,873)	11,848	8,441
Illness	5%-	14,167	10,313	2,319	1,873	(11,848)	(8,441)
Expenses	5%+	(260,617)	(260,617)	(24,190)	(24,190)	236,427	236,427
Expenses	5%-	260,617	260,617	24,190	24,190	(236,427)	(236,427)
Lapse rate	5%+	(840,660)	(834,168)	(196,444)	(195,561)	644,215	638,607
Lapse rate	5%-	870,973	864,297	202,368	201,450	(668,604)	(662,847)
		30,504	30,247	5,949	5,903	(24,556)	(24,344)

2024	Change percentage	Contractual		Profit or loss	Profit or loss	Changes in equity	Changes in equity
		Contractual service margin	service margin				
		Gross JD	Net JD			Gross JD	Net JD
Death rate	5%+	-	-	(5,766)	(1,730)	(5,766)	(1,730)
Death rate	5%-	-	-	5,766	1,730	5,766	1,730
Illness	5%+	-	-	(641)	(192)	(641)	(192)
Illness	5%-	-	-	641	192	641	192
Longevity	5%+	-	-	5,766	1,730	5,766	1,730
Longevity	5%-	-	-	(5,766)	(1,730)	(5,766)	(1,730)
Expenses	5%+	-	-	(251,396)	(251,396)	(251,396)	(251,396)
Expenses	5%-	-	-	251,396	251,396	251,396	251,396
Lapse rate	5%+	(1,162,562)	(1,161,284)	(119,827)	(119,827)	(119,827)	(119,827)
Lapse rate	5%-	1,162,562	1,161,284	119,827	119,827	119,827	119,827
		-	-	-	-	-	-

## **B- Financial Risks**

The Group follows financial policies to manage several risks within a specified strategy. The Group's management controls the risk and determines the most suitable strategic risk distribution procedures for each of the financial assets and liabilities. This risk includes interest rate risk, credit risk, foreign currency risk and market risk. The Group follows a hedging policy for each of its assets and liabilities when required, the hedging policy is related to future expected risks.

### **(1) Market Risks**

Market risk refers to the risk of fluctuations in the fair value or cash flows of financial instruments due to changes in market prices, such as interest rates, currency exchange rates, and stock prices. Market risk arises from having open positions in interest rates, currencies, and equity investments. These risks are monitored in accordance with specific policies and procedures, and through specialized committees and relevant operational units.

Market risk includes interest rate risk, currency risk, and equity price risk.

Market risk is measured and controlled using sensitivity analysis.

#### **- Interest Rate Risk**

The Group is exposed to interest rate risk on its assets which are bearing interest such as bank deposits.

\*The annual interest rate on the deposits in Jordanian Dinar ranged between 5.25% to 5.9% and on the deposit in US Dollar 4.45% during the year ended December 31, 2025 (December 31, 2024: from 5.75% to 6.75% on deposits in Jordanian dinars and 5.4% on US dollars).

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Group's profit for one year based on the floating rate financial assets as of December 31, 2025, and 2024.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates as of December 31, 2025, and 2024, with all other variables held constant.

#### **2025**

	<u>Increase in interest rate</u>	<u>Effect on the current year pre-tax profit</u>
Currency		
	%	JD
Jordanian Dinar	1	140,444
US Dollar	1	19,170

If there is a negative change the effect equals and is opposite to the change above.

#### **2024**

	<u>Increase in interest rate</u>	<u>Effect on the current year pre-tax profit</u>
Currency	%	JD
Jordanian Dinar	1	158,340
US Dollar	1	17,750

If there is a negative change the effect equals and is opposite to the change above.

### ***Foreign Currencies Risks***

The foreign currencies risks are the risks relating to the change in the value of the financial instruments due to the change in the foreign currencies exchange rates. Moreover, the Jordanian Dinar is considered the Group's functional currency. The Board of Directors sets the limits for the financial position of each currency at the Group. Additionally, the foreign currencies positions are monitored daily. Strategies are adopted to ensure that the positions of foreign currencies are maintained within the approved limits.

Most of the Group's transaction are in Jordanian Dinar or US Dollar. Jordanian dinars exchange rate is pegged against US dollars (1.41 USD/JOD).

### ***(2) Liquidity Risk***

Liquidity risk is the risk that the Group will not be able to meet its obligations associated as they fall due. To limit this risk, management arranges diversified funding sources, manages assets and liabilities, and monitors liquidity daily and maintains sufficient amount of cash and cash equivalents and these traded instruments.

The Group monitors its liquidity needs on a monthly basis, and management ensures that sufficient funds are available to meet any obligations as they arise. A significant portion of the company's funds is invested in listed investment funds and bonds traded in local markets.

Most of the Group's time deposits, as of the date of the consolidated financial statements, mature within original periods not exceeding three months.



The table below summarizes the maturity profile of financial liabilities (based on the remaining maturity period from the date of the consolidated financial statements).

	Less than month	1 month to 3 months	3-6 Months	6 months to 1 year	1 -3 years	More than 3 years	Without maturity	Total
2025	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Insurance contracts liabilities	6,435,992	5,198,303	742,616	-	-	94,445,825	-	106,822,736
Accrued expenses	-	944,700	-	-	-	-	-	944,700
Other provisions	57,407	-	-	-	-	201,575	-	258,982
Income tax provision	-	546,061	-	-	-	-	-	546,061
Deferred tax liabilities	-	342,043	-	-	-	-	-	342,043
Other liabilities	1,690,429	-	-	-	-	-	-	1,690,429
<b>Total liabilities</b>	<b>8,183,828</b>	<b>7,031,107</b>	<b>742,616</b>	<b>-</b>	<b>-</b>	<b>94,647,400</b>	<b>-</b>	<b>110,605,951</b>
Total Assets	19,367,879	12,588,599	158,453	4,009,615	-	110,373,269	-	146,497,815

  

	Less than month	1 month to 3 months	3-6 months	6 months to 1 year	1-3 years	More than 3 years	Without maturity	Total
2024	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Insurance contracts liabilities	6,616,195	5,343,849	763,409	-	-	73,518,539	-	86,241,992
Accrued expenses	-	926,940	-	-	-	-	-	926,940
Other provisions	49,789	-	-	-	-	201,575	-	251,364
Income tax provision	-	561,415	-	-	-	-	-	561,415
Deferred tax liabilities	-	111,494	-	-	-	-	-	111,494
Other liabilities	1,442,617	-	-	-	-	-	-	1,442,617
<b>Total liabilities</b>	<b>8,108,601</b>	<b>6,943,698</b>	<b>763,409</b>	<b>-</b>	<b>-</b>	<b>73,720,114</b>	<b>-</b>	<b>89,535,822</b>
Total Assets	18,845,837	16,267,999	162,396	-	-	107,724,952	-	143,001,184

### (3) Credit risks

Credit risks are the risks that may arise from the default or inability of debtors and other parties to fulfill their obligations towards the Group.

The group considers that it is not significantly exposed to credit risks as it sets credit limits for customers and continuously monitors outstanding receivables. Additionally, the Group maintains balances and deposits with leading banking institutions.

The largest two clients represent 20% of the accounts receivable for the year ended December 31, 2025 (2024: 18%).

## 38. Analysis Of Main Sectors

### A- Background for the Group business sectors

For administrative purposes as explained in insurance contract revenues (note 18) and insurance contract expenses (note 19), the Group is organized to include the general insurance sector and includes (motor insurance, marine and transportation insurance, fire and other property damage insurance, liability insurance, medical insurance, life insurance, and others). This sector forms the basis used by the Group to show information related to key sectors. The above segment also includes investments and cash management for the company's own account. Transactions between business sectors are carried out on the basis of estimated market prices and on the same terms as those dealing with third parties.

The following table represents the Group's financial position, showing the assets and liabilities associated with each product type:

	Motor		Marine		Fire and damages property		Liability		Medical		Life		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Assets -</b>																
Insurance contracts assets	-	-	-	-	-	-	-	-	-	-	129,799	1,029,581	-	-	129,799	1,029,581
Reinsurance contract assets	-	-	21,048	(89)	6,378,977	6,448,487	1,750,271	2,031,327	-	-	2,362,715	2,285,732	31,993	101,230	10,545,004	10,838,869
Receivables	-	-	80,142	140,228	567,474	437,523	162,577	227,721	5,959,790	5,389,301	1,282,682	836,586	2,656	6,815	8,055,321	7,038,174
Financial Assets	-	-	-	-	-	-	-	-	-	-	1,289,950	304,636	-	-	1,289,950	304,636
Investments	-	-	-	-	-	-	-	-	-	-	126,125,931	122,315,718	-	-	126,125,931	122,315,718
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>101,190</b>	<b>140,139</b>	<b>6,946,451</b>	<b>6,886,010</b>	<b>1,912,848</b>	<b>2,259,048</b>	<b>5,959,790</b>	<b>5,389,301</b>	<b>131,191,077</b>	<b>126,772,253</b>	<b>34,649</b>	<b>108,045</b>	<b>146,146,005</b>	<b>141,526,978</b>

	Motor		Marine		Fire and damages property		Liability		Medical		Life		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Liabilities -</b>																
Insurance contracts liabilities	-	-	122,360	(24,323)	7,019,957	7,076,411	1,966,234	2,220,252	1,447,728	1,553,055	96,168,630	75,180,720	97,827	235,876	106,822,736	86,241,992
Reinsurance contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	9,628	5,306	9,765	57,849	294	1,674	972,158	1,225,498	261,954	302,186	908	731	1,254,707	1,593,243
Other Provisions	-	-	-	-	-	-	-	-	-	-	258,982	251,364	-	-	258,982	251,364
<b>Total liability</b>	<b>-</b>	<b>-</b>	<b>131,988</b>	<b>(19,017)</b>	<b>7,029,722</b>	<b>7,134,260</b>	<b>1,966,528</b>	<b>2,221,926</b>	<b>2,419,886</b>	<b>2,778,553</b>	<b>96,689,566</b>	<b>75,734,270</b>	<b>98,735</b>	<b>236,607</b>	<b>108,336,425</b>	<b>88,086,599</b>

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

	Fire and damages															
	Motor		Marine		property		Liability		Medical		Life		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Continuing operations-</b>																
<b>Revenues-</b>																
Insurance contracts revenue	-	-	737,008	560,650	3,220,545	3,517,170	1,329,767	1,464,893	15,192,423	14,293,467	9,802,901	11,608,687	272,942	250,267	30,555,586	31,695,134
Less: insurance contracts Expenses	2,872	1,757	(274,411)	(146,341)	(470,810)	(615,495)	(441,071)	(229,688)	(15,020,358)	(14,103,580)	(5,899,287)	(8,106,948)	(34,075)	(92,899)	(22,137,140)	(23,293,194)
<b>Results of insurance contracts</b>	2,872	1,757	462,597	414,309	2,749,735	2,901,675	888,696	1,235,205	172,065	189,887	3,903,614	3,501,739	238,867	157,368	8,418,446	8,401,940
Reinsurance contract expenses	-	-	(376,535)	(284,591)	(2,490,813)	(2,927,968)	(918,178)	(1,094,499)	-	-	(3,622,864)	(3,632,636)	(92,148)	(99,489)	(7,500,538)	(8,039,183)
Reinsurance contract recoveries	-	-	96,178	31,040	96,206	156,151	200,092	27,036	-	-	2,389,240	2,853,655	(35,795)	13,351	2,745,921	3,081,233
<b>Reinsurance Contract Results</b>	-	-	(280,357)	(253,551)	(2,394,607)	(2,771,817)	(718,086)	(1,067,463)	-	-	(1,233,624)	(778,981)	(127,943)	(86,138)	(4,754,617)	(4,957,950)
<b>Net results of insurance and reinsurance contracts</b>	2,872	1,757	182,240	160,758	355,128	129,858	170,610	167,742	172,065	189,887	2,669,990	2,722,758	110,924	71,230	3,663,829	3,443,990
Financing (Expenses) - Insurance Contracts	-	-	-	-	-	-	-	-	-	-	(4,422,205)	(4,372,061)	-	-	(4,422,205)	(4,372,061)
Financing revenue (expenses) - reinsurance contracts	-	-	-	-	-	-	-	-	-	-	32,669	(16,113)	-	-	32,669	(16,113)
<b>Net insurance (Expenses)</b>	2,872	1,757	182,240	160,758	355,128	129,858	170,610	167,742	172,065	189,887	(1,719,546)	(1,665,416)	110,924	71,230	(725,707)	(944,184)
Investment income	-	-	-	-	-	-	-	-	-	-	7,263,645	6,768,603	-	-	7,263,645	6,768,603
Credit interest	-	-	-	-	-	-	-	-	-	-	1,059,214	1,153,030	-	-	1,059,214	1,153,030
Gains on financial assets and Investments	-	-	-	-	-	-	-	-	-	-	38,643	27,156	-	-	38,643	27,156
Other income	-	-	-	-	-	-	-	-	-	-	76,371	25,961	-	-	76,371	25,961
<b>Total Revenue</b>	2,872	1,757	182,240	160,758	355,128	129,858	170,610	167,742	172,065	189,887	6,718,327	6,309,334	110,924	71,230	7,712,166	7,030,566
Undistributed administrative and general expenses	-	-	(7,343)	(8,242)	(30,276)	(36,384)	(14,167)	(19,624)	(158,443)	(158,295)	(413,794)	(397,228)	(2,053)	(2,752)	(626,076)	(622,525)
Undistributed depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	(213,705)	(206,984)	-	-	(213,705)	(206,984)
Other expenses	-	-	-	-	-	-	-	-	-	-	(151,636)	(200,200)	-	-	(151,636)	(200,200)
<b>Total expenses</b>	-	-	(7,343)	(8,242)	(30,276)	(36,384)	(14,167)	(19,624)	(158,443)	(158,295)	(779,135)	(804,412)	(2,053)	(2,752)	(991,417)	(1,029,709)
<b>Profit for the year before income tax</b>	2,872	1,757	174,897	152,516	324,852	93,474	156,443	148,118	13,622	31,592	5,939,192	5,504,922	108,871	68,478	6,720,749	6,000,857

### B- Geographic concentration of risk

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

	Inside the Kingdom		Outside the Kingdom		Total	
	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD
Total revenues	30,555,585	31,695,134	-	-	30,555,585	31,695,134
Total assets	127,436,372	116,167,436	19,061,443	26,833,748	146,497,815	143,001,184
Capital expenditures	325,116	90,868	-	-	325,116	90,868

### **39. Maturity Analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

<b>2025</b>	<b>Within 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
<b>Assets</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Bank deposits - net	15,952,919	-	15,952,919
Financial assets at fair value through other comprehensive income	-	11,176,076	11,176,076
Financial assets at fair value through income statement	393,762	-	393,762
Financial assets at amortized cost - net	4,009,620	93,653,553	97,663,173
Investment property	-	940,001	940,001
Financial assets of policyholders linked to investment	-	1,289,950	1,289,950
Cash on hand and at banks	2,033,764	-	2,033,764
Insurance contracts assets	-	129,799	129,799
Re-insurance contracts assets	9,858,032	686,972	10,545,004
Deferred tax assets	158,453	-	158,453
Property and equipment -net	-	2,655,480	2,655,480
Intangible assets - net	-	264,447	264,447
Other assets	3,294,987	-	3,294,987
<b>Total Assets</b>	<b>35,701,537</b>	<b>110,796,278</b>	<b>146,497,815</b>
<b>Liabilities</b>			
Insurance contracts liabilities	12,376,911	94,445,825	106,822,736
Accrued expenses	944,700	-	944,700
Other provisions	57,407	201,575	258,982
Income tax provision	546,061	-	546,061
Deferred tax liability	342,043	-	342,043
Other liabilities	1,690,429	-	1,690,429
<b>Total Liabilities</b>	<b>15,957,551</b>	<b>94,647,400</b>	<b>110,604,951</b>
<b>Net</b>	<b>19,743,986</b>	<b>16,148,878</b>	<b>35,892,864</b>

<b>2024</b>	<b>Within 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
<b>Assets</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Bank deposits - net	17,598,096	-	17,598,096
Financial assets at fair value	-	9,391,215	9,391,215

through other comprehensive income			
Financial assets at fair value through income statement	369,702	-	369,702
Financial assets at amortized cost - net	-	94,016,704	94,016,704
Investment property	-	940,001	940,001
Financial assets of policyholders linked to investment	-	304,636	304,636
Cash on hand and at banks	2,441,879	-	2,441,879
Insurance contracts assets	-	1,029,581	1,029,581
Re-insurance contracts assets	10,211,275	627,594	10,838,869
Deferred tax assets	162,396	-	162,396
Property and equipment-net	-	2,565,316	2,565,316
Intangible assets - net	-	243,935	243,935
Other assets	3,098,854	-	3,098,854
<b>Total Assets</b>	<b>33,882,202</b>	<b>109,118,982</b>	<b>143,001,184</b>
<b>Liabilities</b>			
Insurance contracts liabilities	12,723,453	73,518,539	86,241,992
Accrued expenses	926,940	-	926,940
Other provisions	251,364	-	251,364
Income tax provision	561,415	-	561,415
Deferred tax liability	111,494	-	111,494
Other liabilities	1,442,617	-	1,442,617
<b>Total Liabilities</b>	<b>16,017,283</b>	<b>73,518,539</b>	<b>89,535,822</b>
<b>Net</b>	<b>17,864,919</b>	<b>35,600,443</b>	<b>53,465,362</b>

#### 40. Capital Management

Capital requirements are set and regulated by the Insurance Management. These requirements have been established to ensure an adequate margin. Additional objectives have been set by the group to maintain strong credit ratings and a high capital ratio in order to support its operations and maximize shareholder value.

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

In the opinion of the Group's management, the regulatory capital is sufficient to meet any potential risks or obligations that may arise in the future.

The following table shows the amount contributed to capital by the Group and the net solvency margin ratio:

	December 31,	
	2025	2024
	JD	JD
Available capital	17,530,880	16,671,572
Required capital		
Required capital against risks excluding operational risks	8,394,742	7,226,854
Required capital against operational risks	1,765,533	1,698,581
Total required capital	<u>10,160,275</u>	<u>8,925,435</u>
Solvency margin ratio (available capital / required capital)		
Solvency margin ratio *	173%	187%

\* The solvency margin for the Group before allowing for override, as per "Investment of Insurance Company's Funds Principles and Determining the Nature of Insurance Company's Assets and Their Locations Corresponding to Insurance Liabilities Arising from Them" Instruction No. (2) of 2006, noting that the minimum requirement for the solvency margin ratio equals 150% of the available capital according to the Insurance management's instructions.

#### 41. Lawsuits Against the Group

The Group appears as defendant in a number of lawsuits mounting up to JD 4,964,809 as of December 31, 2025, (JD 5,250,113 as of December 31, 2024). In the opinion of the Group's management there will be no other due amounts other than those booked into the claims provision.

Lawsuits filed by the Group against third parties amounted to JD 620,185 as of December 31, 2025, (JD 576,598 as of December 31, 2024). These cases represent receivables due to the Group and returned checks resulting from the Group's ordinary business activities.

#### 42. Contingent Liabilities

As of the date of the consolidated financial statements, the Group has potential obligations represented by bank guarantees amounting to JD 80,074 as of December 31, 2025, (JD 81,683 as of December 31, 2024).

#### 43. Fair Value for Financial Assets and Financial Liabilities not Shown in Fair Value in the Financial Statements

There is no material differences between the net book value and the fair value for the financial assets and liabilities as at December 31, 2025 and 2024.

#### 44. Fair Value

The Group uses the following arrangement of valuation techniques and alternatives in determining and presenting the fair value of financial instruments:

- Level 1: Quoted market prices in active markets for the same assets and liabilities.
- Level 2: Other techniques where all inputs that have a significant effect on fair value are directly or indirectly observable from market information.
- Level 3: Other techniques where inputs that have a significant effect on fair value are used but are not based on observable market information.

The following table shows the analysis of the financial instruments at fair value according to the hierarchical order mentioned above:

	Level (1)	Level (2)	Total
	JD	JD	JD
<u>December 31, 2025</u>			
Financial assets at fair value through other comprehensive income	11,176,076	-	11,176,076
Financial assets at fair value through profit or loss	393,762	-	393,762
<u>December 31, 2024</u>			
Financial assets at fair value through other comprehensive income	9,391,215	-	9,391,215
Financial assets at fair value through profit or loss	369,702	-	369,702

#### 45. Written Premiums by Insurance Branch

	Motor		Marine		Fire and damages property		Liability		Medical		Life		Personal Accidents		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums -																
Direct premiums	-	-	676,283	583,602	3,042,931	3,111,724	1,198,553	1,380,698	15,451,495	14,492,699	32,209,481	29,718,400	139,855	152,855	52,718,598	49,439,978
Indirect premiums	-	-	-	-	92,950	35,182	1,896	1,896	-	-	-	-	-	-	94,846	37,078
Total written premiums	-	-	676,283	583,602	3,135,881	3,146,906	1,200,449	1,382,594	15,451,495	14,492,699	32,209,481	29,718,400	139,855	152,855	52,813,444	49,477,056
Less:																
Re-insurance premiums local	-	-	138,459	77,593	480,923	384,925	256,061	132,153	-	-	-	-	-	-	875,443	594,671
Re-insurance premiums foreign	-	-	393,159	374,154	2,163,447	2,402,681	642,043	933,839	-	-	3,957,336	3,685,071	84,762	92,424	7,240,747	7,488,169
Net re-insurance premiums	-	-	144,665	131,855	491,511	359,300	302,345	316,602	15,451,495	14,492,699	28,252,145	26,033,329	55,093	60,431	44,697,254	41,394,217



#### **46. Expected Recognition in the CSM of the General Approach Model & Variable Fee Approach**

This item consists of the following:

2025

	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
Expected years of CSM recognition				
One year	1,946,555	1,946,555	(64,338)	(64,338)
Two years	1,038,466	1,038,466	(69,498)	(69,498)
Three years	1,061,058	1,061,058	(69,420)	(69,420)
Four years	1,010,209	1,010,209	(69,934)	(69,934)
Five years	1,005,240	1,005,240	(68,459)	(68,459)
Six to ten years	5,015,308	5,015,308	(293,833)	(293,833)
More than ten years	12,709,657	12,709,657	(452,258)	(452,258)
Total	23,786,493	23,786,493	(1,087,740)	(1,087,740)

2024

	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Life
	JD	JD	JD	JD
Expected years of CSM recognition				
One year	2,010,421	2,010,421	(8,748)	(8,748)
Two years	946,778	946,778	(6,262)	(6,262)
Three years	1,054,438	1,054,438	(6,354)	(6,354)
Four years	1,090,158	1,090,158	(5,285)	(5,285)
Five years	1,036,192	1,036,192	(8,828)	(8,828)
Six to ten years	5,024,525	5,024,525	(16,103)	(16,103)
More than ten years	12,088,729	12,088,729	77,142	77,142
Total	23,251,241	23,251,241	25,562	25,562

#### **47. Amortization of Acquisition Expenses for Insurance Contracts Assets**

	2025							
	Motor	Fire	Liability	Marine	Medical	Life	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Expected years for the amortization of acquisition expenses for insurance contracts assets								
One year	-	-	-	-	-	(517,966)	-	(517,966)
Two years	-	-	-	-	-	(275,072)	-	(275,072)
Three years	-	-	-	-	-	(303,648)	-	(303,648)
Four years	-	-	-	-	-	(273,961)	-	(273,961)
Five years	-	-	-	-	-	(295,491)	-	(295,491)
Six to ten years	-	-	-	-	-	(2,051,886)	-	(2,051,886)
More than 10 years	-	-	-	-	-	(5,972,613)	-	(5,972,613)
Total	-	-	-	-	-	(9,690,637)	-	(9,690,637)

	2024							
	Motor	Fire	Liability	Marine	Medical	Life	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Expected years for the amortization of acquisition expenses for insurance contracts assets								
One year	-	-	-	-	-	(378,878)	-	(378,878)
Two years	-	-	-	-	-	(165,516)	-	(165,516)
Three years	-	-	-	-	-	(206,153)	-	(206,153)
Four years	-	-	-	-	-	(234,584)	-	(234,584)
Five years	-	-	-	-	-	(200,692)	-	(200,692)
Six to ten years	-	-	-	-	-	(1,373,302)	-	(1,373,302)
More than 10 years	-	-	-	-	-	(4,195,510)	-	(4,195,510)
Total	-	-	-	-	-	(6,754,635)	-	(6,754,635)

#### **48. Analysis of Accounts Receivable**

	2025			2024		
	Accounts receivable	Provision for expected credit losses	Total	Accounts receivable	Provision for expected credit losses	Total
	JD	JD	JD	JD	JD	JD
Motor	-	-	-	1,284	(1,284)	-
Liability	166,470	(3,893)	162,577	231,614	(3,893)	227,721
Marine	80,142	-	80,142	140,228	-	140,228
Fire	571,425	(3,951)	567,474	441,416	(3,893)	437,523
Life	1,282,682	-	1,282,682	836,586	-	836,586
Medical	6,235,048	(275,258)	5,959,790	5,688,285	(298,984)	5,389,301
Others	2,656	-	2,656	7,052	(237)	6,815
Total	8,338,423	(283,102)	8,055,321	7,346,465	(308,291)	7,038,174