

**JORDAN INSURANCE COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2025**

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Jordan Insurance Company Public Shareholding Company**  
**Amman – Jordan**

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

**Opinion**

We have audited the financial statements of Jordan Insurance Company Public Shareholding Company (the "Company") which comprise of the statement of financial position as at 31 December 2025, the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the International Ethics Standards Board for Accountants (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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of a Matter**

Without qualifying our opinion. We draw attention to note number (41) to the financial statements, the solvency ratio reached 178% as at 31 December 2025 which is less than the percentage determined by the Central Bank of Jordan of 200%.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<p><b>1. Recognition of insurance contracts revenue</b></p> <p>Revenue is an important determinant of the Company's profitability. In addition, there is a risk of improper revenue recognition, particularly with regard to the procedures for recognizing revenues in the correct period. Insurance contracts revenues amounted to JD 89,895,485 for the year ended 31 December 2025.</p>	<p><b>How the key audit matter was addressed in the audit</b></p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>- Evaluating the accounting policies used to recognize the Company's revenues and evaluate whether the policies followed are in accordance with International Financial Reporting Standard No. (17).</li> <li>- We tested the Company's controls over revenue recognition, in addition to the main controls for these revenues.</li> <li>- We selected and reviewed a sample of insurance contracts before and after the date of the financial statements to ensure that revenues were recognized in the correct periods.</li> <li>- We performed analytical procedures on revenues accounts based on business activities.</li> <li>- We recalculated revenues for each business activity using data extracted from the Company's systems and acquisition costs based on the earning pattern of contracts. We also examined a sample of transactions and linked them with relevant policies to assess the accuracy of the extracted data. In addition, we tested and reviewed a sample of the entries recorded on the closing date of the financial statements.</li> </ul> <p>The disclosures related to accounting policies for revenue recognition and disclosure related to insurance contracts revenues are disclosed in note number (2) and note number (20) to the financial statements.</p>
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<p><b>2. Measurement and completeness of insurance contracts liabilities in accordance with International Financial Reporting Standard No. (17)</b></p> <p>The Company's insurance contracts liabilities amounted to JD 59,279,522 representing 92.21% of the total liabilities as at 31 December 2025.</p> <p>Measuring the amount of insurance contracts liabilities involves assumptions and management's use of estimates to calculate and measure Insurance and reinsurance contracts liabilities through measuring the present value of cash flows, risk adjustments, measuring onerous contracts and measuring the discount rate and contract service margin.</p> <p>Based on all of the above, the measurement and completeness of insurance contracts liabilities was considered a key audit matter.</p>	<p><b>How the key audit matter was addressed in the audit</b></p> <p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"><li>- We obtained an understanding of the Company's procedures related to measuring insurance contracts liabilities, including entity-level controls, which the Company has adopted for the accounting process according to the standard.</li><li>- Evaluating the Company's methodology for calculating insurance contracts liabilities and evaluating the policies in accordance with International Financial Reporting Standard 17.</li><li>- We tested the accuracy and completeness of the historical data used to measure insurance contracts liabilities by tracking a sample of data for the main contracts and reconciling the data to previous accounting records.</li><li>- Testing samples from the claims reserves by comparing the estimated reserve amount of the case with the appropriate documentation and the amounts paid in subsequent periods.</li><li>- We performed analytical procedures on liabilities accounts based on business activity, and recalculated the unearned premium reserve and issuance costs that constitute the liability for remaining coverage for each business activity using data extracted from the Company's systems.</li><li>- We evaluated the competence and objectivity of the actuary appointed by the management.</li><li>- We assessed the adequacy of the disclosures of the financial statement regarding these liabilities.</li><li>- We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRSs.</li><li>- In addition, with the assistance of our internal actuarial, we performed the following:<ul style="list-style-type: none"><li>• Determined if the calculation methods and the model used were appropriate.</li><li>• Assessed the following key assumptions:<ul style="list-style-type: none"><li>- Loss ratios</li><li>- Claims development factors</li><li>- Discount rates</li></ul></li><li>• Determined if the estimates applied in the current and prior year were consistent.</li></ul></li></ul> <p>The disclosures related to accounting policies for insurance contracts liabilities and disclosure related to insurance contracts liabilities are disclosed in note number (2) and note number (9) to the financial statement.</p>
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## **Other information included in the Company's 2025 annual report**

Other information consists of the information included in the Company's 2025 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2025 Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the 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 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 Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the International Ethics Standards Board for Accountants (IASB)., and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 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 reasonable be expected to outweigh the public interest benefits of such communication.

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

The Company maintains proper books of accounts which are in agreement with the financial statements taking into consideration what was stated in the emphasis of matter paragraph.

The partner in charge of the audit resulting in this auditor's report was Ahmad Mahmoud Abu Asabeh; license number 1155.

Amman – Jordan  
26 February 2026

**ERNST & YOUNG**  
Amman – Jordan

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	Notes	31 December 2025 JD	31 December 2024 JD
<b><u>Assets</u></b>			
<b>Investments -</b>			
Bank deposits	3	39,339,886	31,824,580
Financial assets at fair value through profit or loss	4	2,338,525	1,942,873
Financial assets at fair value through other comprehensive income	5	21,040,716	22,311,213
Financial assets at amortized cost	6	1,119,590	1,119,590
Investment property - net	7	13,002,544	15,852,736
<b>Total Investments</b>		<b>76,841,261</b>	<b>73,050,992</b>
<b>Other assets -</b>			
Cash on hand and at banks	8	3,991,339	4,565,508
insurance contracts assets	9	79,974	-
Reinsurance contracts assets - net	9	22,078,091	22,033,769
Deferred tax assets	10/D	3,542,657	2,992,943
Property and equipments - net	11	1,068,070	1,115,365
Intangible assets - net	12	241,124	253,443
Other assets	13	4,101,304	3,184,311
<b>Total Assets</b>		<b>111,943,820</b>	<b>107,196,331</b>
<b><u>Liabilities and Equity</u></b>			
Insurance contracts liabilities - premium allocation approach	9	56,335,605	55,440,438
Insurance contracts liabilities - general measurement model	9	1,126,171	1,493,559
Reinsurance contracts liabilities	9	1,817,746	1,886,335
<b>Total Insurance contract liabilities</b>		<b>59,279,522</b>	<b>58,820,332</b>
<b>Other liabilities -</b>			
Other provisions	14	1,282,735	1,025,715
Income tax provision	10/A	1,449,009	1,148,289
Deferred tax liabilities	10/D	679,884	274,982
Other liabilities	15	1,592,692	1,392,090
<b>Total Liabilities</b>		<b>64,283,842</b>	<b>62,661,408</b>
<b>Equity -</b>			
Paid-in capital	1,16	30,000,000	30,000,000
Statutory reserve	17	7,500,000	7,500,000
Fair value reserve	18	(3,083,492)	(2,248,193)
Retained earnings	19	13,243,470	9,283,116
<b>Total Equity</b>		<b>47,659,978</b>	<b>44,534,923</b>
<b>Total Liabilities and Equity</b>		<b>111,943,820</b>	<b>107,196,331</b>

The attached notes 1 to 48 form part of these financial statements



**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b>Revenues -</b>			
Insurance contracts revenues	20	89,895,485	88,978,118
Insurance contracts expenses	21	(69,192,974)	(65,902,288)
<b>Insurance contracts services results</b>		<b>20,702,511</b>	<b>23,075,830</b>
Reinsurance contracts results	22	(38,705,467)	(41,882,559)
Reinsurance contracts recoveries	23	19,665,942	22,762,368
<b>Reinsurance contracts services results</b>		<b>(19,039,525)</b>	<b>(19,120,191)</b>
<b>Net insurance contracts results</b>		<b>1,662,986</b>	<b>3,955,639</b>
Finance expense - insurance contracts - net	24	(694,993)	(630,665)
Finance income - reinsurance contracts - net	25	32,808	62,947
<b>Net insurance contracts financing results</b>		<b>1,000,801</b>	<b>3,387,921</b>
Interest income	26	1,273,823	1,298,810
Gain from financial assets and investments - net	27	3,840,510	546,956
Other revenues - net	28	1,255,358	573,928
<b>Total revenues</b>		<b>7,370,492</b>	<b>5,807,615</b>
General and administrative expenses	29	1,435,164	2,208,336
Other expenses	30	-	4,615
<b>Total</b>		<b>1,435,164</b>	<b>2,212,951</b>
<b>Total expenses</b>		<b>1,435,164</b>	<b>2,212,951</b>
<b>Profit for the year before tax</b>		<b>5,935,328</b>	<b>3,594,664</b>
Less: income tax expense	10/B	(1,659,245)	(1,284,107)
<b>Profit for the year</b>		<b>4,276,083</b>	<b>2,310,557</b>
Basic and diluted earnings per share from profit for the year	31	0.143	0.077

The attached notes 1 to 48 form part of these financial statements

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<u>2025</u>	<u>2024</u>
	JD	JD
<b>Profit for the year</b>	4,276,083	2,310,557
<b>Add: Other comprehensive income after tax not to be reclassified to statement of income in subsequent periods</b>		
Change in fair value of financial assets through other comprehensive income	(835,299)	(1,199,226)
Losses (gains) from the Sale of Financial Assets at Fair Value through Other Comprehensive Income	(315,729)	8,203
<b>Total comprehensive income for the year</b>	<u>3,125,055</u>	<u>1,119,534</u>

**The attached notes 1 to 48 form part of these financial statements**

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Paid-in capital	Statutory reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD
<b><u>2025 -</u></b>					
Balance as at 1 January 2025	30,000,000	7,500,000	(2,248,193)	9,283,116	44,534,923
Gain from sale financial assets at fair value through other comprehensive income	-	-	315,729	(315,729)	-
Total comprehensive income for the year	-	-	(1,151,028)	4,276,083	3,125,055
<b>Balance as at 31 December 2025</b>	<u>30,000,000</u>	<u>7,500,000</u>	<u>(3,083,492)</u>	<u>13,243,470</u>	<u>47,659,978</u>
<b><u>2024 -</u></b>					
Balance as at 1 January 2024	30,000,000	7,500,000	(1,048,967)	7,764,836	44,215,869
Prior years adjustments *	-	-	-	(800,480)	(800,480)
Adjusted Balance at 1 January 2024	30,000,000	7,500,000	(1,048,967)	6,964,356	43,415,389
Gain from sale financial assets at fair value through other comprehensive income	-	-	(8,203)	8,203	-
Total comprehensive income for the year	-	-	(1,191,023)	2,310,557	1,119,534
<b>Balance as at 31 December 2024</b>	<u>30,000,000</u>	<u>7,500,000</u>	<u>(2,248,193)</u>	<u>9,283,116</u>	<u>44,534,923</u>

\* This item represents the effect of prior years' adjustments related to the change in the approach of premium recognition from the policy effective date to the issuance date, in the amount of JD 619,361. The company considers each policy to become due automatically upon issuance, regardless of the policy's effective date. It is worth noting that the company calculates unearned premiums based on the effective date, and any policies with an effective date after 31-December are fully added to the unearned premiums. The company also conducted a review of paid claims and expenses upon the transition from IFRS 4 to IFRS 17, which revealed differences amounting to JD 181,119 related to the years 2022 and 2023.

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 JD	2024 JD
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit for the year before tax		5,935,328	3,594,664
<b>Adjustments -</b>			
Depreciation and amortization	7,11,12	389,399	380,045
Provision for expected credit losses on insurance receivables	9	75,000	350,000
Provision for expected credit losses on reinsurance receivables	9	740,000	50,000
Gain (loss) on the valuation of financial assets at fair value through profit or loss		(628,346)	122,162
Gain on sale of financial assets at fair value through profit or loss		(9,264)	(563)
Dividends income from financial assets at fair value through profit or loss		(485,142)	(256,087)
Gains from the sale of Investment Properties		(2,012,995)	-
Interest income		(1,273,823)	(1,298,810)
End-of-service indemnity		72,430	150,633
<b>Cash flows from operating activities before changes in working capital</b>		<b>2,802,587</b>	<b>3,092,044</b>
Reinsurance contracts assets - net		(852,911)	(2,080,655)
Other assets		(916,993)	456,696
Insurance contracts liabilities - premium allocation approach		740,193	6,654,072
Insurance contracts liabilities - general measurement model		(367,388)	154,006
Other provisions		257,020	(4,529)
Other liabilities		200,602	(241,789)
<b>Net cash flows from operating activities before income tax and provisions paid</b>		<b>1,863,110</b>	<b>8,029,845</b>
Income tax paid	10/A	(1,746,989)	(1,572,874)
End-of-service provision paid		(41,910)	(318,345)
<b>Net cash flows from operating activities</b>		<b>74,211</b>	<b>6,138,626</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Deposits at banks maturing after three months	3	153,694	8,541
Purchase of property and equipment	11	(55,204)	(69,449)
Purchase of intangible assets	12	(133,687)	(99,382)
Purchase of investment properties	7	(44,047)	(306,196)
Purchase of financial assets at fair value through other comprehensive income		(1,321,065)	-
Purchase of financial assets at amortized cost		-	(446,040)
Proceeds from sale of financial assets through profit or loss		241,958	391,671
Dividends received		485,142	256,087
Interest received		1,273,823	1,298,810
Proceeds from Sale of Investment Properties		4,766,340	-
Proceeds from sale of financial assets through other comprehensive income		1,492,260	-
<b>Net cash flows from investing activities</b>		<b>6,859,214</b>	<b>1,034,042</b>
Net increase in cash and cash equivalent		6,933,425	7,172,668
Cash and cash equivalents at the beginning of the year		34,037,667	26,864,999
<b>Cash and cash equivalents at the end of the year</b>	32	<b>40,971,092</b>	<b>34,037,667</b>

The attached notes 1 to 48 form part of these financial statements

**(1) GENERAL**

Jordan Insurance Company was established in 1951 and registered as a Jordanian public shareholding limited company under number (11) with an authorized capital of JD 100 thousand. On 12 July 1981, the Company's capital was increased to JD 1.1 million. On 1 May 1988, the General Insurance Society for Near East Company (Al – Ittihad Al-Watani) in Jordan was merged with Jordan Insurance Company after evaluating both companies' assets. Consequently, the Company's capital was increased to JD 5 million, divided into 5 million shares of JD 1 each. Furthermore, the Company's capital was increased in stages, the last of which was during the year 2006 to become JD 30 million, divided into 30 million shares of JD 1 per share. The Company's address is Amman - Prince Mohammed Street – P.O. Box 279 Amman - 11118, Jordan.

The Company conducts all types of insurance activities inside the Hashemite Kingdom of Jordan and has branches in Abu Dhabi, Sharjah, and Dubai. It also markets insurance policies in Kuwait through an agency.

The financial statements were approved by the Board of Directors in its meeting held on 24 February 2026 and is subject to the General Assembly approval and Central Bank ratification.

**(2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

The financial statements were prepared according to the historical cost, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are shown at fair value at the date of the financial statements.

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

**(2-1) CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024 except for the adoption of new amendments on the standards effective as of 1 January 2025 shown below:

**Lack of exchangeability - Amendments to IAS 21**

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The amendments did not have a material impact on the Company's financial statements.

**(2-2) MATERIAL ACCOUNTING POLICES**

The following are the major material accounting policies applied:

**Sector information:**

The business sector represents a group 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 of the Company.

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

**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).

## **IFRS 17 Insurance Contracts**

### **Insurance Contract Definition**

The contract under which the insurance company accepts substantial insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event negatively affects the policyholder and the next term groups of insurance contracts issued are initially recognized from the earliest of the following;

- The beginning of the coverage period;
- The date of the first payment;
- The date when the contract is considered onerous.

As for insurance contracts that contain the direct participation feature and that have economic characteristics similar to the insurance contract (long coverage period, recurring premiums and the amount or timing of the return at the discretion of the issuer) and are linked to the same assets or participation in the performance of insurance contracts, contracts that contain that feature at the beginning of the contracts is as follows:

- Participation of the insured/beneficiaries with a share of the insurance contract portfolio.
- The possibility that the Company will pay the insureds/beneficiaries a significant share of the fair value proceeds of the investments associated with the group of insurance contracts.
- There is a high possibility that the amounts paid to the insured/beneficiaries will change by changing the fair value of the investments associated with the group of insurance contracts.

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 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 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.

### **Retained Reinsurance contracts**

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

Reinsurance contracts held are recognized:

- The beginning of the coverage period of the reinsurance contract or upon the initial recognition of the insurance contract issued by the Company if the reinsurance contract is proportional with the set of insurance contracts.
- From the beginning of the coverage period for the set of reinsurance contracts held for other cases.

### **Liabilities for remaining coverage**

The amount that the Company must monitor upon recognition of insurance contracts, which pertains to subsequent financial periods as a result of valid insurance contracts.

### **Liabilities for incurred claims**

It is the total value of the expected costs incurred by the Company as a result of insurance contract covered notices that were signed before the end of the financial period and include those reported and unreported claims, in addition to related expenses.

### **Contractual Service Margin**

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

### **Post-measurement of insurance contracts / General measurement model**

The Company shall recognize the book value of any of the insurance contract groups at the end of each period and the sum of the following shall be:

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 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 adjustments for non-financial risks, taking into account the application of the discount rate on claims expected to be settled beyond 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 costs paid for the acquisition of insurance contracts on that date.
- Plus or minus any amount arising from cash flows related to the costs of acquiring insurance contracts.

### **Subsequent measurement / Premium allocation approach**

1. At the end of each subsequent period, the Company shall recognize the book value of the obligation, taking into account the following adjustments to the balance of the obligation:
  - Add insurance premiums received for the period.
  - Minus the cash flows to acquire insurance contracts.
  - Add any amounts related to the amortization of cash flows to acquire insurance contracts recognized as an expense.
  - Adding amendments to the financing component.
  - Minus the amount recognized as insurance income for coverage provided in that period.
  - Minus any paid investment component or transfer of 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.

### **Amendment of insurance contracts**

The Company amends insurance contracts by addressing anticipated changes in future cash flows as a result of changes in estimates of cash flows for the fulfillment of contracts unless the conditions for the cancellation of recognition of insurance contracts apply.

### **Derecognition of insurance contracts**

The Company derecognise the recognition of insurance contracts in the following cases:

- Termination of the contract (adjudication, obligation specified in insurance contract or fulfillment or cancelation).
- If insurance contract is amended and this amendment does not meet the conditions of the amendment according to the requirements of the standard, the Company cancels the contract and recognizes a new contract.

### **Onerous Insurance contracts**

The Company recognizes insurance contracts as contracts expected to lose if the contract is expected to be lost on the date of initial recognition and the loss component is measured by comparing the expected cash flows to meet the requirements of the contract or group of contracts with the cash flows obtained from this contract or group of contracts. The Company shall disclose the loss component if the contractual service margin is zero (applicable only to the general measurement model and variable fee approach).

## **Summary of Measurement Methods**

1. The Company 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
Marine and transportaion	Premium allocation approach	Marine and transportation	Premium allocation approach
Fire and damages property	Premium allocation approach	Fire and damages property	Premium allocation approach
Liability	Premium allocation approach	Liability	Premium allocation approach
Medical	Premium allocation approach	Medical	Premium allocation approach
Life – Group	Premium allocation approach	Life – Group	Premium allocation approach
Life – Individual	General approach	Life – Individual	General approach
Others	Premium allocation approach	Others	Premium allocation approach

## **Aggregation level**

IFRS 17 requires the Company to determine the level of aggregation for applying its requirements. Insurance contract portfolios are divided into groups by underwriting year so that they group portfolios of insurance contracts with similar risks and managed together.

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

The Company adopted the method of full retrospective application of the transition to IFRS 17 under the approach of premium allocation. 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.

### **Profitability level**

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

- Contracts for which there is no probability of becoming onerous upon initial recognition.
- Contracts expected to be onerous.
- Other contracts (if any).

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company 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 Company 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 Company 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 Company 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 Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance 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 reinsurance contracts held.
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

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

### **Insurance contracts – modification and derecognition**

The Company 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 Company derecognises the initial contract and recognises the modified contract as a new contract.

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

### **Unit of measurement**

The Company 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 Company 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 Company uses significant judgement to determine at what level of granularity the Company 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 company without performing an individual contract assessment.

For life risk and savings product lines, sets of contracts usually correspond to policyholder pricing Groups that the Company determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Company 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 Company 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 Company tracks internal management information reflecting historical experiences of such contracts' performances. 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 of 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 Company 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 Company, 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 Company'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 Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts. The Company 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 Company 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 Company has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- The Company 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
- Both of the following criteria are satisfied:
  - The Company 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
  - 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 Company 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 Company performs PAA Eligibility testing to confirm whether the PAA may be applied. Subject to passing the PAA eligibility testing, the Company applied PAA on contract issued and reinsurance contracts held that pass the testing. As per the recent testing performed, General Measurement Model (GMM) has been applied.

When measuring liabilities for remaining coverage (LRC), the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

### **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 Company 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 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 Company recognizes the net cost immediately in the statement of income. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company 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.

No contracts acquired were assessed as onerous at initial recognition.

### **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 Company 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 book value 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 cash flows**

The FCF are updated by the Company 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 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, except those described in the following paragraph;
- 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 as described in the section Interest accretion on the CSM below.

#### **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 Company to reflect the effect of the following changes:

- a) The effect of any new contracts added to the Company.
- 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.

### **Onerous contracts – Loss component on GMM**

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

When a loss component exists, the Company 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 Company 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.

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

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

The book value 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 book value 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 Company 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. Future cash flows are adjusted for the time value of money since motor insurance contracts issued by the Company and measured under the PAA typically have a settlement period of over one year.

#### **Onerous contracts – Loss component on PAA**

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

For non-onerous contracts, the Company 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 statement of income in insurance service expense.

The loss component is then amortized to the 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 Company 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 Company 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 Company 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 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 Company incurs those costs. No separate asset is recognized for deferred acquisition costs. Instead, qualifying insurance acquisition cash flows are subsumed into the insurance liability for remaining coverage.

### **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 Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

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

### **Insurance revenue**

As the Company 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 Company 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:
    - i. Amounts related to the loss component;
    - ii. Repayments of investment components;
    - iii. Amounts of transaction-based taxes collected in a fiduciary capacity; and
    - iv. Insurance acquisition expenses;
  - b. Changes in the risk adjustment for non-financial risk, excluding:
    - i. Changes included in insurance finance income (expenses);
    - ii. Changes that relate to future coverage (which adjust the CSM); and
    - iii. 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 Company 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 statement of income.

### **Net income (expenses) from Reinsurance contracts held**

The Company 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 Company 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 Company 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**

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.

### **Discount rates**

The Company adopt a bottom-up approach in deriving appropriate discount rates. The starting point for these discount rates will be appropriate reference liquid risk-free curves– taking consideration for the currency characteristics of the contracts and their respective cashflows. The risk-free reference curve will be the European Insurance and Occupational Pensions Authority curve, and the relevant country specific credit risk premium will be loaded as required.



### **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.

### **Derivation of the risk adjustment**

The Company has determined that the derivation of the risk adjustment shall be performed at the operating company 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 company's triangles with consideration to market benchmarks.

The Company applies judgment to determine the appropriate risk adjustment based on the non-financial risks associated with their portfolios of insurance contracts to determine the desired risk adjustment.

### **Fair value**

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

For financial instruments where there is no active market fair value is normally based on one of the following methods:

- Comparison with the current market value of a highly similar financial instrument.
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Option pricing models.

The objective of the valuation method is to show a fair value that reflects market expectations. Where the fair value of an investment cannot be reliably measured, it is stated at cost less any impairment in the value.

**A- 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 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 rarely cases to measure these assets at fair value through statement of income 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.

**B- 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 statement of income.
- These financial assets are not subject to impairment testing.
- Dividend income is recognized in the statement of income.

### **C- Financial assets at fair value through profit or loss**

- These assets represent investments in shares of companies for trading purposes and that their purpose is to generate profits from short-term market price fluctuations or trading profit margin.
- These assets are recognized at fair value upon purchase (acquisition expenses are charged to the statement of income and expenses upon purchase) and subsequently revalued at fair value. The change in fair value is reflected in the statement of income and expenses, including the change in fair value resulting from the differences in the conversion of items of non-cash assets in foreign currencies. In the event of the sale of these assets or part of them, the resulting profit or loss is taken into account in the statement of income.
- Dividends or accrued interest are recorded in the statement of income.

### **Impairment in Financial Assets Value**

An assessment is made 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 statement of income. Any recoveries in the future resulting from previously recognized impairment is credited to the statement of income.

### **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 statement of income.

Investment properties are revalued accordance to the Central Bank of Jordan's instructions and the related fair value is disclosed in the related note.

### **Cash and Cash equivalents**

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

### **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 statement of income:

	<u>%</u>
Building	2
Equipment, tools and furniture	7-25
Vehicles	15

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 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 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.

### **Intangible assets**

Intangible assets acquired through business combinations are recorded at their fair value on that date, other intangible assets acquired through other way are measured on initial recognition at cost.

Intangible assets are classified based on either its estimated usual economic lives or indefinite useful lives. Intangible assets, with finite lives, are amortized over the useful economic lives and is in the statement of income 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, and any impairment is taken to the statement of income.

Indications of impairment of intangible assets are reviewed for and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the current and subsequent periods.

Intangible assets include computer software and software licenses. These intangible assets are amortized on a straight-line basis at a rate of 25% annually.

### **Provisions**

Provisions are recognized when the Company has an obligation at the date of the 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.

### **Provision for expected credit losses**

The Company 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 Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors and economic environment.

### **End-of-service provision**

The plans liability is determined actuarial expert. The obligation provision and pension costs are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Past service costs are recognized in profit or loss on the earlier of the date of plan amendment or the date that the company recognizes related costs. Actuarial gains or losses are recognized in OCI in the period in which they occur.

Gain or loss is realized from amendment or payment of the benefits when it occurs. The end of service obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

### **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.

### **Offsetting**

Financial assets and financial liabilities are only offset, and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **Dividend and interest revenues**

The dividends revenues 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.

### **Expense recognition**

All commissions and other costs for obtaining new or renewed insurance documents are amortized in the income statement when they occur. Expenses are recognized using the accrual basis.

### **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 statement of financial position date as issued by Central Bank of Jordan.

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

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

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

### **Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The details of significant estimates made by management as follows:

- A provision for expected credit losses is estimated by the management based on their principles and assumptions according to International Financial Reporting Standards.
- The financial year is charged with its related income tax in accordance with laws and regulations.
- The management periodically reviews tangible and intangible assets useful life in order to calculate the depreciation and amortization amount depending on the status of these assets and future benefit. The impairment loss (if any) appears on the statement of income.

- A provision on lawsuit against the Company is made based on the Company's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.
- The management periodically reviews whether a financial asset or group of financial assets is impaired. if so, this impairment is taken to the statement of income for the year.
- The management periodically reviews financial assets, which are shown at cost, to estimate any decline in their value, and this decline is recognized in the statement of income for the year.

### **Insurance and Reinsurance contracts**

#### **A. PAA Eligibility Assessment**

The Company has calculated a Liability for remaining coverage (LRC) and Asset for remaining coverage (ARC) for those groups of insurance contracts written 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 Company then checks for any material differences for the contracts with coverage period of more than one year. In case the Company notes any material differences, it follows the GMM approach, and where there is no material difference, the Company 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 Company'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 company'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. Onerousness determination**

For contracts measured under GMM a company 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 Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

The Company 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 Company also relies on the same group of contracts' weighted actual emerging experience.

**D. Expense Allocation**

The company identifies expenses that are directly attributable to obtaining insurance contracts (acquisition costs) and fulfilling/maintaining (other allocated expenses) such contracts, as well as those expenses that are not directly attributable to the aforementioned contracts (unallocated expenses). Acquisition costs, such as underwriting costs including other expenses except for the initial commission paid, are no longer recognized in the income statement when incurred; instead, they are amortized over the life of the group of contracts based on the passage of time.

Other allocated expenses related to groups of contracts are distributed using an allocation mechanism that considers cost estimation principles based on activities. The company has identified specific costs directly related to groups of contracts, as well as costs where judicial judgment is applied to determine the share of expenses as an acceptable liability for compensation to that company.

On the other hand, unallocated expenses and overheads are recognized in the income statement as soon as they are incurred. The ratio of directly attributable costs to unallocated costs will initially change the pattern in which expenses are recognized.

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**(3) BANK DEPOSITS**

This item consists of the following:

	31 December 2025				31 December 2024
	Deposits maturing in 1 month	Deposits maturing in 1 month to 3 months	Deposits maturing more than one year	Total	Total
	JD	JD	JD	JD	JD
<b>Inside Jordan -</b>					
Arab Jordan Investment Bank	1,421,015	1,600,000	-	3,021,015	959,512
Jordan Commercial Bank	-	2,503,740	-	2,503,740	207,529
Arab Bank *	-	-	1,102,533	1,102,533	1,075,621
Arab Banking Corporation Bank	414,032	-	-	414,032	1,608,499
Invest Bank	3,400,000	-	-	3,400,000	-
Cairo Amman Bank	500,000	-	-	500,000	-
Blom Bank	1,126,645	-	-	1,126,645	937,046
Jordan Kuwait Bank	6,148	-	-	6,148	6,005
<b>Total banks deposits inside Jordan</b>	<b>6,867,840</b>	<b>4,103,740</b>	<b>1,102,533</b>	<b>12,074,113</b>	<b>4,794,212</b>
<b>Outside Jordan -</b>					
Arab Bank – UAE	-	-	105,600	105,600	1,756,800
Mashreq Bank	-	12,201,600	-	12,201,600	10,195,200
Shareqa Islamic Bank	-	10,416,000	-	10,416,000	11,647,960
Al Fujairah National Bank	-	-	1,152,000	1,152,000	-
Abu Dhabi First Bank	-	3,390,573	-	3,390,573	3,430,408
<b>Total bank deposits outside Jordan</b>	<b>-</b>	<b>26,008,173</b>	<b>1,257,600</b>	<b>27,265,773</b>	<b>27,030,368</b>
<b>Total deposit at bank</b>	<b>6,867,840</b>	<b>30,111,913</b>	<b>2,360,133</b>	<b>39,339,886</b>	<b>31,824,580</b>

\* The pledged deposits in favor of the Governor of the Central Bank of Jordan in addition to his position amounted to JD 1,050,000 as at 31 December 2025 and 2024 and maturing after more than after one year.

- Interest rates on deposits at banks in Jordanian dinars ranges from 4.5% to 5.75% as at 31 December 2025 and 2024.

**(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS STATEMENT**

This item consists of the following:

	31 December 2025	31 December 2024
	JD	JD
Shares of listed companies	2,338,525	1,942,873

**(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

This item consists of the following:

	31 December 2025	31 December 2024
	JD	JD
<b>Inside Jordan:</b>		
Listed shares	8,051,443	5,525,504
Unlisted shares	24,591	39,101
	<u>8,076,034</u>	<u>5,564,605</u>
<b>Outside Jordan:</b>		
Listed shares	8,544,988	12,331,026
Unlisted shares*	4,419,694	4,415,582
	<u>12,964,682</u>	<u>16,746,608</u>
	<u>21,040,716</u>	<u>22,311,213</u>

\*This item includes 4,362,140 which represents an investment in the shares of Asia Insurance Company (Iraq). The shares registered in the name of the company amounted to 5,925,000,000 shares/Iraqi dinars, representing 19.75% of the company's paid-in capital as of 31 December 2025, and 2024.

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**(6) FINANCIAL ASSETS AT AMORTIZED COST**

This item consists of the following:

	31 December 2025 JD	31 December 2024 JD
Listed bonds in financial markets*	1,119,590	1,119,590

- \* This item represents bonds issued by Bank Al Etihad and Ahli Bank in U.S. dollars. These bonds have no maturity date (perpetual), with an annual interest rate of 8.5%, paid quarterly. noting that these bonds are listed on the Amman Stock Exchange.

**(7) INVESTMENT PROPERTY - NET**

This item consists of the following:

	Land* JD	Buildings JD	Total JD
<b>2025 -</b>			
<b>Cost -</b>			
Balance at 1 January	12,159,450	7,663,706	19,823,156
Additions	-	44,047	44,047
Disposal	(2,753,345)	-	(2,753,345)
<b>Balance at 31 December</b>	<u>9,406,105</u>	<u>7,707,753</u>	<u>17,113,858</u>
<b>Accumulated depreciation -</b>			
Balance at 1 January	-	3,970,420	3,970,420
Depreciation for the year	-	140,894	140,894
Balance at 31 December	-	4,111,314	4,111,314
<b>Net book value at 31 December</b>	<u>9,406,105</u>	<u>3,596,439</u>	<u>13,002,544</u>
<b>2024 -</b>			
<b>Cost -</b>			
Balance at 1 January	11,979,661	7,537,299	19,516,960
Additions	179,789	126,407	306,196
<b>Balance at 31 December</b>	<u>12,159,450</u>	<u>7,663,706</u>	<u>19,823,156</u>
<b>Accumulated depreciation -</b>			
Balance at 1 January	-	3,831,234	3,831,234
Depreciation for the year	-	139,186	139,186
Balance at 31 December	-	3,970,420	3,970,420
<b>Net book value at 31 December</b>	<u>12,159,450</u>	<u>3,693,286</u>	<u>15,852,736</u>

- The fair value of investment properties has been determined by real estate experts as of 31 December 2025 to be JD 26,284,662 (2024: JD 26,675,128). In the management's opinion, the fair value of the investment properties exceeds its book value as of 31 December 2025.

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- \* The item includes land valued amounted to JD 163,009 registered in the name of the Jordanian Real Estate Development Company (a related party), with the company to sell and market this piece as it sees fit, aiming to generate profit and benefit for both parties. In return, the Jordanian Real Estate Development Company charges the Jordanian Insurance Company 15% of the profits realized from the sale.

**(8) CASH ON HAND AND AT BANKS**

This item consists of the following:

	31 December 2025 <u>JD</u>	31 December 2024 <u>JD</u>
Cash on hand	29,230	157,261
Balances with banks	<u>3,962,109</u>	<u>4,408,247</u>
	<u><u>3,991,339</u></u>	<u><u>4,565,508</u></u>

**(9) INSURANCE CONTRACTS ASSETS/LIABILITIES**

**Reinsurance contracts assets**

	2025			2024		
	Premium allocation approach (9-C)	General approach (9-C)	Total	Premium allocation approach (9-C)	General approach (9-C)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	374,601	119,824	494,425	(869,408)	154,389	(715,019)
Liability of incurred claims	19,746,009	19,911	19,765,920	20,842,453	20,000	20,862,453
Total	20,120,610	139,735	20,260,345	19,973,045	174,389	20,147,434

**Insurance contracts liabilities**

	2025			2024		
	Premium allocation approach (9-A)	General approach (9-B)	Total	Premium allocation approach (9-A)	General approach (9-B)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	13,659,007	1,096,305	14,755,312	12,826,707	1,463,559	14,290,266
Liability of incurred claims	42,596,624	29,866	42,626,490	42,613,731	30,000	42,643,731
Total	56,255,631	1,126,171	57,381,802	55,440,438	1,493,559	56,933,997

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**9 / A Assets / Liabilities of Insurance Contracts – Premium Allocation Approach**

	Liability for remaining coverage				Liability for incurred claims				Total	
	Non- onerous contracts	Onerous contracts	Non- onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non- financial	Risk adjustment - non- financial		
	2025	2025	2024	2024	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts liabilities / as at 1 January	10,846,055	1,980,652	8,212,591	1,044,989	41,347,516	37,366,496	1,266,215	1,395,513	55,440,438	48,019,589
Insurance contracts assets / as at 1 January	-	-	(85,550)	-	-	(47,345)	-	(808)	-	(133,703)
Insurance contracts liabilities / as at 1 January	10,846,055	1,980,652	8,127,041	1,044,989	41,347,516	37,319,151	1,266,215	1,394,705	55,440,438	47,885,886
Prior year adjustments	-	-	619,361	-	-	181,119	-	-	-	800,480
Insurance contracts liabilities / as at 1 January	10,846,055	1,980,652	8,746,402	1,044,989	41,347,516	37,500,270	1,266,215	1,394,705	55,440,438	48,686,366
Insurance Contract Revenue	(89,600,187)	-	(88,851,751)	-	-	-	-	-	(89,600,187)	(88,851,751)
Insurance Contract Expense :										
Claims Incurred During the year	-	(1,649,220)	-	(695,762)	56,561,156	59,800,640	654,658	800,250	55,566,594	59,905,128
Changes that relate to past service-changes in FCF relating to LIC	-	1,998,321	-	1,631,425	(2,258,911)	(5,619,041)	(576,462)	(940,543)	(837,052)	(4,928,159)
Administrative expenses	-	-	-	-	5,371,018	4,658,351	-	-	5,371,018	4,658,351
Amortization and acquisition expenses	8,970,602	-	6,076,312	-	-	-	-	-	8,970,602	6,076,312
<b>Insurance services results</b>	<b>(80,629,585)</b>	<b>349,101</b>	<b>(82,775,439)</b>	<b>935,663</b>	<b>59,673,263</b>	<b>58,839,950</b>	<b>78,196</b>	<b>(140,293)</b>	<b>(20,529,025)</b>	<b>(23,140,119)</b>
Finance expenses from insurance contracts issued	-	-	-	-	804,513	494,386	23,027	11,803	827,540	506,189
Net- Change in other comprehensive Income	(80,629,585)	349,101	(82,775,439)	935,663	60,477,776	59,334,336	101,223	(128,490)	(19,701,485)	(22,633,930)
<b>Cash flows:</b>										
Premiums received from subscribed contracts	89,915,251	-	93,967,176	-	-	-	-	-	89,915,251	93,967,176
Claims and other directly attributable expenses paid	-	-	-	-	(55,225,089)	(50,824,614)	-	-	(55,225,089)	(50,824,614)
Other expenses	(8,802,467)	-	-	-	-	(4,662,476)	-	-	(8,802,467)	(4,662,476)
Acquisition Expenses- paid	-	-	(9,092,084)	-	(5,371,017)	-	-	-	(5,371,017)	(9,092,084)
<b>Total Cash Flows</b>	<b>81,112,784</b>	<b>-</b>	<b>84,875,092</b>	<b>-</b>	<b>(60,596,106)</b>	<b>(55,487,090)</b>	<b>-</b>	<b>-</b>	<b>20,516,678</b>	<b>29,388,002</b>
Insurance contracts liabilities /as at 31 December	11,508,689	2,329,753	10,846,055	1,980,652	41,133,522	41,347,516	1,363,641	1,266,215	56,335,605	55,440,438
Insurance contracts assets / as at 31 December	(179,435)	-	-	-	95,664	-	3,797	-	(79,974)	-
<b>Net Insurance Contract Liabilities (Assets) – as at 31 December</b>	<b>11,329,254</b>	<b>2,329,753</b>	<b>10,846,055</b>	<b>1,980,652</b>	<b>41,229,186</b>	<b>41,347,516</b>	<b>1,367,438</b>	<b>1,266,215</b>	<b>56,255,631</b>	<b>55,440,438</b>



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**9 / B Insurance Contracts Assets / Liabilities – General Measurement Approach**

	Liability for remaining coverage				Liability for incurred claims				Total	
	2025	2025	2024	2024	2025	2024	2025	2024	2025	2024
	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non-financial	Risk adjustment - non-financial	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts liabilities/ as at 1 January	1,421,292	42,267	1,339,553	-	30,000	-	-	-	1,493,559	1,339,553
Insurance contracts assets / as at 1 January	-	-	-	-	-	-	-	-	-	-
<b>Insurance contracts liabilities (assets) as at 1 January</b>	<b>1,421,292</b>	<b>42,267</b>	<b>1,339,553</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,493,559</b>	<b>1,339,553</b>
Insurance Contract Revenue	(295,298)	-	(126,367)	-	-	-	-	-	(295,298)	(126,367)
Insurance Contract Expense										
Claims Incurred During the Period	-	-	-	-	114,044	169,084	-	-	114,044	169,084
Changes that relate to past service-adjustments in LFIC	8,068	(214)	(31,762)	42,267	(86)	-	-	-	7,768	10,505
Change in risk adjustments	-	-	228	-	-	-	-	-	-	228
Employees expenses	-	-	-	-	-	-	-	-	-	-
Amortization of acquisition cost and expenses	-	-	6,714	-	-	-	-	-	-	6,714
Administrative expenses	-	-	4,125	-	-	-	-	-	-	4,125
Other expenses	-	-	-	-	-	-	-	-	-	-
Changes in contracts expected to be lost	-	-	-	-	-	-	-	-	-	-
<b>Insurance services results</b>	<b>(287,230)</b>	<b>(214)</b>	<b>(147,062)</b>	<b>42,267</b>	<b>113,958</b>	<b>169,084</b>	<b>-</b>	<b>-</b>	<b>(173,486)</b>	<b>64,289</b>
Finance expenses from insurance contracts issued	(132,616)	(731)	124,476	-	800	-	-	-	(132,547)	124,476
Other Changes	848	(27,079)	-	-	(848)	-	-	-	(27,079)	-
<b>Net- Change in other comprehensive Income</b>	<b>(131,768)</b>	<b>(27,810)</b>	<b>124,476</b>	<b>-</b>	<b>(48)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(159,626)</b>	<b>124,476</b>
Premiums received from subscribed contracts	89,868	-	116,535	-	-	-	-	-	89,868	116,535
Incurred Claims	-	-	-	-	(114,044)	(139,084)	-	-	(114,044)	(139,084)
Acquisition Expenses- paid	(2,032)	-	(6,714)	-	-	-	-	-	(2,032)	(6,714)
Other expenses	(8,068)	-	(5,496)	-	-	-	-	-	(8,068)	(5,496)
<b>Total Cash Flows</b>	<b>79,768</b>	<b>-</b>	<b>104,325</b>	<b>-</b>	<b>(114,044)</b>	<b>(139,084)</b>	<b>-</b>	<b>-</b>	<b>(34,276)</b>	<b>(34,759)</b>
Insurance contracts liabilities as at 31 December	1,082,062	14,243	1,421,292	42,267	29,866	30,000	-	-	1,126,171	1,493,559
Insurance contracts assets / as at 31 December	-	-	-	-	-	-	-	-	-	-
<b>Net Insurance Contract Liabilities (Assets) – as at 31</b>										
<b>December</b>	<b>1,082,062</b>	<b>14,243</b>	<b>1,421,292</b>	<b>42,267</b>	<b>29,866</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>1,126,171</b>	<b>1,493,559</b>

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
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**(9-B) Insurance Contracts Assets / Liabilities – General Measurement Model**

**Insurance contracts assets/ liabilities**

	Present value of future cash flows	Present value of future cash flows	Risks Adjustments – Non- Financial	Risks Adjustments – Non- Financial	CSM	CSM	Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts liabilities - Beginning of the period	977,345	1,077,324	2,374	2,601	513,840	259,628	1,493,559	1,339,553
Insurance contracts assets - Beginning of the period	-	-	-	-	-	-	-	-
<b>Net liabilities (assets) of insurance contracts - Beginning of the period</b>	<b>977,345</b>	<b>1,077,324</b>	<b>2,374</b>	<b>2,601</b>	<b>513,840</b>	<b>259,628</b>	<b>1,493,559</b>	<b>1,339,553</b>
<b>Changes Related to Current Services</b>								
Release of Contractual Service Margin (+/-)	-	-	-	-	(53,561)	(26,051)	(53,561)	(26,051)
Experience Adjustments	(122,338)	(133,000)	-	(246)	11,322	151,412	(111,016)	18,166
Change in Risk Adjustment - Non-Financial	-	-	(650)	(95)	-	-	(650)	(95)
Changes Related to Future Services	(8,090)	-	(83)	-	-	-	(8,173)	-
The Impact of Changes Resulting in Onerous Contracts or the Recovery of Losses from Onerous Contracts	-	21,342	-	26	-	20,901	-	42,269
<b>Changes Related to Past Services</b>	<b>(130,428)</b>	<b>(111,658)</b>	<b>(733)</b>	<b>(315)</b>	<b>(42,239)</b>	<b>146,262</b>	<b>(173,400)</b>	<b>34,289</b>
Changes in Liabilities versus Incurred Claims	(86)	30,000	-	-	-	-	(86)	30,000
<b>Insurance services results</b>	<b>(130,514)</b>	<b>(81,658)</b>	<b>(733)</b>	<b>(315)</b>	<b>(42,239)</b>	<b>146,262</b>	<b>(173,486)</b>	<b>64,289</b>
Financing Revenues (Expenses) - From Insurance Contracts	(140,075)	16,438	(292)	88	7,820	107,950	(132,547)	124,476
Other expenses	223,854	-	1,620	-	(252,553)	-	(27,079)	-
<b>Net change in the changes statement of comprehensive income</b>	<b>83,779</b>	<b>16,438</b>	<b>1,328</b>	<b>88</b>	<b>(244,733)</b>	<b>107,950</b>	<b>(159,626)</b>	<b>124,476</b>
Cash Received from Written Premiums	89,868	116,535	-	-	-	-	89,868	116,535
Incurred Claims (-)	(114,044)	(139,084)	-	-	-	-	(114,044)	(139,084)
Paid Acquisition Costs (-)	(2,032)	(6,714)	-	-	-	-	(2,032)	(6,714)
Other expenses (-)	(8,068)	(5,496)	-	-	-	-	(8,068)	(5,496)
<b>Net Cash Flows</b>	<b>(34,276)</b>	<b>(34,759)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,276)</b>	<b>(34,759)</b>
Insurance Contract Liabilities - End of Period	896,334	977,345	2,969	2,374	226,868	513,840	1,126,171	1,493,559
Insurance Contract Assets - End of Period	-	-	-	-	-	-	-	-
<b>Net liabilities (assets) of insurance contracts - End of period</b>	<b>896,334</b>	<b>977,345</b>	<b>2,969</b>	<b>2,374</b>	<b>226,868</b>	<b>513,840</b>	<b>1,126,171</b>	<b>1,493,559</b>

**ACCOUNTS RECEIVABLE RELATED TO INSURANCE OPERATIONS**

This item represents receivables related to insurance operations that were taken into account in the calculation of insurance contracts assets and liabilities:

	31 December 2025	31 December 2024
	JD	JD
Policyholders' receivables	14,732,773	14,464,267
Agents' receivables	440,442	989,115
Brokers' receivables	1,801,226	1,969,605
	16,974,441	17,422,987
Provision for expected credit losses *	(4,718,502)	(4,920,674)
	<u>12,255,939</u>	<u>12,502,313</u>

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

	0-30 days	31-90 days	91-180 days	181-365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD
2025	4,431,154	5,262,137	1,384,890	1,177,758	-	12,255,939
2024	4,074,291	5,629,568	1,691,391	1,107,063	-	12,502,313

\* The Movement on the provision for expected credit losses during was as follows:

	31 December 2025	31 December 2024
	JD	JD
Balance at the beginning of the year	4,920,674	4,820,674
Provision for expected credit losses for the year	75,000	100,000
Transferred to expected credit losses provision for non insurance operation	(277,172)	-
Balance at the end of the year	<u>4,718,502</u>	<u>4,920,674</u>

**ACCOUNTS RECEIVABLE NOT RELATED TO INSURANCE OPERATIONS**

This item represents receivables not related to insurance operations that were taken into account in the calculation of insurance contracts assets and liabilities:

	31 December 2025	31 December 2024
	JD	JD
Employees receivables	102,791	73,301
Other receivables	1,119,450	931,617
	1,222,241	1,004,918
Provision for expected credit losses *	(399,967)	(122,795)
	822,274	882,123

\* The Movement on the provision for expected credit losses during was as follows:

	31 December 2025	31 December 2024
	JD	JD
Balance at the beginning of the year	122,795	72,795
Transferred from expected credit losses provision for insurance operation	277,172	50,000
Balance at the end of the year	399,967	122,795

**Checks Under Collection Related to Insurance Operations**

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

	31 December 2025	31 December 2024
	JD	JD
Promissory Notes	36,550	36,550
Checks under collection due within six months	1,554,979	1,344,528
Checks under collection due within more than six months up to one year	247,273	15,792
	1,838,802	1,396,870
Provision for expected credit losses	(35,350)	(35,350)
	1,803,452	1,361,520

**LIFE POLICYHOLDERS' LOANS RELATED TO INSURANCE OPERATIONS**

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

This item consists of the following:

	31 December 2025	31 December 2024
	JD	JD
Loans to life policyholders which do not exceed the liquidation value	14,897	14,897

The maturity date for loans to life policyholders is as the following:

	More than a year	Total
	JD	JD
2025 -	14,897	14,897
2024 -	14,897	14,897

**ACCOUNT PAYABLES RELATED TO INSURANCE OPERATIONS**

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

	31 December 2025	31 December 2024
	JD	JD
Policyholders' payables	1,455,940	1,774,284
Garages' payables and vehicle's parts' payables	236,402	766,557
Agents' payables	639,613	570,698
Other payables	282,994	663,334
	2,614,949	3,774,873

**ACCOUNT PAYABLES RELATED TO NON INSURANCE OPERATIONS**

This item represents the account payables not related to insurance operations that were taken into account in the calculation of insurance contracts assets and liabilities.

	31 December 2025	31 December 2024
	JD	JD
Other payables	332,658	-
	332,658	-

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
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**9 /C Reinsurance Contracts Assets / Liabilities – Premium Allocation Approach**

<u>Reinsurance contracts</u>	Assets for remaining coverage (ARC)				Assets for Insured coverage (AIC)				Total	
	2025	2025	2024	2024	2025	2024	2025	2024	2025	2024
							Present	Risk		
							Risk	Risk		
	Non- onerous contracts JD	Onerous contracts JD	Non onerous contracts JD	Onerous contracts JD	Present value of future cash flows JD	value of future cash flows JD	adjustment - non- financial JD	adjustment - non- financial JD	Total JD	Total JD
Reinsurance contracts liabilities as at 1 January	(2,198,896)	-	(2,448,862)	-	307,268	283,023	5,293	4,432	(1,886,335)	(2,161,407)
Reinsurance contracts assets as at 1 January	1,351,865	(22,377)	702,423	2,345	19,953,689	19,015,660	576,203	681,830	21,859,380	20,402,258
<b>Insurance contracts liabilities (assets) as at 1 January</b>	<b>(847,031)</b>	<b>(22,377)</b>	<b>(1,746,439)</b>	<b>2,345</b>	<b>20,260,957</b>	<b>19,298,683</b>	<b>581,496</b>	<b>686,262</b>	<b>19,973,045</b>	<b>18,240,851</b>
Reinsurance expenses	(38,642,622)	-	(41,839,288)	-	-	-	-	-	(38,642,622)	(41,839,288)
Reinsurance Revenue	-	(5,329,205)	-	(1,116,982)	22,309,084	22,871,649	218,307	489,621	17,198,186	22,244,288
Changes related to past services	-	5,356,809	-	1,092,260	(2,680,909)	763	(208,087)	(594,943)	2,467,813	498,080
Investments Component	-	-	-	-	-	-	-	-	-	-
<b>Reinsurance services results</b>	<b>(38,642,622)</b>	<b>27,604</b>	<b>(41,839,288)</b>	<b>(24,722)</b>	<b>19,628,175</b>	<b>22,872,412</b>	<b>10,220</b>	<b>(105,322)</b>	<b>(18,976,623)</b>	<b>(19,096,920)</b>
Finance expenses from reinsurance contracts issued	-	-	-	-	28,683	26,481	991	556	29,674	27,037
Effect of exchange rate fluctuation	-	-	-	-	-	-	-	-	-	-
Other Changes	-	-	-	-	-	-	-	-	-	-
<b>Net Change in other comprehensive expenses</b>	<b>(38,642,622)</b>	<b>27,604</b>	<b>(41,839,288)</b>	<b>(24,722)</b>	<b>19,656,858</b>	<b>22,898,893</b>	<b>11,211</b>	<b>(104,766)</b>	<b>(18,946,949)</b>	<b>(19,069,883)</b>
Cash from Written Contracts Paid to Reinsurer	39,859,027	-	42,738,696	-	-	-	-	-	39,859,027	42,738,696
Claims Incurred Recovered from Reinsure	-	-	-	-	(20,764,513)	(21,936,619)	-	-	(20,764,513)	(21,936,619)
Profit Commission Recovered from Reinsurer	-	-	-	-	-	-	-	-	-	-
Recovered Other amounts	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Flows</b>	<b>39,859,027</b>	<b>-</b>	<b>42,738,696</b>	<b>-</b>	<b>(20,764,513)</b>	<b>(21,936,619)</b>	<b>-</b>	<b>-</b>	<b>19,094,514</b>	<b>20,802,077</b>
Reinsurance contracts liabilities / as at 31 Dec 2025	(2,131,852)	-	(2,198,896)	-	309,113	307,268	4,993	5,293	(1,817,746)	(1,886,335)
Reinsurance contracts assets / as at 31 Dec 2025	2,501,226	5,227	1,351,865	(22,377)	18,844,189	19,953,689	587,714	576,203	21,938,356	21,859,380
<b>Net Reinsurance Contract Liabilities (Assets) – as at 31 December</b>	<b>369,374</b>	<b>5,227</b>	<b>(847,031)</b>	<b>(22,377)</b>	<b>19,153,302</b>	<b>20,260,957</b>	<b>592,707</b>	<b>581,496</b>	<b>20,120,610</b>	<b>19,973,045</b>

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
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**9 / C Reinsurance Contracts Assets / Liabilities Held - General Measurement Model**

	Assets for remaining coverage (ARC)				Assets for Insured coverage (AIC)				Total	
	2025	2025	2024	2024	2025	2024	2025	2024	2025	2024
	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Present value of future cash flows	Risk adjustment - non-financial	Risk adjustment - non-financial	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Reinsurance contracts liabilities as at 1 January	-	-	-	-	-	-	-	-	-	-
Reinsurance contracts assets as at 1 January	154,389	-	75,926	-	20,000	-	-	-	174,389	75,926
<b>Insurance contracts liabilities (assets) as at 1 January</b>	<b>154,389</b>	<b>-</b>	<b>75,926</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,389</b>	<b>75,926</b>
Reinsurance expenses	(62,845)	-	(43,271)	-	-	-	-	-	(62,845)	(43,271)
Reinsurance Revenue	-	-	-	-	(57)	20,000	-	-	(57)	20,000
Changes related to past services	-	-	-	-	-	-	-	-	-	-
Investments Component	-	-	-	-	-	-	-	-	-	-
<b>Reinsurance services results</b>	<b>(62,845)</b>	<b>-</b>	<b>(43,271)</b>	<b>-</b>	<b>(57)</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>(62,902)</b>	<b>(23,271)</b>
Finance expenses from reinsurance contracts issued	3,109	-	35,910	-	25	-	-	-	3,134	35,910
Effect of exchange rate fluctuation	-	-	-	-	-	-	-	-	-	-
Other Changes	57	-	-	-	(57)	-	-	-	-	-
<b>Net Change in other comprehensive expenses</b>	<b>3,166</b>	<b>-</b>	<b>35,910</b>	<b>-</b>	<b>(32)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,134</b>	<b>35,910</b>
Cash from Written Contracts Paid to Reinsurer	25,114	-	85,824	-	-	-	-	-	25,114	85,824
Claims Incurred Recovered from Reinsure	-	-	-	-	-	-	-	-	-	-
Profit Commission Recovered from Reinsurer	-	-	-	-	-	-	-	-	-	-
Recovered Other Balances	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Flows</b>	<b>25,114</b>	<b>-</b>	<b>85,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,114</b>	<b>85,824</b>
Reinsurance contracts liabilities / as at 31 December	-	-	-	-	-	-	-	-	-	-
Re -Insurance contracts assets as at 31 December	119,824	-	154,389	-	19,911	20,000	-	-	139,735	174,389
<b>Net Reinsurance Contract Liabilities (Assets) – as at 31 December</b>	<b>119,824</b>	<b>-</b>	<b>154,389</b>	<b>-</b>	<b>19,911</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>139,735</b>	<b>174,389</b>

**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
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**9 / C Reinsurance Contracts Held - General Measurement Model**

	2025	2024	2025	2024	2025	2024	2025	2024
	Best Estimate of	Best Estimate of	Risk Adjustments –	Risk Adjustments				
	Liabilities	Liabilities	Non-Financial	– Non-Financial	CSM	CSM	Total	Total
Reinsurance Contract Liabilities – as at 1 January	-	-	-	-	-	-	-	-
Reinsurance Contract Assets – as at 1 January	62,932	34,712	195	85	111,262	41,129	174,389	75,926
<b>Net Reinsurance Contract Liabilities (Assets) – as at 1 January</b>	<b>62,932</b>	<b>34,712</b>	<b>195</b>	<b>85</b>	<b>111,262</b>	<b>41,129</b>	<b>174,389</b>	<b>75,926</b>
<b>Changes Related to Current Services</b>	<b>(26,409)</b>	<b>(72,853)</b>	<b>(239)</b>	<b>9</b>	<b>(36,198)</b>	<b>29,573</b>	<b>(62,846)</b>	<b>(43,271)</b>
Release of Contractual Service Margin (+/-)	-	-	-	-	-	(9,110)	-	(9,110)
Experience Adjustments	(26,409)	(72,853)	(239)	37	(36,198)	38,683	(62,846)	(34,133)
Change in Risk Adjustments – Non-Financial	-	-	-	(28)	-	-	-	(28)
<b>Changes Related to Future Services</b>	<b>(10,650)</b>	<b>508</b>	<b>18</b>	<b>1</b>	<b>10,633</b>	<b>(509)</b>	<b>1</b>	<b>-</b>
Effect of Contracts Initially Recognized During the Period	(61,776)	508	103	1	61,673	(509)	-	-
Effect of Changes in Contractual Service Margin Assumptions	51,126	-	(85)	-	(51,040)	-	1	-
Effect of Recognizing the Recovery Component of Loss from Loss-Making Contracts	-	-	-	-	-	-	-	-
Effect of Reversing the Recovery Component of Loss from Loss-Making Contracts	-	-	-	-	-	-	-	-
Changes in estimates that adjust the CSM	-	-	-	-	-	-	-	-
<b>Changes Related to Past Services</b>	<b>(57)</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(57)</b>	<b>20,000</b>
Changes in Recoverable Amounts Resulting from Changes in Liabilities for Incurred Claims	(57)	20,000	-	-	-	-	(57)	20,000
Finance expenses from reinsurance contracts issued	(3,495)	(5,259)	(27)	100	6,656	41,069	3,134	35,910
Effect of Changes in Reinsurer Default Risk (Credit Risk)	-	-	-	-	-	-	-	-
Effect of exchange rate fluctuation	(20,811)	-	758	-	20,053	-	-	-
<b>Net Change in other comprehensive expenses</b>	<b>(24,306)</b>	<b>(5,259)</b>	<b>731</b>	<b>100</b>	<b>26,709</b>	<b>41,069</b>	<b>3,134</b>	<b>35,910</b>
Cash from Written Contracts Paid to Reinsurer (-)	25,114	85,824	-	-	-	-	25,114	85,824
Claims Incurred Recovered from Reinsurer (+)	-	-	-	-	-	-	-	-
Profit Commission Recovered from Reinsurer (+)	-	-	-	-	-	-	-	-
Other Amounts Recovered (+)	-	-	-	-	-	-	-	-
<b>Net Cash Flows</b>	<b>25,114</b>	<b>85,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,114</b>	<b>85,824</b>
Reinsurance Contract Liabilities – as at 31 December	-	-	-	-	-	-	-	-
Reinsurance Contract Assets - as at 31 December	26,624	62,932	705	195	112,406	111,262	139,735	174,389
<b>Net Reinsurance Contract Liabilities (Assets) – as at 31 December</b>	<b>26,624</b>	<b>62,932</b>	<b>705</b>	<b>195</b>	<b>112,406</b>	<b>111,262</b>	<b>139,735</b>	<b>174,389</b>



**JORDAN INSURANCE COMPANY PUBLIC SHAREHOLDING COMPANY**  
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**Reinsurance Accounts Receivables**

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

	<u>2025</u>	<u>2024</u>
	JD	JD
(local) Insurance companies	2,602,288	2,880,782
(foreign) Insurance companies	<u>3,774,300</u>	<u>2,375,271</u>
	6,376,588	5,256,053
Provision for expected credit losses*	<u>(2,651,642)</u>	<u>(1,911,642)</u>
	<u><u>3,724,946</u></u>	<u><u>3,344,411</u></u>

\*Movements on provision for impairment losses during the year:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance at the beginning of the year	1,911,642	1,661,642
Provision for expected credit losses for the year	<u>740,000</u>	<u>250,000</u>
Balance at the end of the year	<u><u>2,651,642</u></u>	<u><u>1,911,642</u></u>

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

	<u>0-30</u>	<u>31-90</u>	<u>91-180</u>	<u>181-365</u>	<u>More than</u>	<u>Total</u>
	days	days	days	days	365 days	JD
	JD	JD	JD	JD	JD	JD
2025	-	2,203,551	718,695	618,069	184,631	3,724,946
2024	-	1,567,250	883,200	550,167	343,794	3,344,411

**REINSURANCE ACCOUNT PAYABLES**

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

	<u>2025</u>	<u>2024</u>
	JD	JD
Local reinsurance companies	1,122,653	2,043,423
Foreign reinsurance companies	<u>6,991,901</u>	<u>7,473,119</u>
	<u><u>8,114,554</u></u>	<u><u>9,516,542</u></u>

**(10 ) INCOME TAX**

**A- Income tax provision**

The income tax provision was calculated in accordance with Income Tax Law Number (34) of 2014 and its amendments, based on the Company's business results 31 December 2025 and 2024.

The Movement on the income tax provision were as follows:

	31 December 2025	31 December 2024
	JD	JD
Balance at the beginning of the year	1,148,289	1,381,727
Income tax expense for the year	2,047,709	1,339,436
Income tax paid	(1,746,989)	(1,572,874)
	<u>1,449,009</u>	<u>1,148,289</u>

**B- Income tax expense**

The income tax expense in the statement of income represents the following:

	31 December 2025	31 December 2024
	JD	JD
Income tax due on the year's profit	1,715,466	1,339,436
Income tax due on the prior year's profit	332,243	-
Impact of deferred taxes	(388,464)	(55,329)
Income tax expense for the year	<u>1,659,245</u>	<u>1,284,107</u>

**C- Summary of the reconciliation between accounting profit and taxable profit is as follows:**

	31 December 2025	31 December 2024
	JD	JD
Accounting profit for Jordanian branches	6,041,197	4,478,462
<u>Add:</u> Non-deductible expenses	2,628,537	1,878,275
<u>Less:</u> Non-taxable profits	(1,938,335)	(1,047,368)
Taxable profit for the year	<u>6,731,399</u>	<u>5,309,369</u>
Statutory income tax rate	26%	26%
Effective income tax rate	<u>28%</u>	<u>29%</u>

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**D- Deferred tax assets & liabilities**

- The details of deferred tax assets are as follows:

Included accounts	31 December 2025					31 December 2024
	Balance at the beginning of the year	Additions	Released amounts	Balance at the end of the year	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Provision of the expected credit losses	4,641,624	815,000	-	5,456,624	1,418,722	1,206,822
End-of-service indemnity provision	63,848	19,589	22,387	61,050	15,873	16,600
Insurance contracts liabilities	3,639,749	1,221,752	-	4,861,501	1,263,990	946,335
Unrealized losses for financial assets at fair value through profit or loss (inside Jordan)	1,564,664	-	539,863	1,024,801	266,448	406,813
Unrealized losses for financial assets at fair value through other comprehensive income (inside Jordan)	1,125,308	-	1,125,308	-	-	292,580
Unrealized losses for financial assets at fair value through other comprehensive income (outside Jordan)	1,031,606	3,781,926	-	4,813,532	577,624	123,793
	<u>12,066,799</u>	<u>5,838,267</u>	<u>1,687,558</u>	<u>16,217,508</u>	<u>3,542,657</u>	<u>2,992,943</u>

- The details of deferred tax liabilities are as follows:

Included accounts	31 December 2025					31 December 2024
	Balance at the beginning of the year	Additions	Released Amounts	Balance at the end of the year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Unrealized gains for financial assets at fair value through profit or loss (outside Jordan)	2,291,518	-	-	2,291,518	274,982	274,982
Unrealized gains for financial assets at fair value through other comprehensive income (inside Jordan)	-	1,557,317	-	1,557,317	404,902	-
	<u>2,291,518</u>	<u>1,557,317</u>	<u>-</u>	<u>3,848,835</u>	<u>679,884</u>	<u>274,982</u>

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The Movement on deferred tax assets were as follows:

	31 December 2025	31 December 2024
	JD	JD
Balance at the beginning of the year	2,992,943	2,896,691
Addition to deferred tax assets	988,480	300,118
Released from deferred tax assets	(438,766)	(203,866)
Balance at the end of the year	<u>3,542,657</u>	<u>2,992,943</u>

The Movement on deferred tax liabilities were as follows:

	2025	2024
	JD	JD
Balance at the beginning of the year	274,982	344,514
Addition to deferred tax liabilities	404,902	-
Released from deferred tax liabilities	-	(69,532)
Balance at the end of the year	<u>679,884</u>	<u>274,982</u>

**E- Tax status**

- A final settlement of income tax has been reached in Jordan until the end of 2018. The Company submitted its tax returns for the years 2019 until 2024.

The Income Tax Department has audited the financial statements for the years 2019 and 2020, resulting in a claim against the company for the payment of tax differences amounting to JD 332,243. The financial statements for the years 2021, 2022, 2023, and 2024 have not been audited by the Income Tax Department as of the date of preparing these financial statements.

- The income tax due for the year ended 31 December 2025 has been calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments. The management and tax advisor believe that the provisions recorded in the financial statements are sufficient to meet any tax obligations.

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**(11) PROPERTY AND EQUIPMENT, NET**

This item consists of the following:

	Land	Building	Tools, equipment and furniture	Vehicles	Total
	JD	JD	JD	JD	JD
<b>2025 -</b>					
<b>Cost:</b>					
Balance as at 1 January	511,113	596,742	1,663,409	341,857	3,113,121
Additions	-	-	55,204	-	55,204
Disposals	-	-	-	(41,856)	(41,856)
Balance as at 31 December	<u>511,113</u>	<u>596,742</u>	<u>1,718,613</u>	<u>300,001</u>	<u>3,126,469</u>
<b>Accumulated depreciation:</b>					
Balance as at 1 January	-	252,907	1,561,085	183,764	1,997,756
Depreciation for the year	-	11,067	55,197	36,235	102,499
Disposals	-	-	-	(41,856)	(41,856)
Balance as at 31 December	<u>-</u>	<u>263,974</u>	<u>1,616,282</u>	<u>178,143</u>	<u>2,058,399</u>
<b>Net book value as at 31 December</b>	<u>511,113</u>	<u>332,768</u>	<u>102,331</u>	<u>121,858</u>	<u>1,068,070</u>
<b>2024 -</b>					
<b>Cost:</b>					
Balance as at 1 January	511,113	596,742	1,695,720	365,825	3,169,400
Additions	-	-	40,175	29,274	69,449
Disposals	-	-	(72,486)	(53,242)	(125,728)
Balance as at 31 December	<u>511,113</u>	<u>596,742</u>	<u>1,663,409</u>	<u>341,857</u>	<u>3,113,121</u>
<b>Accumulated depreciation:</b>					
Balance as at 1 January	-	241,838	1,580,451	200,919	2,023,208
Depreciation for the year	-	11,069	53,120	36,087	100,276
Disposals	-	-	(72,486)	(53,242)	(125,728)
Balance as at 31 December	<u>-</u>	<u>252,907</u>	<u>1,561,085</u>	<u>183,764</u>	<u>1,997,756</u>
<b>Net book value as at 31 December</b>	<u>511,113</u>	<u>343,835</u>	<u>102,324</u>	<u>158,093</u>	<u>1,115,365</u>

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**(12) INTANGIBLE ASSETS, NET**

This item consists of the following:

	Computer systems and programs	
	31 December	
	2025	2024
Cost:	JD	JD
Balance as at 1 January	1,504,772	1,417,036
Additions	133,687	99,382
Disposals	-	(11,646)
<b>Balance as at 31 December</b>	<b>1,638,459</b>	<b>1,504,772</b>
<b>Accumulated amortization:</b>		
Balance as at 1 January	1,251,329	1,122,392
Amortization for the year	146,006	140,583
Disposals	-	(11,646)
<b>Balance as at 31 December</b>	<b>1,397,335</b>	<b>1,251,329</b>
<b>Net book value as at 31 December</b>	<b>241,124</b>	<b>253,443</b>

**(13) OTHER ASSETS**

This item consists of the following:

	31 December 2025	31 December 2024
	JD	JD
Refundable deposits	1,068,583	1,086,492
Prepaid expenses	578,231	488,952
Accrued revenues	436,495	303,065
Employee receivables	102,791	73,301
Other receivables	2,315,171	1,355,296
	4,501,271	3,307,106
Less: Provision for expected credit losses*	(399,967)	(122,795)
	4,101,304	3,184,311

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\* The movement in the allowance for expected credit losses during the year is as follows:

	2025	2024
	JD	JD
Balance at the beginning of the year	122,795	72,795
Transferred from expected credit losses provision for insurance operations receivable	277,172	50,000
Balance at the end of the year	<u>399,967</u>	<u>122,795</u>

**(14) OTHER PROVISIONS**

This item consists of the following:

	31 December 2025	31 December 2024
	JD	JD
Provision for end-of-service compensation	694,819	664,299
Provision for commission on collective profits insurance policies	391,481	261,934
Provision for insurance management fees	92,807	86,603
Provision for default reserve in reinsurance	13,635	9,479
Provision for the Guarantee Fund for Policyholders and Beneficiaries of Insurance Contracts	86,593	-
Provision vacation allowance	3,400	3,400
	<u>1,282,735</u>	<u>1,025,715</u>

Movements on other provisions were as follows:

	31 December 2025				31 December 2024
	Beginning balance for the year	Provision for the year	Paid during the year	Ending balance for the year	Ending balance for the year
	JD	JD	JD	JD	JD
Provision for end-of-service compensation	664,299	72,430	41,910	694,819	664,299
Provision for commission on collective profits Insurance policies	261,934	391,481	261,934	391,481	261,934
Provision for insurance management fees	86,603	362,711	356,507	92,807	86,603
Provision for the Guarantee Fund for Policyholders and Beneficiaries of Insurance Contracts	-	328,837	242,244	86,593	-
Provision for default reserve in reinsurance	9,479	4,156	-	13,635	9,479
Provision vacation allowance	3,400	-	-	3,400	3,400
	<u>1,025,715</u>	<u>1,159,615</u>	<u>902,595</u>	<u>1,282,735</u>	<u>1,025,715</u>

**(15) OTHER LIABILITIES**

This item consists of the following:

	31 December 2025	31 December 2024
	JD	JD
Accrued sales tax	481,633	606,808
Revenues received in advance	414,417	402,829
Accrud expenses	139,232	206,711
Deposit of the Ministry of Finance	110,667	83,128
Board members remuneration	58,258	65,000
Life insurance deposits	38,493	14,578
Unpaid visa deposits	6,693	2,411
Entitlement deposits for individual insurance policies	5,685	5,685
Car parking deposits	4,955	4,940
Others	332,659	-
	<u>1,592,692</u>	<u>1,392,090</u>

**(16) PAID-IN CAPITAL**

The authorized paid-in capital amounted to JD 30,000,000 divided into 30,000,000 shares with a par value of JD 1 per each as at 31 December 2025 and 31 December 2024.

**(17) STATUTORY RESERVE**

This amount represents appropriations at 10% of net income before income tax. Moreover, the reserve balance amounted to 25% of the Company's capital according to the Companies Law. This reserve is not available for distribution to shareholders.

**(18) FAIR VALUE RESERVE**

The Movement on the fair value reserve during the year were as follows:

	31 December 2025	31 December 2024
	JD	JD
Balance at the beginning of the year	(2,248,193)	(1,048,967)
Changes in fair value, net	(519,570)	(1,191,023)
Transfer from fair value reserve to retained earnings	<u>(315,729)</u>	<u>(8,203)</u>
Balance at the end of the year	<u>(3,083,492)</u>	<u>(2,248,193)</u>



**(19) RETAINED EARNINGS**

The Movement on retained earnings during the year were as follows:

	31 December 2025	31 December 2024
	JD	JD
Balances at the beginning of the year	9,283,116	7,764,836
Prior year adjustments	-	(800,480)
Adjusted balance	9,283,116	6,964,356
Transfer from fair value reserve to retained earnings	(315,729)	8,203
Profit for the year	4,276,083	2,310,557
Balance at the end of the year	<u>13,243,470</u>	<u>9,283,116</u>

A- The retained earnings balance includes an amount of JD 2,965,034 restricted against deferred tax assets as at 31 December 2025 (31 December 2024: JD 2,576,570).

B- The retained earnings balance includes an amount of JD 1,322,543 as at 31 December 2025, representing the impact of the early adoption of International Financial Reporting Standard (IFRS) No. (9). This amount represents revaluation differences that may not be disposed of until realized, in accordance with the instructions of the Financial Securities Commission.

C- According to the instructions of the Financial Securities Commission, it is prohibited to dispose of an amount equivalent to the accumulated negative fair value balance, which amounts to JD 1,760,949, taking into account the effect of what was mentioned in paragraph (b) above as of 31 December, 2025.

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**(20) INSURANCE CONTRACTS REVENUES**

<b>2025 -</b>	<b>Motor</b>	<b>Fire and general insurance</b>	<b>Engineering</b>	<b>Liability</b>	<b>Marine</b>	<b>Medical</b>	<b>Personal 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>	<b>JD</b>
Insurance contracts revenues	28,734,337	12,973,392	3,519,218	881,630	1,552,552	11,831,496	188,452	27,522,713	87,203,790
Insurance contracts issuance fees	611,187	144,441	29,093	12,751	22,643	386,609	2,065	415,479	1,624,268
Expected incurred claims								288,831	288,831
Premiums allocation related to the recovery of insurance acquisition cashflows	-	-	-	-	-	-	-	-	-
Expected incurred expenses	-	-	-	-	-	-	-	5,852	5,852
Change in risk adjustments – non financial	-	-	-	-	-	-	-	615	615
Other Revenues	546,178	-	-	-	-	797	-	225,154	772,129
	<b>29,891,702</b>	<b>13,117,833</b>	<b>3,548,311</b>	<b>894,381</b>	<b>1,575,195</b>	<b>12,218,902</b>	<b>190,517</b>	<b>28,458,644</b>	<b>89,895,485</b>

  

<b>2024 -</b>	<b>Motor</b>	<b>Fire and general insurance</b>	<b>Engineering</b>	<b>Liability</b>	<b>Marine</b>	<b>Medical</b>	<b>Persoal 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>	<b>JD</b>
Insurance contracts revenues	27,148,952	14,053,641	3,848,160	712,454	1,655,310	10,819,236	173,057	29,070,760	87,481,570
Insurance contracts issuance fees	618,947	80,680	17,945	6,752	12,844	195,974	985	436,055	1,370,182
Expected incurred claims	-	-	-	-	-	-	-	125,918	125,918
Premiums allocation related to the recovery of insurance acquisition cashflows	-	-	-	-	-	-	-	(149)	(149)
Expected incurred expenses	-	-	-	-	-	-	-	620	620
Change in risk adjustments – non financial	-	-	-	-	-	-	-	(23)	(23)
	<b>27,767,899</b>	<b>14,134,321</b>	<b>3,866,105</b>	<b>719,206</b>	<b>1,668,154</b>	<b>11,015,210</b>	<b>174,042</b>	<b>29,633,181</b>	<b>88,978,118</b>

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**(21) INSURANCE CONTRACTS EXPENSES**

	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2025 -									
Incurred insurance claims	(24,075,497)	280,989	(133,727)	27,610	(230,639)	(8,237,271)	(58,523)	(21,996,999)	(54,424,057)
Amortization of acquisition costs	(3,968,029)	(760,838)	(49,513)	(67,177)	(169,255)	(1,314,303)	(24,463)	(2,617,024)	(8,970,602)
General and administrative expenses (Note 29)	(2,937,322)	(482,677)	(46,692)	(44,592)	(76,793)	(1,059,422)	(12,462)	(711,058)	(5,371,018)
Recovered from onerous contracts	(333,094)	(7,113)	-	(1,129)	-	(5,681)	(2,422)	338	(349,101)
Risk adjustments - non-financial	(32,235)	80,215	(13,201)	1,518	6,759	(2,429)	(3,796)	(115,027)	(78,196)
Total insurance contracts expense	<u>(31,346,177)</u>	<u>(889,424)</u>	<u>(243,133)</u>	<u>(83,770)</u>	<u>(469,928)</u>	<u>(10,619,106)</u>	<u>(101,666)</u>	<u>(25,439,770)</u>	<u>(69,192,974)</u>
2024 -									
	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	(23,135,807)	(1,108,219)	(20,949)	(106,530)	(447,729)	(7,765,987)	138,831	(21,925,865)	(54,372,255)
Amortization of acquisition costs	(2,032,480)	(440,665)	(33,249)	(38,037)	(100,489)	(642,436)	(13,218)	(2,775,738)	(6,076,312)
General and administrative expenses (Note 29)	(2,499,439)	(461,620)	(8,369)	(30,479)	(57,013)	(953,889)	(7,716)	(639,826)	(4,658,351)
Recovered from onerous contracts	(856,784)	-	-	-	-	(74,399)	-	(4,480)	(935,663)
Risk adjustments - non-financial	(113,514)	(31,259)	(733)	(7,351)	(16,014)	(2,163)	(1,361)	312,688	140,293
Total insurance contracts expense	<u>(28,638,024)</u>	<u>(2,041,763)</u>	<u>(63,300)</u>	<u>(182,397)</u>	<u>(621,245)</u>	<u>(9,438,874)</u>	<u>116,536</u>	<u>(25,033,221)</u>	<u>(65,902,288)</u>

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**(22) RE- INSURANCE CONTRACTS REVENUES**

2025 -	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Contract Liabilities – for Remaining Coverage</b>									
Expected incurred claims	-	-	-	-	-	-	-	-	-
Change in Risk Adjustments – non-financial	-	-	-	-	-	-	-	-	-
Received commissions	(196,771)	(1,518,963)	(158,552)	(120,973)	(380,647)	-	(12,560)	(47,404)	(2,435,870)
Revenues incurred to reinsurers	793,504	12,423,246	3,510,128	839,972	1,298,370	4,347,576	45,471	16,825,513	40,083,780
Excess of Loss Expense	578,869	398,688	-	-	55,000	-	-	25,000	1,057,557
	<u>1,175,602</u>	<u>11,302,971</u>	<u>3,351,576</u>	<u>718,999</u>	<u>972,723</u>	<u>4,347,576</u>	<u>32,911</u>	<u>16,803,109</u>	<u>38,705,467</u>

2024 -	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>Contract Liabilities – for Remaining Coverage</b>									
Expected incurred claims	-	-	-	-	-	-	-	-	-
Change in Risk Adjustments – non-financial	-	-	-	-	-	-	-	-	-
Received commissions	(106,349)	(868,790)	(98,831)	(69,279)	(285,605)	-	(9,058)	(168,352)	(1,606,264)
Revenues incurred to reinsurers	819,799	13,525,677	3,832,483	677,041	1,352,894	4,001,935	47,352	18,339,664	42,596,845
Excess of loss expense	516,561	320,417	-	-	55,000	-	-	-	891,978
	<u>1,230,011</u>	<u>12,977,304</u>	<u>3,733,652</u>	<u>607,762</u>	<u>1,122,289</u>	<u>4,001,935</u>	<u>38,294</u>	<u>18,171,312</u>	<u>41,882,559</u>

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**(23) REINSURANCE CONTRACTS RECOVERIES**

	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2025 -									
Incurred insurance Claims	344,659	(445,026)	94,283	(37,610)	178,002	3,591,440	37,596	15,864,774	19,628,118
Amortization of acquisition costs	-	-	-	-	-	-	-	-	-
Loss on Onerous Contracts	(5,017)	3,976	-	626	-	456	-	27,563	27,604
Change in Non-Financial Risk Adjustments	850	(84,048)	9,324	(4,164)	(7,345)	3,936	1,342	90,325	10,220
Total insurance expenses	340,492	(525,098)	103,607	(41,148)	170,657	3,595,832	38,938	15,982,662	19,665,942
2024 -									
	Motor	Fire and general insurance	Engineering	Liability	Marine	Medical	Personal accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance Claims	1,429,027	1,064,036	12,068	77,790	373,895	3,490,428	(25,379)	16,470,546	22,892,411
Amortization of acquisition costs	-	-	-	-	-	-	-	-	-
Onerous contracts losses	5,149	-	-	-	-	(2,308)	-	(27,563)	(24,722)
Change in Non-Financial Risk Adjustments	11,292	24,057	(66)	4,022	14,256	(3,403)	4,875	(160,354)	(105,321)
Total contrucual insurance expenses	1,445,468	1,088,093	12,002	81,812	388,151	3,484,717	(20,504)	16,282,629	22,762,368

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**(24) FINANCE EXPENSE - INSURANCE CONTRACTS, NET**

	<u>2025</u>	<u>2024</u>
	JD	JD
Finance expense	<u>(694,993)</u>	<u>(630,665)</u>

The Company used discount rates that ranged between 1% and 4% as at 31 December 2025 (31 December 2024: 1% and 4%).

**(25) FINANCE INCOME – REINSURANCE CONTRACTS, NET**

	<u>2025</u>	<u>2024</u>
	JD	JD
Finance income	<u>32,808</u>	<u>62,947</u>

The Company used discount rates that ranged between 1% and 2% as at 31 December 2025 and 2024.

**(26) INTEREST INCOME**

This item consists of the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Banks interest income	1,273,823	1,298,810
Cash dividends	133,045	169,944
<b>Total</b>	1,406,868	1,468,754
Amount transferred to insurance revenues	<u>(133,045)</u>	<u>(169,944)</u>
	<u>1,273,823</u>	<u>1,298,810</u>

**(27) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS**

This item consists of the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Cash dividends from financial assets at fair value through profit or loss	485,142	256,087
Rental income – net	704,764	412,468
Gain on the sale of Investments properties	2,012,995	-
Gain on the sale of financial assets at fair value through profit or loss	9,264	563
Gain (loss) on the valuation of financial assets at fair value through profit or loss	628,345	(122,162)
	<u>3,840,510</u>	<u>546,956</u>

**(28) OTHER REVENUE, NET**

This item consists of the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Currency exchange losses	(33,407)	(102,651)
Road service support premiums	-	36,590
Profit from treaties*	1,164,213	55,293
Earned discount	-	121,557
Other revenue	124,552	463,139
	<u>1,255,358</u>	<u>573,928</u>

\*This item represents marine treaties profits from AWRIS and life insurance profitsharing.

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**(29) GENERAL AND ADMINISTRATIVE EXPENSES**

This item consists of the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Salaries and bonuses	3,018,572	3,120,245
Medical services management	552,565	550,106
Expected credit loss expense	66,606	469,131
Depreciation and amortization	249,374	353,810
Insurance authority fees	57,559	14,843
Legal and attorney's fees	597,195	589,324
Computer software services	140,498	122,259
Professional fees	745,169	497,432
Post and telecommunication	122,899	100,772
Donations and gifts	23,981	21,823
Transportation allowance for members of the Board of Directors	92,762	120,157
Rent	80,823	90,382
Stationery and publications	97,748	94,119
Water, electricity and heating	31,226	41,658
Insurance expenses	173,153	166,216
Tenders and guarantees expenses	31,282	-
Provision for end-of-service indemnity	21,771	65,517
Hospitality and gifts	34,199	25,332
Bank interest and commissions	20,019	38,368
Computer maintenance	6,100	2,205
Revaluation expenses	9,594	13,029
Others	633,087	369,959
Total	<u>6,806,182</u>	<u>6,866,687</u>
Total general and administrative expenses allocated to insurance contracts expenses (Note 21)	<u>5,371,018</u>	<u>4,658,351</u>
Total general and administrative expenses unallocated to insurance contracts expenses	<u>1,435,164</u>	<u>2,208,336</u>



**(30) OTHER EXPENSES**

This item consists of the following:

	2025	2024
	JD	JD
End-of-service indemnity	-	-
Provision for insurance companies default	-	4,615
Board of directors bonuses	-	-
	-	4,615

**(31) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT 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 follows:

	31 December 2025	31 December 2024
	JD	JD
Profit for the year	4,276,083	2,310,557
	Share	Share
Weighted average number of shares	30,000,000	30,000,000
	JD/share	JD/share
Basic and diluted earnings per share for the year	0/143	0/077

**(32) CASH AND CASH EQUIVALENTS**

The details of this item are as follows:

	31 December 2025	31 December 2024
	JD	JD
Deposits mature within three months (Note 3)	36,979,753	29,472,159
Current accounts at banks (Note 8)	3,962,109	4,408,247
Cash on hand (Note 8)	29,230	157,261
Cash and Cash Equivalent	40,971,092	34,037,667

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**(33) RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties represent shareholders and companies in which they are major shareholders, subsidiaries, and the Company's senior executive management. Prices and terms related to these transactions are approved by the Company's management.

Below is a summary of the balances with related parties as shown in the statement of financial position as at 31 December:

	Nature of relationship	31 December 2025	31 December 2024
<b>Due from related parties-policyholders' receivables</b>		JD	JD
Jordan Insurance Company Saving Fund	Company's employees' saving fund	242,337	242,337
Industrial Commercial Company	Company owned by a Board Member	79,166	194,260
Jordanian Commercial Company	Company owned by a Board Member	30,521	272,346
Other receivables		89,588	13,526
		<u>441,612</u>	<u>722,469</u>
<b>Due to related parties</b>			
Other payables		34,673	74,973
		<u>34,673</u>	<u>74,973</u>

Transactions with related parties included in the statement of income for the year as follows:

	Nature of relationship	2025	2024
<b>Underwriting premiums</b>		JD	JD
Jordanian Commercial Company	Company owned by a Board Member	267,015	418,208
Industrial Commercial Company	Company owned by a Board Member	389,974	372,141
Jordanian Commercial Company / Insurance receivables	Company owned by a Board Member	137,610	189,397
Other underwriting revenues		63,379	62,831
		<u>857,978</u>	<u>1,042,577</u>

Top executive management (salaries, bonuses, and other benefits) were as follows:

	2025	2024
	JD	JD
Salaries and bonuses	<u>452,803</u>	<u>451,658</u>

**(34) LAWSUITS AGAINST THE COMPANY**

There are lawsuits against the Company claiming compensation on various accidents, The lawsuits at courts with determined amounts amounted to JD 2,173,090 as at 31 December 2025 (31 December 2024: JD 1,374,276). In the opinion of the Company's management and its lawyer, no liabilities in excess of the provisions within the insurance contracts liabilities shall arise.

**(35) CONTINGENT LIABILITIES**

As at the date of the statement of financial position, the Company had contingent liabilities representing bank guarantees amounting to JD 3,322,991 guaranteed by the Company's solvency as at 31 December 2025 (JD 2,879,895 as at 31 December 2024).

**(36) FAIR VALUE LEVELS**

A - The fair value of the Company's financial assets, which are continuously determined at fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether this price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Some of the Company's financial assets are measured at fair value at the end of each financial year, and the following table provides information on how the fair value of these financial assets is determined (valuation methods and inputs used).

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
<b>31 December 2025</b>				
Financial assets:				
Financial assets at fair value through other comprehensive income	16,596,431	-	4,444,285	21,040,716
Financial assets at fair value through profit or loss	2,338,525	-	-	2,338,525
Financial assets at amortized cost	-	-	1,119,590	1,119,590
	<u>18,934,956</u>	<u>-</u>	<u>5,563,875</u>	<u>24,498,831</u>
<b>31 December 2024</b>				
Financial assets:				
Financial assets at fair value through other comprehensive income	17,856,530	-	4,454,683	22,311,213
Financial assets at fair value through profit or loss	1,942,873	-	-	1,942,873
Financial assets at amortized cost	-	-	1,119,590	1,119,590
	<u>19,799,403</u>	<u>-</u>	<u>5,574,273</u>	<u>25,373,676</u>

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2025, and the year ended 31 December 2024.

**(37) THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES THAT ARE NOT PRESENTED AT FAIR VALUE IN THE FINANCIAL STATEMENTS**

There are no significant differences between the book value and the fair value of financial assets and liabilities as of the end of 2025 and 2024.

**(38) RISK MANAGEMENT**

**First: Explanatory Disclosures:**

Risk management is the evaluation of the risk process of measurement and development of strategies to manage it. These strategies include the transfer of risks to another party, avoiding and mitigating their adverse effect on the Company, in addition to accepting the related consequences partially or wholly. Risk management can be divided into four sections:

**First:** Material risks such as natural catastrophes, fires, accidents, and other external risks not relating to the Company's operations.

**Second:** Legal risks resulting from legal claims or any risks arising from the laws and regulations issued by the Central Bank of Jordan and the related non-compliance.

**Third:** Intangible risks that are difficult to identify such as knowledge risk that occurs upon the application of inadequate knowledge by employees, Moreover, relationships risks occur when there is inefficient cooperation with clients. All these risks reduce the employee's productivity in knowledge and lessen the effectiveness of expenditures, profit, service, quality, reputation, and the quality of gains.

Management of risks adopted by the Company relies on prioritizing so that risks with huge losses and high probability are treated first while risks with lower losses and lesser probability are treated later on.

**Risk Management Policy**

**First: Planning and Preparation**

The work scope plan and criteria for adopting and evaluating risks at the Company have been set through creating the Institutional Development and Quality Department that monitors this performance.

**Second: Identification of Risks**

Risks represent events that create problems upon their occurrence. Therefore, these problems should be identified at their origin, When the problem or its origin is identified, the related accident may lead to new risks that can be treated prior to their occurrence. There are many ways to identify risks such as identification based on objectives as each of the Company's sections has certain objectives it endeavors to achieve. Any event that threatens the achievement of these objectives is considered a risk. Based on this, risks are studied and pursued. Moreover, there is a type of risk identification based on a comprehensive classification of all probable sources of risk. Still another type of risk identification is common risks especially for similar companies.

### **Third: Risk Treatment Method**

The Company deals with probable risks by means of the following methods:

- Transfer: This represents the process of transferring the risk to another party through contracts or financial protection.
- Avoidance: This is an active process to ward off risk through avoiding works that lead to risks. Avoidance is the best preventive method against risk. This may deprive the Company from conducting certain activities profitable for the Company.
- Reduction: This is the process of decreasing the loss arising from the occurrence of risk.
- Acceptance: There should be a policy to accept unavoidable risks as acceptance of small risks is an effective strategy.

### **Fourth: Plan**

An easy and clear plan has been set to deal with risks through a pricing policy that relies on historical statistics to avoid the occurrence of risks from any insurance branch so that the premium covers the probable cumulative risks.

### **Fifth: Execution**

The Company's technical departments execute the plan so that the risk effects are mitigated. Moreover, all avoidable risks are avoided.

### **Sixth: Plan Review and Evaluation**

The risks department follows up on the Company's development and constantly and continuously develops and upgrades the plan in effect.

### **Risk Management Arrangements**

#### **Determinants**

Top priority is given to the Risks Department, This affects the Company's productivity and profitability, Moreover, the Risks Department distinguishes between actual risk and doubt, priorities are given to risks with huge losses and high probability so as to avoid them.

### **Risks Management Responsibilities**

- Upgrading the risk data base constantly and continuously.
- Predicting any probable risk.
- Cooperating with executive management to treat risks and mitigate risk.
- Preparing plans and risk reports continuously in order to avoid the probable risk or reduce the probability of its occurrence.

### **Risk Treatment Strategy**

- Determining the Company's objectives.
- Clarifying strategies for the Company's objectives.
- Distinguishing risk.
- Assessing risk.
- Identifying methods to avoid and treat risk.

### **Second: Quantitative Disclosures:**

#### **A - Insurance Risk**

##### **1. Insurance Risk**

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. As regards the application of the probability theory on pricing and the reserve, the primary risks facing the Company 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.

The Company is engaged in insurance business against fire, accidents, marine and transportation, motor insurance, public liability, aviation, medical insurance, and life insurance through its main branch located in Jabal Amman, 3<sup>rd</sup> circle in Amman and its branches in United Arab Emirates and Kuwait.

Through its personnel consisting of professionals and administrative staff, the Company provides the best service to its clients, Moreover, a plan has been set to protect it against probable risks whether natural or unnatural. This requires that the necessary provisions as well as the necessary technical equipment be made available to maintain the Company's continuity and viability, hence, the necessity to set the risk management strategy.

### **Steps in Determining Assumptions**

These steps rely on the internal data derived from the quarterly claims reports and the sorting of the executed insurance policies as at the statement of financial position date to identify the outstanding insurance policies, The effective results for the year's accidents are selected for each type of insurance based on the evaluation of the most appropriate mechanism for observing the historical development.

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**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 vehicles insurance claims were reported and on the year in which underwriting of the other general insurance types was executed as follows:

**Gross - Motor Insurance:**

The accident occurrence year -	2021 and before JD	2022 JD	2023 JD	2024 JD	2025 JD	Total JD
At the end of the year	30,968,718	15,494,655	18,229,364	25,930,352	24,327,633	114,950,722
After one year	53,585,398	14,845,801	18,115,479	27,030,092	-	113,576,770
After two years	73,067,935	15,006,027	18,377,125	-	-	106,451,087
After three years	90,072,651	15,241,105	-	-	-	105,313,756
After Four years	102,469,227	-	-	-	-	102,469,227
After Five years	117,030,764	-	-	-	-	117,030,764
After Six years	120,667,907	-	-	-	-	120,667,907
After Seven years	120,073,849	-	-	-	-	120,073,849
After Eight years	118,044,657	-	-	-	-	118,044,657
After Nine years	117,046,842	-	-	-	-	117,046,842
<b>Total accumulated claims paid</b>	<b>114,752,816</b>	<b>13,985,220</b>	<b>16,452,727</b>	<b>22,804,221</b>	<b>13,512,030</b>	<b>181,507,014</b>
Total liabilities for accident years for the last ten years	2,146,159	1,255,885	1,924,398	4,225,871	10,815,602	20,367,915
<b>Total liabilities for prior accident years</b>	-	-	-	-	-	147,867
<b>Total liabilities</b>	<b>2,294,026</b>	<b>1,255,885</b>	<b>1,924,398</b>	<b>4,225,871</b>	<b>10,815,602</b>	<b>20,515,782</b>
Discounting effect	-	-	-	-	-	(779,649)
<b>Total liabilities for incurred claims</b>	<b>2,294,026</b>	<b>1,255,885</b>	<b>1,924,398</b>	<b>4,225,871</b>	<b>10,815,602</b>	<b>19,736,133</b>

**Net - Motor Insurance:**

The accident occurrence year -	2021 and before JD	2022 JD	2023 JD	2024 JD	2025 JD	Total JD
At the end of the year	30,355,987	15,133,338	17,818,509	25,122,958	23,935,378	112,366,170
After one year	52,748,553	14,485,240	17,792,764	26,213,891	-	111,240,448
After two years	71,914,554	14,654,519	18,055,976	-	-	104,625,049
After three years	88,644,310	14,899,276	-	-	-	103,543,586
After Four years	100,683,788	-	-	-	-	100,683,788
After Five years	113,491,891	-	-	-	-	113,491,891
After Six years	119,095,611	-	-	-	-	119,095,611
After Seven years	118,543,156	-	-	-	-	118,543,156
After Eight years	116,558,280	-	-	-	-	116,558,280
After Nine years	115,642,109	-	-	-	-	115,642,109
<b>Total accumulated claims paid</b>	<b>113,285,446</b>	<b>13,676,651</b>	<b>16,139,487</b>	<b>22,297,358</b>	<b>13,331,979</b>	<b>178,730,921</b>
Total liabilities for accident years for the last ten years	2,030,281	1,222,625	1,916,489	3,916,533	10,603,399	19,689,327
<b>Total liabilities for prior accident years</b>	-	-	-	-	-	147,867
<b>Total liabilities</b>	<b>2,178,148</b>	<b>1,222,625</b>	<b>1,916,489</b>	<b>3,916,533</b>	<b>10,603,399</b>	<b>19,837,194</b>
Discounting effect	-	-	-	-	-	(760,328)
<b>Total liabilities for incurred claims</b>	<b>2,178,148</b>	<b>1,222,625</b>	<b>1,916,489</b>	<b>3,916,533</b>	<b>10,603,399</b>	<b>19,076,866</b>

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**Gross - Medical:**

The accident occurrence year -	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	7,819,632	8,262,820	8,262,820	8,118,506	8,422,043	41,317,867
After one year	17,368,893	8,295,455	8,295,455	7,898,854	-	41,956,263
After two years	27,353,526	8,316,163	8,316,163	-	-	44,090,396
After three years	35,544,262	8,316,748	8,316,748	-	-	43,861,010
After Four years	42,583,828	-	-	-	-	42,583,828
After Five years	50,291,270	-	-	-	-	50,291,270
After Six years	50,614,562	-	-	-	-	50,614,562
After Seven years	50,641,684	-	-	-	-	50,641,684
After Eight years	50,616,302	-	-	-	-	50,616,302
After Nine years	50,616,302	-	-	-	-	50,616,302
<b>Total accumulated claims paid</b>	<b>50,616,302</b>	<b>8,316,748</b>	<b>8,316,748</b>	<b>7,898,854</b>	<b>6,993,047</b>	<b>82,245,658</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,428,996</b>	<b>1,428,996</b>
<b>Total liabilities for incurred claims</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,428,996</b>	<b>1,428,996</b>

**Net - Medical:**

The accident occurrence year -	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	3,165,254	4,507,480	4,722,284	4,471,874	4,622,373	21,489,265
After one year	7,097,881	4,517,814	4,554,100	4,348,726	-	20,518,521
After two years	11,621,884	4,525,938	4,561,974	-	-	20,709,796
After three years	15,627,750	4,526,114	-	-	-	20,153,864
After Four years	19,365,915	-	-	-	-	19,365,915
After Five years	23,580,407	-	-	-	-	23,580,407
After Six years	23,753,858	-	-	-	-	23,753,858
After Seven years	23,762,602	-	-	-	-	23,762,602
After Eight years	23,755,215	-	-	-	-	23,755,215
After Nine years	23,755,215	-	-	-	-	23,755,215
<b>Total accumulated claims paid</b>	<b>23,755,215</b>	<b>4,526,114</b>	<b>4,561,974</b>	<b>4,348,726</b>	<b>3,840,973</b>	<b>41,033,002</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>781,400</b>	<b>781,400</b>
<b>Total liabilities for incurred claims</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>781,400</b>	<b>781,400</b>



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**Gross – Fire & General Insurance:**

The accident occurrence year -	2021 and before JD	2022 JD	2023 JD	2024 JD	2025 JD	Total JD
At the end of the year	14,305,008	1,355,988	925,071	1,876,174	1,327,297	19,789,538
After one year	15,617,211	1,576,340	528,728	758,419	-	18,480,698
After two years	22,054,770	1,612,226	467,409	-	-	24,134,405
After three years	22,847,430	1,346,872	-	-	-	24,194,302
After Four years	29,198,652	-	-	-	-	29,198,652
After Five years	24,571,203	-	-	-	-	24,571,203
After Six years	24,051,887	-	-	-	-	24,051,887
After Seven years	23,581,829	-	-	-	-	23,581,829
After Eight years	23,171,628	-	-	-	-	23,171,628
After Nine years	23,142,365	-	-	-	-	23,142,365
<b>Total accumulated claims paid</b>	<b>21,075,358</b>	<b>1,326,281</b>	<b>442,959</b>	<b>741,927</b>	<b>189,534</b>	<b>23,776,059</b>
Total liabilities for accident years for the last ten years	48,955	20,591	24,450	16,491	1,137,763	1,248,250
<b>Total liabilities for prior accident years</b>	-	-	-	-	-	2,018,051
<b>Total liabilities</b>	<b>2,067,007</b>	<b>20,591</b>	<b>24,450</b>	<b>165,295</b>	<b>3,043,903</b>	<b>3,266,301</b>
<b>Total liabilities for incurred claims</b>	<b>2,067,007</b>	<b>20,591</b>	<b>24,450</b>	<b>165,295</b>	<b>3,043,903</b>	<b>3,266,301</b>

**Net – Fire & General Insurance:**

The accident occurrence year -	2021 and before JD	2022 JD	2023 JD	2024 JD	2025 JD	Total JD
At the end of the year	631,137	127,540	607,174	141,608	80,378	1,587,837
After one year	794,048	15,986	102,418	84,040	-	996,492
After two years	1,036,986	99,677	94,847	-	-	1,231,510
After three years	1,186,451	96,148	-	-	-	1,282,599
After Four years	1,255,446	-	-	-	-	1,255,446
After Five years	1,342,781	-	-	-	-	1,342,781
After Six years	1,302,628	-	-	-	-	1,302,628
After Seven years	938,225	-	-	-	-	938,225
After Eight years	1,271,613	-	-	-	-	1,271,613
After Nine years	1,286,955	-	-	-	-	1,286,955
<b>Total accumulated claims paid</b>	<b>1,182,351</b>	<b>94,585</b>	<b>93,070</b>	<b>80,014</b>	<b>19,384</b>	<b>1,469,404</b>
Total liabilities for accident years for the last ten years	10,591	1,564	1,777	4,025	60,995	78,952
<b>Total liabilities for prior accident years</b>	-	-	-	-	-	97,206
<b>Total liabilities</b>	<b>107,796</b>	<b>1,564</b>	<b>1,777</b>	<b>4,025</b>	<b>60,995</b>	<b>176,157</b>
<b>Total liabilities for incurred claims</b>	<b>107,796</b>	<b>1,564</b>	<b>1,777</b>	<b>4,025</b>	<b>60,995</b>	<b>176,157</b>

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**Gross - Marine:**

The accident occurrence year -	2021 and before JD	2022 JD	2023 JD	2024 JD	2025 JD	Total JD
At the end of the year	2,191,561	393,753	400,407	523,274	668,857	4,177,852
After one year	2,782,668	379,439	281,555	352,390	-	3,796,052
After two years	3,650,031	393,330	259,816	-	-	4,303,177
After three years	4,334,055	373,498	-	-	-	4,707,553
After Four years	5,352,044	-	-	-	-	5,352,044
After Five years	5,293,729	-	-	-	-	5,293,729
After Six years	5,106,921	-	-	-	-	5,106,921
After Seven years	5,064,794	-	-	-	-	5,064,794
After Eight years	5,095,005	-	-	-	-	5,095,005
After Nine years	4,871,081	-	-	-	-	4,871,081
<b>Total accumulated claims paid</b>	<b>4,472,403</b>	<b>337,826</b>	<b>247,833</b>	<b>341,197</b>	<b>205,953</b>	<b>5,605,212</b>
Total liabilities for accident years for the last ten years	314,289	35,672	11,983	11,192	462,904	836,040
<b>Total liabilities for prior accident years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,389</b>
<b>Total liabilities</b>	<b>398,678</b>	<b>35,672</b>	<b>11,983</b>	<b>11,192</b>	<b>462,904</b>	<b>920,429</b>
<b>Total liabilities for incurred claims</b>	<b>398,678</b>	<b>35,672</b>	<b>11,983</b>	<b>11,192</b>	<b>462,904</b>	<b>920,429</b>

**Net - Marine:**

The accident occurrence year -	2021 and before JD	2022 JD	2023 JD	2024 JD	2025 JD	Total JD
At the end of the year	235,245	113,070	145,363	112,041	108,530	714,249
After one year	328,447	104,778	87,319	85,569	-	606,113
After two years	577,689	110,082	80,587	-	-	768,358
After three years	764,412	105,664	-	-	-	870,076
After Four years	924,094	-	-	-	-	924,094
After Five years	894,465	-	-	-	-	894,465
After Six years	867,593	-	-	-	-	867,593
After Seven years	835,056	-	-	-	-	835,056
After Eight years	850,384	-	-	-	-	850,384
After Nine years	817,361	-	-	-	-	817,361
<b>Total accumulated claims paid</b>	<b>775,970</b>	<b>101,630</b>	<b>79,630</b>	<b>82,070</b>	<b>65,229</b>	<b>1,104,529</b>
Total liabilities for accident years for the last ten years	27,193	4,034	957	3,499	43,301	78,984
<b>Total liabilities for prior accident years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,436</b>
<b>Total liabilities</b>	<b>46,629</b>	<b>4,034</b>	<b>957</b>	<b>3,499</b>	<b>43,301</b>	<b>98,420</b>
<b>Total liabilities for incurred claims</b>	<b>46,629</b>	<b>4,034</b>	<b>957</b>	<b>3,499</b>	<b>43,301</b>	<b>98,420</b>

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**Gross- Public Liability:**

The accident occurrence year -	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	714,249	216,308	157,253	290,612	217,752	1,851,601
After one year	606,113	74,882	24,306	57,658	-	1,429,788
After two years	768,358	46,791	21,890	-	-	2,427,487
After three years	870,076	66,871	-	-	-	2,439,397
After Four years	924,094	-	-	-	-	1,762,268
After Five years	894,465	-	-	-	-	767,836
After Six years	867,593	-	-	-	-	663,313
After Seven years	835,056	-	-	-	-	637,080
After Eight years	850,384	-	-	-	-	613,861
After Nine years	817,361	-	-	-	-	583,965
<b>Total accumulated claims paid</b>	<b>1,104,529</b>	<b>46,717</b>	<b>21,890</b>	<b>6,685</b>	<b>23,371</b>	<b>513,338</b>
Total liabilities for accident years for the last ten years	78,984	20,153	-	50,973	194,381	292,196
<b>Total liabilities for prior accident years</b>	<b>19,436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,601</b>
<b>Total liabilities</b>	<b>98,420</b>	<b>20,153</b>	<b>-</b>	<b>50,973</b>	<b>194,381</b>	<b>434,796</b>
<b>Total liabilities for incurred claims</b>	<b>98,420</b>	<b>20,153</b>	<b>-</b>	<b>50,973</b>	<b>194,381</b>	<b>434,796</b>

**Net – Public Liability:**

The accident occurrence year -	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	26,446	32,325	100,161	80,216	39,674	278,822
After one year	33,315	7,186	6,482	16,006	-	62,989
After two years	54,619	10,738	5,854	-	-	71,211
After three years	42,305	13,234	-	-	-	55,539
After Four years	42,788	-	-	-	-	42,788
After Five years	43,968	-	-	-	-	43,968
After Six years	39,511	-	-	-	-	39,511
After Seven years	(28,322)	-	-	-	-	(28,322)
After Eight years	10,153	-	-	-	-	10,153
After Nine years	33,162	-	-	-	-	33,162
<b>Total accumulated claims paid</b>	<b>33,626</b>	<b>10,728</b>	<b>5,854</b>	<b>1,722</b>	<b>6,260</b>	<b>58,190</b>
Total liabilities for accident years for the last ten years	(227)	2,506	-	14,284	33,414	49,977
<b>Total liabilities for prior accident years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(237)</b>
<b>Total liabilities</b>	<b>(464)</b>	<b>2,506</b>	<b>-</b>	<b>14,284</b>	<b>33,414</b>	<b>49,740</b>
<b>Total liabilities for incurred claims</b>	<b>(464)</b>	<b>2,506</b>	<b>-</b>	<b>14,284</b>	<b>33,414</b>	<b>49,740</b>

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**Gross - Life:**

The accident occurrence year -	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	-	19,990,951	21,588,002	21,877,579	21,971,355	85,427,887
After one year	-	21,926,022	21,082,110	21,835,127	-	64,843,259
After two years	21,347,621	21,790,419	21,129,021	-	-	64,267,061
After three years	36,845,946	21,773,232	-	-	-	58,619,178
After Four years	55,826,898	-	-	-	-	55,826,898
After Five years	82,104,736	-	-	-	-	82,104,736
After Six years	84,977,192	-	-	-	-	84,977,192
After Seven years	85,227,444	-	-	-	-	85,227,444
After Eight years	85,747,656	-	-	-	-	85,747,656
After Nine years	85,664,909	-	-	-	-	85,664,909
<b>Total accumulated claims paid</b>	<b>83,457,157</b>	<b>20,951,936</b>	<b>20,189,470</b>	<b>20,356,508</b>	<b>15,446,784</b>	<b>160,401,855</b>
Total liabilities for accident years for the last ten years	2,073,717	821,296	939,551	1,478,619	6,524,572	11,837,755
<b>Total liabilities for prior accident years</b>	-	-	-	-	-	134,035
<b>Total liabilities</b>	<b>2,207,752</b>	<b>821,296</b>	<b>939,551</b>	<b>1,478,619</b>	<b>6,524,572</b>	<b>11,971,790</b>
<b>Total liabilities for incurred claims</b>	<b>2,207,752</b>	<b>821,296</b>	<b>939,551</b>	<b>1,478,619</b>	<b>6,524,572</b>	<b>11,971,790</b>

**Net - Life:**

The accident occurrence year -	2021 and before	2022	2023	2024	2025	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	-	5,070,275	5,552,893	5,442,906	5,685,436	21,751,510
After one year	-	5,672,958	5,409,130	5,465,163	-	16,547,251
After two years	5,090,641	5,616,331	5,408,555	-	-	16,115,527
After three years	9,301,289	5,612,238	-	-	-	14,913,527
After Four years	14,120,881	-	-	-	-	14,120,881
After Five years	19,854,911	-	-	-	-	19,854,911
After Six years	20,693,543	-	-	-	-	20,693,543
After Seven years	20,663,592	-	-	-	-	20,663,592
After Eight years	20,726,774	-	-	-	-	20,726,774
After Nine years	20,795,900	-	-	-	-	20,795,900
<b>Total accumulated claims paid</b>	<b>20,331,810</b>	<b>5,457,725</b>	<b>5,248,624</b>	<b>5,250,103</b>	<b>4,219,796</b>	<b>40,508,058</b>
Total liabilities for accident years for the last ten years	326,269	154,513	159,931	215,060	1,465,640	2,321,413
<b>Total liabilities for prior accident years</b>	-	-	-	-	-	45,396
<b>Total liabilities</b>	<b>371,665</b>	<b>154,513</b>	<b>159,931</b>	<b>215,060</b>	<b>1,465,640</b>	<b>2,366,809</b>
<b>Total liabilities for incurred claims</b>	<b>371,665</b>	<b>154,513</b>	<b>159,931</b>	<b>215,060</b>	<b>1,465,640</b>	<b>2,366,809</b>

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**Gross - Others:**

The accident occurrence year -	2021 and before JD	2022 JD	2023 JD	2024 JD	2025 JD	Total JD
At the end of the year	21,751,510	51,108	139,908	11,812	47,659	564,861
After one year	16,547,251	61,715	158,817	16,304	-	611,796
After two years	16,115,527	62,605	163,777	-	-	666,425
After three years	14,913,527	73,107	-	-	-	554,562
After Four years	14,120,881	-	-	-	-	541,056
After Five years	19,854,911	-	-	-	-	690,804
After Six years	20,693,543	-	-	-	-	631,707
After Seven years	20,663,592	-	-	-	-	593,841
After Eight years	20,726,774	-	-	-	-	424,184
After Nine years	20,795,900	-	-	-	-	416,475
<b>Total accumulated claims paid</b>	<b>40,508,058</b>	<b>58,005</b>	<b>50,056</b>	<b>91</b>	<b>8,397</b>	<b>384,614</b>
Total liabilities for accident years for the last ten years	2,321,413	15,102	113,721	16,212	39,262	248,814
<b>Total liabilities for prior accident years</b>	<b>45,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,893</b>
<b>Total liabilities</b>	<b>2,366,809</b>	<b>15,102</b>	<b>113,721</b>	<b>16,212</b>	<b>39,262</b>	<b>332,707</b>
<b>Total liabilities for incurred claims</b>	<b>2,366,809</b>	<b>15,102</b>	<b>113,721</b>	<b>16,212</b>	<b>39,262</b>	<b>332,707</b>

**Net - Others:**

The accident occurrence year -	2021 and before JD	2022 JD	2023 JD	2024 JD	2025 JD	Total JD
At the end of the year	185,690	41,600	116,247	4,736	32,211	380,484
After one year	217,192	58,486	75,933	4,964	-	356,575
After two years	254,955	59,709	69,861	-	-	384,525
After three years	275,701	62,537	-	-	-	338,238
After Four years	304,001	-	-	-	-	304,001
After Five years	354,895	-	-	-	-	354,895
After Six years	296,904	-	-	-	-	296,904
After Seven years	280,766	-	-	-	-	280,766
After Eight years	202,452	-	-	-	-	202,452
After Nine years	194,858	-	-	-	-	194,858
<b>Total accumulated claims paid</b>	<b>126,643</b>	<b>58,005</b>	<b>38,651</b>	<b>91</b>	<b>8,397</b>	<b>231,787</b>
Total liabilities for accident years for the last ten years	53,458	4,532	31,210	4,872	23,814	117,886
<b>Total liabilities for prior accident years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,417</b>
<b>Total liabilities</b>	<b>63,875</b>	<b>4,532</b>	<b>31,210</b>	<b>4,872</b>	<b>23,814</b>	<b>128,303</b>
<b>Total liabilities for incurred claims</b>	<b>63,875</b>	<b>4,532</b>	<b>31,210</b>	<b>4,872</b>	<b>23,814</b>	<b>128,303</b>

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**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:

	2025		2024	
	Net	Gross	Net	Gross
	JD	JD	JD	JD
Motor	36,554,607	35,387,967	33,274,537	32,118,610
Marine and Transport	(100,755)	1,046,470	141,712	1,464,504
Fire and properties damage	(1,267,920)	6,895,844	(739,044)	8,548,497
Punlic Liability	(80,752)	523,142	10,248	661,968
Medical	2,268,841	3,708,797	2,187,475	3,043,723
Life	(394,441)	9,415,390	1,535,712	10,489,779
Others	141,877	404,192	375,923	606,916
Total	<u>37,121,457</u>	<u>57,381,802</u>	<u>36,786,563</u>	<u>56,933,997</u>

Assets and liabilities are concentrated based on geographical distribution and sectors as follows:

	31 December 2025				31 December 2024			
			Reinsurance	Reinsurance			Reinsurance	Reinsurance
			Contract	Contract			Contract	Contract
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD	JD	JD	JD	JD
<b>A- According to geographical area</b>								
Inside Jordan	03,560,304	55,914,942	873,467	-	97,297,055	52,242,830	949,499	-
Other middle east countries	8,383,516	8,368,900	4,858,832	-	9,899,276	10,418,578	1,814,027	-
Europe	-	-	11,614,649	1,817,746	-	-	18,309,136	1,886,335
Asia *	-	-	1,029,775	-	-	-	821,415	-
Africa *	-	-	121,901	-	-	-	26,816	-
United States of America	-	-	3,529,593	-	-	-	112,874	-
Other Countries	-	-	49,874	-	-	-	-	-
	<u>8,383,516</u>	<u>8,368,900</u>	<u>21,204,624</u>	<u>1,817,746</u>	<u>9,899,276</u>	<u>10,418,578</u>	<u>21,084,268</u>	<u>1,886,335</u>
Total	<u>11,943,820</u>	<u>64,283,842</u>	<u>22,078,091</u>	<u>1,817,746</u>	<u>107,196,331</u>	<u>62,661,408</u>	<u>22,033,767</u>	<u>1,886,335</u>

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\* Except for Middle East countries.

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
<b>B- According to Sector</b>				
Public sector	722,266	30,834	656,599	6,857
Private sector				
Companies and corporations	108,716,937	63,987,463	104,144,675	62,352,576
Individuals	2,504,617	265,545	2,395,057	301,975
Total	111,943,820	64,283,842	107,196,331	62,661,408

**REINSURANCE RISK**

In alignment with other insurance companies, to reduce exposure to significant financial losses that may result from large insurance claims, the Company enters into re-insurance agreements with other parties as part of its ordinary business activities.

To minimize exposure to significant losses due to the insolvency of re-insurance companies, the Company assesses the financial condition of the re-insurance companies it deals with and monitors credit risk concentrations arising from geographic regions and activities or economic components similar to those companies. The issued re-insurance contracts do not relieve the Company of its obligations towards insurance policyholders. Consequently, the Company remains liable for the balance of reinsured claims if the reinsurers fail to meet their obligations under the re-insurance contracts.

The Company enters into re-insurance agreements with other parties to reduce exposure to significant financial losses that may result from large insurance claims.

The Company applies the terms of treaty and facultative re-insurance agreements when underwriting all insurance risks, regardless of their size.

The Company completes re-insurance coverage for each risk assigned to it before issuing the insurance policy for large contracts that exceed the limits of the relative agreements.

If the Company decides to assign more than 30% of any insurance contract, it provides facultative re-insurance coverage of at least 60% of that assignment to a re-insurance company classified as first or second class according to solvency margin instructions.

The Company facultatively reinsures 100% of risks excluded from treaties to a re-insurance company or companies classified as 1st or 2nd class according to solvency margin instructions.

The Company monitors the classification of treaty and facultative re-insurance companies monthly to ensure that the classification is not downgraded below 1st and 2nd class.

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**INSURANCE RISK SENSITIVITY**

The table below shows the effect of the possible reasonable change in underwriting premium rates on the statement of income and equity while keeping all other affecting variables fixed.

2025 -	Change	CSM		Effect on current year's pre-tax profit		Effect on equity	
		Gross	Net	Gross	Net	Gross	Net
		JD	JD	JD	JD	JD	JD
	%						
Mortality rate	+5	3,508	98,419	(541)	93,021	(541)	93,021
Mortality rate	-5	(3,563)	115,265	525	112,710	525	112,710
Longevity	+5	(3,563)	115,265	525	112,710	525	112,710
Longevity	-5	3,508	98,419	(541)	93,021	(541)	93,021
Expenses	+5	3,120	1,250	480	(5,371)	480	(5,371)
Expenses	-5	(3,127)	103,694	(487)	102,352	(487)	102,352
Lapse rate	+5	1,469	108,712	4,493	107,455	4,493	107,455
Lapse rate	-5	(1,078)	105,344	(4,485)	98,256	(4,485)	98,256

2024 -	Change	CSM		Effect on current year's pre-tax profit		Effect on equity	
		Gross	Net	Gross	Net	Gross	Net
		JD	JD	JD	JD	JD	JD
	%						
Mortality rate	+5	7,945	101,890	3,532	92,499	3,532	92,499
Mortality rate	-5	(8,071)	109,548	(3,614)	96,796	(3,614)	96,796
Longevity	+5	(8,071)	109,548	(3,614)	96,796	(3,614)	96,796
Longevity	-5	7,945	101,890	3,532	92,499	3,532	92,499
Expenses	+5	7,066	5,215	4,189	(8,720)	4,189	(8,720)
Expenses	-5	(7,083)	98,651	(4,205)	90,471	(4,205)	90,471
Lapse rate	+5	3,326	109,478	6,611	101,083	6,611	101,083
Lapse rate	-5	(2,441)	102,898	(6,142)	88,756	(6,142)	88,756



## **B- Financial Risks**

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The Company follows financial policies to manage several risks within a specified strategy. The Company'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 Company 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 is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices such as interest rates, currency prices and stock prices. These risks are monitored according to specific policies and procedures and through specialized committees and business units. Market risk and its related controls are measured through sensitivity analysis.

	<b>Change in the indicator</b>	<b>Effect on profit for the year</b>	<b>Effects on shareholder's equity</b>
	%	JD	JD
<b>2025</b>	5	116,926	829,822
<b>2024</b>	5	97,144	892,827

In the case of a negative change, the impact will be equal to the above change but with the opposite sign.

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

The Company is exposed to interest rate risks on its interest-bearing assets and liabilities, such as bank deposits.

Interest rates on bank deposit balances in Jordanian dinars range from 4.5% to 5.75% as at 31 December 2025 and 31 December 2024

The following table shows the income statement sensitivity to potential interest rate changes as at 31 December 2025 and 2024, assuming all other influencing variables remain constant.

Income statement sensitivity represents the impact of potential interest rate changes on the Company's profit for one year, calculated based on financial assets and liabilities with variable interest rates as at 31 December 2025 and 2024.

	<b>+ 0.5%</b>		<b>- 0.5%</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	JD	JD	JD	JD
Increase (decrease) in profit for the year	196,699	159,123	(196,699)	(159,123)
Shareholders' equity	196,699	159,123	(196,699)	(159,123)

The table below shows the sensitivity of exposure to interest rates related to bonds as at 31 December, where the analysis was prepared on the assumption that the outstanding bond amount on the date of the financial statements remained constant throughout the financial year.

	+ 0,5%		- 0,5%	
	2025	2024	2025	2024
	JD	JD	JD	JD
Increase (decrease) in profit for the year	5,598	5,598	(5,598)	(5,598)
Shareholders' equity	5,598	5,598	(5,598)	(5,598)

### **3- Foreign Currencies Risks**

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

Most of the Company's transactions are in Jordanian dinars and US dollars. The exchange rate of the Jordanian dinar is pegged at a fixed rate to the US dollar (1/41 dollars per dinar).

### **4- Credit Risk**

This type of risk arises from the inability of other parties indebted to the company to fulfill their obligations. These risks originate from:

- Reinsurers
- Policyholders
- Insurance brokers

To mitigate credit risk, the company undertakes the following measures:

- Establishing credit limits for brokers and agents.
- Monitoring accounts receivable.
- Setting reinsurance policies with financially strong counterparties .
- Maintaining the company's cash balances with reputable local and international banks.

## **5- Liquidity Risk**

Liquidity risk is the risk that the Company will be unable to provide the necessary funding to meet its obligations as they become due. To mitigate these risks, management diversifies funding sources, manages assets and liabilities, aligns their maturities, and maintains an adequate balance of cash and cash equivalents as well as marketable securities.

The Company monitors its liquidity needs on a monthly basis, and management ensures that sufficient funds are available to meet any obligations as they arise. Significant amounts of the Company's funds are invested in locally traded stocks.

Most of the Company's time deposits as at the financial statement date mature within original periods ranging from three months to one year.

The table below summarizes the maturities of financial liabilities based on the remaining period to the contractual maturity date from the date of the financial statements:

<b>31 December 2025</b>	Less than one month	1 month to 3 months	3-6 months	6 months to 1 year	More than year	Total
	JD	JD	JD	JD	JD	JD
<b>Liabilities -</b>						
Insurance contracts liabilities	7,053,142	19,229,865	15,294,513	9,404,189	8,297,813	59,279,522
Income tax provision	573,691	-	875,318	-	-	1,449,009
Other provisions	155,395	-	-	-	1,127,340	1,282,735
Deferred tax liabilities	-	-	-	679,884	-	679,884
Other liabilities	1,200,868	186,888	85,523	22,022	97,391	1,592,692
<b>Total Insurance Liabilities</b>	<b>8,983,096</b>	<b>19,416,753</b>	<b>16,255,354</b>	<b>10,106,095</b>	<b>9,522,544</b>	<b>64,283,842</b>
<b>Total Insurance Assets</b>	<b>7,297,051</b>	<b>3,871,132</b>	<b>9,542,051</b>	<b>13,622,767</b>	<b>77,610,819</b>	<b>111,943,820</b>
<b>31 December 2024</b>						
<b>Liabilities -</b>						
Insurance contracts liabilities	8,660,403	18,468,992	14,689,351	9,032,092	7,969,494	58,820,332
Income tax provision	454,630	-	693,659	-	-	1,148,289
Other provisions	124,259	-	-	-	901,456	1,025,715
Deferred tax liabilities	-	-	-	274,982	-	274,982
Other liabilities	1,049,616	163,349	74,752	19,248	85,125	1,392,090
<b>Total Insurance Liabilities</b>	<b>10,288,908</b>	<b>18,632,341</b>	<b>15,457,762</b>	<b>9,326,322</b>	<b>8,956,075</b>	<b>62,661,408</b>
<b>Total Insurance Assets</b>	<b>8,750,960</b>	<b>3,641,727</b>	<b>8,976,586</b>	<b>12,815,477</b>	<b>73,011,581</b>	<b>107,196,331</b>

## **6. OPERATIONAL RISKS**

These are the risks resulting from system failures or any human error, whether intentional or unintentional. Such risks may affect the company's reputation, as they may lead to financial losses. These risks can be avoided by separating duties and establishing necessary procedures to obtain information from the systems used in the company, as well as through raising awareness and training the company's staff.

## **7. LEGAL RISKS**

This type of risk arises from legal claims against the company. To avoid these risks, the company has established an independent legal department to monitor the company's activities in accordance with the Insurance Regulatory Law.

## **(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:

	Within 1 year	More than 1 year	Total
	JD	JD	JD
<b><u>2025 -</u></b>			
<b>Assets -</b>			
Banks deposits	36,979,753	2,360,133	39,339,886
Financial assets at fair value through profit or loss	2,338,525	-	2,338,525
Financial assets at fair value through other comprehensive income	-	21,040,716	21,040,716
Financial assets at amortized cost	-	1,119,590	1,119,590
Investment property	-	13,002,544	13,002,544
Cash on hand and at banks	3,991,339	-	3,991,339
Insurance contracts assets	79,974	-	79,974
Reinsurance contracts assets - net	22,078,091	-	22,078,091
Deferred tax assets	-	3,542,657	3,542,657
Property and equipment – net	-	1,068,070	1,068,070
Intangible assets - net	-	241,124	241,124
Other assets	4,101,304	-	4,101,304
<b>Total Assets</b>	<b>69,568,986</b>	<b>42,374,834</b>	<b>111,943,820</b>
<b>Liabilities -</b>			
Insurance contracts liabilities	59,279,522	-	59,279,522
Other provisions	1,282,735	-	1,282,735
Income tax provision	1,449,009	-	1,449,009
Deferred tax liabilities	679,884	-	679,884
Other liabilities	1,592,692	-	1,592,692
<b>Total Liabilities</b>	<b>64,283,842</b>	<b>-</b>	<b>64,283,842</b>
<b>Net Assets</b>	<b>5,285,144</b>	<b>42,374,834</b>	<b>47,659,978</b>

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	Within 1 year	More than 1 year	Total
	JD	JD	JD
<b>2024 -</b>			
<b>Assets -</b>			
Banks deposits	29,472,159	2,352,421	31,824,580
Financial assets at fair value through profit or loss	1,942,873	-	1,942,873
Financial assets fair value through other comprehensive income	-	22,311,213	22,311,213
Financial assets at amortized cost	-	1,119,590	1,119,590
Investment property	-	15,852,736	15,852,736
Cash on hand and at banks	4,565,508	-	4,565,508
Reinsurance contracts assets - net	22,033,769	-	22,033,769
Deferred tax assets	-	2,992,943	2,992,943
Property and equipment – net	-	1,115,365	1,115,365
Intangible assets - net	-	253,443	253,443
Other assets	3,184,311	-	3,184,311
<b>Total Assets</b>	<b>61,198,620</b>	<b>45,997,711</b>	<b>107,196,331</b>
<b>Liabilities -</b>			
Insurance contracts liabilities	58,820,332	-	58,820,332
Other provisions	1,025,715	-	1,025,715
Income tax provision	1,148,289	-	1,148,289
Deferred tax liabilities	274,982	-	274,982
Other liabilities	1,392,090	-	1,392,090
<b>Total Liabilities</b>	<b>62,661,408</b>	<b>-</b>	<b>62,661,408</b>
<b>Net Assets</b>	<b>(1,462,788)</b>	<b>45,997,711</b>	<b>44,534,923</b>

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**(40) ANALYSIS OF MAIN SECTORS INCLUDING DISTRIBUTION OF THE ASSETS AND LIABILITIES OF THE COMPANY BY PRODUCT TYPE**

A-Balance Sheet:

	Motor		Marine and transportation		Fire and damages property		Liability		Medical		Personal Accidents		Life		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>Insurance Contract Assets:</b>																
Reinsurance contracts assets	651,105	730,407	1,147,225	1,322,792	8,163,765	9,283,616	603,894	655,644	1,439,956	856,248	262,315	230,993	9,809,831	8,954,069	22,078,091	22,033,769
Insurance contracts assets	79,974	-	-	-	-	-	-	-	-	-	-	-	-	-	79,974	-
Accounts receivable	125,404	134,523	19,322	20,727	189,641	203,431	10,946	11,742	147,205	157,909	2,333	2,503	327,477	351,289	822,328	882,124
Financial assets	8,054,385	8,228,771	428,924	440,955	4,508,725	4,995,700	236,383	226,888	3,524,831	3,045,493	45,677	46,759	7,699,906	8,389,110	24,498,831	25,373,676
Investments property	4,274,795	5,141,097	227,648	275,496	2,392,967	3,121,168	125,458	141,753	1,870,774	1,902,735	24,243	29,214	4,086,659	5,241,273	13,002,544	15,852,736
Other assets	1,222,966	898,159	52,483	34,611	565,156	423,512	28,626	16,732	442,880	224,290	5,314	3,365	961,551	701,518	3,278,976	2,302,187
<b>Total assets</b>	<b>14,408,629</b>	<b>15,132,957</b>	<b>1,875,602</b>	<b>2,094,581</b>	<b>15,820,254</b>	<b>18,027,427</b>	<b>1,005,307</b>	<b>1,052,759</b>	<b>7,425,646</b>	<b>6,186,675</b>	<b>339,882</b>	<b>312,834</b>	<b>22,885,424</b>	<b>23,637,259</b>	<b>63,760,744</b>	<b>66,444,492</b>
<b>Insurance Contract Liabilities:</b>																
Insurance contracts liabilities	35,467,955	30,294,094	1,046,470	1,585,268	6,895,843	8,944,140	523,142	625,857	3,708,797	4,024,172	404,193	394,800	9,415,376	11,065,666	57,461,776	56,933,997
Reinsurance contracts liabilities	1,817,746	1,886,335	-	-	-	-	-	-	-	-	-	-	-	-	1,817,746	1,886,335
Accounts payable	52,365	-	8,068	-	79,188	-	4,571	-	61,468	-	974	-	136,744	-	343,378	-
Other provisions	421,719	332,643	22,458	17,825	236,072	201,948	12,377	9,172	184,557	123,112	2,392	1,890	403,160	339,125	1,282,735	1,025,715
Other liabilities	471,259	451,460	19,817	24,192	213,928	274,082	10,796	12,448	167,684	167,087	1,995	2,565	363,834	460,256	1,249,313	1,392,090
<b>Total liabilities</b>	<b>38,231,044</b>	<b>32,964,532</b>	<b>1,096,813</b>	<b>1,627,285</b>	<b>7,425,031</b>	<b>9,420,170</b>	<b>550,886</b>	<b>647,477</b>	<b>4,122,506</b>	<b>4,314,371</b>	<b>409,554</b>	<b>399,255</b>	<b>10,319,114</b>	<b>11,865,047</b>	<b>62,154,948</b>	<b>61,238,137</b>

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**B- The following is the distribution of the statement of income items of the Company by product type:**

	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
Insurance contracts revenues	29,891,702	27,767,899	1,575,195	1,668,154	16,666,144	18,000,426	894,381	719,206	12,218,902	11,015,210	28,458,644	29,633,181	190,517	174,042	89,895,485	88,978,118
Less: insurance contracts expenses	(31,346,177)	(28,638,024)	(469,928)	(621,245)	(1,132,557)	(2,105,063)	(83,770)	(182,397)	(10,619,106)	(9,438,874)	(25,439,770)	(25,033,221)	(101,666)	116,536	(69,192,974)	(65,902,288)
<b>Insurance contracts services results</b>	<b>(1,454,475)</b>	<b>(870,125)</b>	<b>1,105,267</b>	<b>1,046,909</b>	<b>15,533,587</b>	<b>15,895,363</b>	<b>810,611</b>	<b>536,809</b>	<b>1,599,796</b>	<b>1,576,336</b>	<b>3,018,874</b>	<b>4,599,960</b>	<b>88,851</b>	<b>290,578</b>	<b>20,702,511</b>	<b>23,075,830</b>
Reinsurance contracts results	1,175,602	1,230,011	972,723	1,122,289	14,654,547	16,710,956	718,999	607,762	4,347,576	4,001,935	16,803,109	18,151,312	32,911	38,294	38,705,467	41,862,559
Reinsurance contracts recoveries	340,492	1,445,468	170,657	388,151	(421,491)	1,100,094	(41,148)	81,812	3,595,832	3,484,717	15,982,662	16,262,630	38,938	(20,504)	19,665,942	22,742,368
<b>Reinsurance contracts services results</b>	<b>835,110</b>	<b>(215,457)</b>	<b>802,066</b>	<b>734,138</b>	<b>15,076,038</b>	<b>15,610,862</b>	<b>760,147</b>	<b>525,950</b>	<b>751,744</b>	<b>517,218</b>	<b>820,447</b>	<b>1,888,682</b>	<b>(6,027)</b>	<b>58,798</b>	<b>19,039,525</b>	<b>19,120,191</b>
<b>Net insurance and reinsurance contracts results</b>	<b>(2,289,585)</b>	<b>(654,668)</b>	<b>303,201</b>	<b>312,771</b>	<b>457,549</b>	<b>284,501</b>	<b>50,464</b>	<b>10,859</b>	<b>848,052</b>	<b>1,059,118</b>	<b>2,198,427</b>	<b>2,711,278</b>	<b>94,878</b>	<b>231,780</b>	<b>1,662,986</b>	<b>3,955,639</b>
Finance (expense) income – insurance contracts	(827,540)	(506,189)	-	-	-	-	-	-	-	-	132,547	(124,476)	-	-	(694,993)	(630,665)
Finance income – reinsurance contracts	29,674	27,037	-	-	-	-	-	-	-	-	3,134	35,910	-	-	32,808	62,947
<b>Net insurance and reinsurance contracts results</b>	<b>(3,087,451)</b>	<b>(1,133,820)</b>	<b>303,201</b>	<b>312,771</b>	<b>457,549</b>	<b>284,501</b>	<b>50,464</b>	<b>10,859</b>	<b>848,052</b>	<b>1,059,118</b>	<b>2,334,108</b>	<b>2,622,712</b>	<b>94,878</b>	<b>231,780</b>	<b>1,000,801</b>	<b>3,387,921</b>

### **C- Geographic concentration of risk**

This disclosure illustrates the geographic distribution of the Company's operations, the Company mainly operates in Jordan, which represents domestic operations,

The following table represents the distribution of the company's revenues and assets of the Company as well as capital expenditure by geographic region:

	<u>Inside the Kingdom</u>		<u>Outside the Kingdom</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	JD	JD	JD	JD	JD	JD
Total assets	103,560,304	97,297,055	8,383,516	9,899,276	111,943,820	107,196,331
Insurance contracts						
revenues	80,514,575	78,011,565	9,380,910	10,966,553	89,895,485	88,978,118
Capital expenditures	785,551	462,021	2,272	13,006	787,823	475,027

### **(41) CAPITAL MANAGEMENT**

Capital requirements are set and regulated by Jordan Central Bank to ensure an adequate solvency margin. Additional objectives have been established by the Company to maintain strong credit ratings and a high capital ratio to support its business and maximize shareholder value.

The Company manages its capital structure and makes necessary adjustments in response to changes in business conditions. The Company has not made any adjustments to the objectives, policies, or procedures related to capital structure during the current and previous years.

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



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The amounts the Company considers as capital and the solvency margin ratio are shown in the following table:

	2025	2024
	JD	JD
Basic Capital:		
Paid-in capital	30,000,000	30,000,000
Statutory reserve	7,500,000	7,500,000
Profit for the year net of deductions	4,512,998	1,058,736
Retained earnings	9,280,412	8,537,405
Total Basic Capital	51,293,410	47,096,141
Supplementary capital:		
Cumulative change in fair value	(3,083,492)	(2,248,193)
Increase in the value of investment properties	13,282,118	10,822,392
Total Supplementary Capital	10,198,626	8,574,199
Total regulatory capital (a)	61,492,036	55,670,340
Total required capital (b)	34,461,477	40,320,419
Solvency margin ratio (a) / (b)	178%	138%

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**(42) WRITTEN PREMIUMS BY INSURANCE BRANCH**

	Motor		Marine and transportation		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
<b>Written premiums -</b>																
Direct premiums	26,564,648	27,229,081	1,282,945	1,329,053	14,462,184	15,850,972	847,097	788,389	12,631,518	10,582,452	27,593,237	29,150,409	163,687	162,479	83,545,316	85,092,835
Inward Facultative reinsurance	2,298,893	1,364,184	254,137	203,174	1,695,198	1,508,043	-	-	-	-	-	-	-	-	4,248,228	3,075,401
<b>Total written premiums</b>	<b>28,863,541</b>	<b>28,593,265</b>	<b>1,537,082</b>	<b>1,532,227</b>	<b>16,157,382</b>	<b>17,359,015</b>	<b>847,097</b>	<b>788,389</b>	<b>12,631,518</b>	<b>10,582,452</b>	<b>27,593,237</b>	<b>29,150,409</b>	<b>163,687</b>	<b>162,479</b>	<b>87,793,544</b>	<b>88,168,236</b>
Less: reinsurance premiums - local	7,763	9,620	14,759	199,668	2,277,736	2,734,500	-	-	381	668	473,397	284,704	-	-	2,774,036	3,229,160
Less: reinsurance premiums - foreign	763,985	754,169	1,265,917	1,078,670	13,217,642	14,071,451	805,876	753,079	4,621,315	3,922,830	16,372,576	18,053,426	29,699	35,038	37,077,010	38,668,663
<b>Net Reinsurance premiums</b>	<b>28,091,793</b>	<b>27,829,476</b>	<b>256,406</b>	<b>253,889</b>	<b>662,004</b>	<b>553,064</b>	<b>41,221</b>	<b>35,310</b>	<b>8,009,822</b>	<b>6,658,954</b>	<b>10,747,264</b>	<b>10,812,279</b>	<b>133,988</b>	<b>127,441</b>	<b>47,942,498</b>	<b>46,270,413</b>

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**(43) 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	2,588,628	719,567	1,869,061	3,189,494	750,398	2,439,096
Liability	225,940	62,806	163,134	194,235	65,498	128,737
Marine	398,840	110,869	287,971	382,457	115,619	266,838
Engineering	836,598	232,556	604,042	273,363	242,520	30,843
Fire	3,077,945	855,600	2,222,345	3,856,241	892,259	2,963,982
Life	6,759,739	1,879,057	4,880,682	6,764,399	1,959,569	4,804,830
Medical	3,038,598	844,662	2,193,936	2,722,720	880,853	1,841,867
Others	48,153	13,385	34,768	40,078	13,958	26,120
	<u>16,974,441</u>	<u>4,718,502</u>	<u>12,255,939</u>	<u>17,422,987</u>	<u>4,920,674</u>	<u>12,502,313</u>

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**(44) EXPECTED RECOGNITION OF CSM FOR THE GENERAL APPROACH MODEL**

**2025**

	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
<b>Expected years of CSM recognition</b>				
One year	48,064	48,064	23,814	23,814
Two years	46,189	46,189	22,885	22,885
Three years	44,266	44,266	21,932	21,932
Four years	34,291	34,291	16,990	16,990
Five years	32,640	32,640	16,172	16,172
Six to ten years	17,651	17,651	8,746	8,746
More than ten years	3,767	3,767	1,867	1,867
Total	<u>226,868</u>	<u>226,868</u>	<u>112,406</u>	<u>112,406</u>

**2024**

	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
<b>Expected years of CSM recognition</b>				
One year	108,860	108,860	23,571	23,571
Two years	104,614	104,614	22,652	22,652
Three years	100,259	100,259	21,709	21,709
Four years	77,666	77,666	16,817	16,817
Five years	73,928	73,928	16,008	16,008
Six to ten years	39,979	39,979	8,657	8,657
More than ten years	8,534	8,534	1,848	1,848
Total	<u>513,840</u>	<u>513,840</u>	<u>111,262</u>	<u>111,262</u>

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**(45) AMORTIZATION OF ACQUISITION COSTS OF INSURANCE CONTRACT ASSETS**

	Motor		Marine and transportation		Fire and damages property		Liability		Medical		Life		Personal Accidents	
	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
Expected Number of Years to Amortize	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Acquisition Costs of Insurance Contract Assets	1,769,312	2,002,193	71,920	65,715	329,818	289,865	22,328	22,328	589,012	564,673	48,777	47,662	9,757	10,066
One years	1,694,532	1,996,856	71,502	65,715	329,784	289,835	22,103	22,328	589,012	564,557	46,274	31,130	9,757	10,066
Two years	74,780	5,326	418	-	34	30	225	-	-	116	2,503	10,835	-	-
Three years	-	11	-	-	-	-	-	-	-	-	-	5,697	-	-
Four years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Five years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
From 6 to 10 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
More than 10 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,769,312	2,002,193	71,920	65,715	329,818	289,865	22,328	22,328	589,012	564,673	48,777	47,662	9,757	10,066

**(46) STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

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

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments.

**Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, the amendments include:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The amendments are not expected to have a material impact on the Company's financial statements.

### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes, and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures. The Company/Group/Bank is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements

### **Lack of exchangeability – Amendments to IAS 21**

In August 2024, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2025, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Company's financial statements.

**Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21**

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.



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**(47) LIFE INSURANCE INCOME STATEMENT**

	<u>2025</u>	<u>2024</u>
<b>Revenues -</b>		
Insurance contract revenues	28,458,644	29,633,181
Less: Insurance contract expenses	<u>(25,439,770)</u>	<u>(25,033,221)</u>
<b>Insurance contracts services results</b>	<b>3,018,874</b>	<b>4,599,960</b>
Reinsurance contracts expenses	(16,803,109)	(18,151,312)
Reinsurance contracts revenues	<u>15,982,662</u>	<u>16,262,630</u>
<b>Reinsurance contracts services results</b>	<b>(820,447)</b>	<b>(1,888,682)</b>
<b>Net insurance and reinsurance contracts results</b>	<b>2,198,427</b>	<b>2,711,278</b>
Financing income (expense) – reinsurance contracts, Net	<u>132,547</u>	<u>(124,476)</u>
Finance income - reinsurance contracts - net	<u>3,134</u>	<u>35,910</u>
<b>Net insurance and reinsurance contracts financing results</b>	<u>135,681</u>	<u>(88,566)</u>
<b>Net results of insurance and reinsurance contract</b>	<b>2,334,108</b>	<b>2,622,712</b>
Other revenues	<u>104,280</u>	<u>417,778</u>
<b>Total Revenues</b>	<b>2,438,388</b>	<b>3,040,490</b>
General and administrative expenses	<u>453,799</u>	<u>490,538</u>
<b>Net profit</b>	<b><u>1,984,589</u></b>	<b><u>2,549,952</u></b>

**(48) SUBSEQUENT EVENTS**

The Company's Board of Directors, in its meeting held on 25 November 2024, resolved to withdraw from the markets of the United Arab Emirates and the State of Kuwait. Preliminary approval was obtained from the Central Bank of Jordan on 12 February 2025, based on the Company's request. This approval was conditional upon obtaining the consent of the relevant regulatory authorities (the UAE Central Bank and the Insurance Regulatory Unit in the State of Kuwait). As of the date of preparation of the financial statements, the process is still in its early stages.