

AL NISR AL ARABI FOR INSURANCE COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2025

**REPORT ON REVIEW OF INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF AL NISR AL ARABI FOR INSURANCE COMPANY
AMMAN – JORDAN**

Introduction

We have reviewed the accompanying interim consolidated condensed financial statements of Al Nisr Al Arabi for Insurance Company - public shareholding company as at 31 March 2025, comprising of interim consolidated condensed statement of financial position as at 31 March 2025 and the related interim consolidated condensed statement of income, interim consolidated condensed statement of comprehensive income, interim consolidated condensed statement of changes in equity, and interim consolidated condensed statement of cash flows for three months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim consolidated condensed financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim consolidated condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
30 April 2025

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	31 March 2025 JD (Unaudited)	31 December 2024 JD (Audited)
<u>Assets</u>			
Investments-			
Bank deposits	3	18,728,652	17,598,096
Financial assets at fair value through other comprehensive income	4	9,534,187	9,391,215
Financial assets at fair value through income statement	5	380,725	369,702
Financial assets at amortized cost	6	96,009,039	94,016,704
Investment property	7	940,001	940,001
Financial assets of policyholders linked to investment		469,245	304,636
Total Investments		126,061,849	122,620,354
Cash on hand and at banks	20	1,433,654	2,441,879
Insurance contracts assets	8	855,183	1,029,581
Re-insurance contracts assets	8	10,439,448	10,838,869
Deferred tax assets	9/C	162,396	162,396
Property and equipment		2,591,316	2,565,316
Intangible assets		266,241	243,935
Other assets		3,000,546	3,098,854
Total Assets		144,810,633	143,001,184
<u>Liabilities and Equity</u>			
Liabilities –			
Insurance contracts liabilities:			
Insurance contracts liabilities	8	89,945,058	86,241,992
Total Insurance contracts liabilities		89,945,058	86,241,992
Accrued expenses		869,407	926,940
Other provisions		251,364	251,364
Income tax provision	9/A	738,460	561,415
Deferred tax liabilities	9/C	115,410	111,494
Other liabilities		1,200,351	1,442,617
		3,174,992	3,293,830
Total Liabilities		93,120,050	89,535,822
Equity -			
Authorized and paid-in capital	15	10,000,000	10,000,000
Share premium	15	3,750,000	3,750,000
Statutory reserve		2,718,026	2,718,026
Voluntary reserve		1,326,652	1,326,652
Fair value reserve	17	808,361	760,775
Actuarial assumptions reserve	18	14,095,386	17,271,792
Retained earnings		18,992,158	17,638,117
Total Equity		51,690,583	53,465,362
Total Liabilities and Equity		144,810,633	143,001,184

The attached notes 1 to 28 form part of these interim consolidated condensed financial statements

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED CONDENSED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

	Notes	31 March 2025 JD	31 March 2024 JD
Revenues –			
Insurance contracts revenues	10	7,765,280	8,588,196
Less: Insurance contracts expenses	11	(5,971,741)	(5,624,070)
Insurance contracts services results		1,793,539	2,964,126
Re-insurance contracts results		(1,801,914)	(1,902,067)
Re-insurance contracts recoveries		803,505	775,969
Re-insurance contracts services results		(998,409)	(1,126,098)
Net insurance and re-insurance contracts results		795,130	1,838,028
Finance expenses – insurance contracts	12	(1,032,146)	(1,265,086)
Finance (expenses) income – re-insurance contracts	13	(3,410)	10,855
Net insurance and re-insurance contracts results		(240,426)	583,797
Investments income		1,769,386	1,588,898
Interest income		266,414	281,283
Gain from financial assets and investments, net	14	4,892	6,363
Other revenues		32,289	5,813
Total revenues		1,832,555	2,466,154
Unallocated general and administrative expenses		(110,229)	(150,657)
Unallocated depreciation and amortization		(22,316)	(52,692)
Other expenses		(34,999)	(47,701)
Total expenses		(167,544)	(251,050)
Profit for the period before income tax		1,665,011	2,215,104
Less: income tax expense	9/B	(310,970)	(293,497)
Profit for the period		1,354,041	1,921,607
		JD/Fils	JD/Fils
Basic and diluted earnings per share		0/135	0/192

The attached notes 1 to 28 form part of these interim consolidated condensed financial statements

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

	Notes	31 March 2025 JD	31 March 2024 JD
Profit for the period		1,354,041	1,921,607
Add: Other comprehensive income not to be reclassified to consolidated statement of income in subsequent periods			
Change in fair value of financial assets through other comprehensive income	17	47,586	337,526
Actuarial losses resulting from changes in assumptions	18	(3,176,406)	(1,615,430)
Total comprehensive income for the period		<u>(1,774,779)</u>	<u>643,703</u>

The attached notes 1 to 28 form part of these interim consolidated condensed financial statements

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

	Authorized and paid-in capital	Share premium	Statutory reserve	Voluntary reserve	Fair value reserve	Actuarial assumptions reserve	Retained earnings	Total equity
	JD	JD	JD	JD	JD	JD	JD	JD
For the three months ended 31 March 2025-								
Balance as at 1 January 2025	10,000,000	3,750,000	2,718,026	1,326,652	760,775	17,271,792	17,638,117	53,465,362
Total comprehensive income for the period	-	-	-	-	47,586	(3,176,406)	1,354,041	(1,774,779)
Balance at 31 March 2025	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,718,026</u>	<u>1,326,652</u>	<u>808,361</u>	<u>14,095,386</u>	<u>18,992,158</u>	<u>51,690,583</u>
For the three months ended 31 March 2024-								
Balance as at 1 January 2024	10,000,000	3,750,000	2,703,579	1,326,652	170,425	15,303,693	12,603,325	45,857,674
Total comprehensive income for the period	-	-	-	-	337,526	(1,615,430)	1,921,607	643,703
Balance at 31 March 2024	<u>10,000,000</u>	<u>3,750,000</u>	<u>2,703,579</u>	<u>1,326,652</u>	<u>507,951</u>	<u>13,688,263</u>	<u>14,524,932</u>	<u>46,501,377</u>

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

The attached notes 1 to 28 form part of these interim consolidated condensed financial statements

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED CONDENSED STATEMENT OF CASHFLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

	Notes	31 March 2025 JD	31 March 2024 JD
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Profit for the period before income tax		1,665,011	2,215,104
Adjustments:			
Interest income		(266,414)	(281,283)
Depreciation and amortization		22,316	52,692
Net change in fair value of financial assets through income statement		(11,023)	(134)
Investments income		(1,769,386)	(1,394,330)
Unrealized income from financial assets of policyholders linked to investment		(164,609)	-
Loss from sale of property and equipment		62	-
Cash flows (used in) from operating activities before changes in working capital		<u>(524,043)</u>	<u>592,049</u>
Insurance contracts assets		174,398	378,241
Re-insurance contracts assets		399,421	338,274
Insurance contracts liabilities		526,660	(40,106)
Other assets		(1,583)	278,094
Accrued expenses		(57,533)	(105,240)
Other liabilities		(242,266)	67,825
Income tax paid	9/A	(136,498)	(240,021)
Net cash flows from operating activities		<u>138,556</u>	<u>1,269,116</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
Deposits at banks maturing after three months		(1,846,000)	(5,277,812)
Interest received		2,135,691	1,570,516
Purchase of property and equipment		(71,259)	(13,197)
Proceeds from sale of property and equipment		575	-
Purchase of financial assets at amortized cost		(1,992,335)	(2,738,998)
Purchase of financial assets through other comprehensive income		(88,897)	(20,302)
Net cash flows used in investing activities		<u>(1,862,225)</u>	<u>(6,479,793)</u>
Net decrease in cash and cash equivalent		(1,723,669)	(5,210,677)
Cash and cash equivalents at the beginning of the period		19,239,975	18,643,749
Cash and cash equivalents at the end of the period	20	<u>17,516,306</u>	<u>13,433,072</u>

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

(1) GENERAL

Al Nisr Al Arabi Insurance Company was established and registered as a Jordanian Public Shareholding Company under No. (207) on 28 September 1989 with JD 2,000,000 authorized capital and divided into 2,000,000 shares at a par value of 1 JD for each. The Group has raised its authorized and paid in capital through the years to become 10,000,000 shares at par value of JD 1 each. The last adjustment on capital took place during 2007.

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

The Group is 68.01% owned by Arab Bank (Parent Company) as of 31 March 2025, the financial statements of the Group are consolidated with the parent company.

The interim condensed financial statements were approved by the Board of Directors in its meeting No (256) held on 30 April 2025.

(2-1) BASIS OF PREPARATION THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The interim consolidated condensed financial statements for the three months ended 31 March 2025 have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" with applicable local laws and in accordance with the forms established by the Central Bank of Jordan.

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

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

The interim consolidated condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual report as at 31 December 2024. In addition, the results for the three months ended 31 March 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim consolidated condensed 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)

In August 2023, 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 had no material impact on the Group's interim consolidated condensed financial statements.

(2-3) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Al Nisr Al Arabi Insurance Company (the "Company"), and its subsidiary (referred to together as the "Group") as of 31 March 2025:

<u>Company's Name</u>	<u>Legal form</u>	<u>Country of Origin</u>	<u>Ownership Percentage</u>
Al Amin Al Arabi Real Estate Company*	Limited Liability Company	Jordan	100%

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e, existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction, If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non- controlling interests.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes the gain or loss resulted from loss of control.
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, in the case where the group has directly derecognized its assets or liabilities.

The financial statements of the Company and the subsidiary are prepared for the same financial year, using the same accounting policies.

All balances, transactions, revenues and expenses resulting from transactions between the Company and its subsidiary are excluded.

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

(3) BANK DEPOSITS

	Deposits maturing within one month	Deposits maturing between one to three months	Deposits maturing after three months to one year	31 March 2025	31 December 2024
	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Audited)
Inside Jordan	15,890,204	1,000,000	-	16,890,204	15,834,012
Outside Jordan	-	-	1,846,000	1,846,000	1,775,000
Expected credit losses*	(5,889)	(1,663)	-	(7,552)	(10,916)
	<u>15,884,315</u>	<u>998,337</u>	<u>1,846,000</u>	<u>18,728,652</u>	<u>17,598,096</u>

* The movement on the provision for expected credit losses is as follows:

	31 March 2025	31 December 2024
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period	10,916	29,339
Transferred to provision for expected credit losses for receivables	<u>(3,364)</u>	<u>(18,423)</u>
Balance at the end of the period / year	<u>7,552</u>	<u>10,916</u>

The interest rates on deposits with banks in Jordanian Dinar ranged between 5.37% and 6.35%, 4.25% for U.S. Dollar deposits during the year ended 31 March 2025. (31 December 2024: from 5.75% and 6.75%, for Jordanian Dinar deposits, and from 5.4% for U.S. Dollar deposits).

The pledged deposits in favor of the Governor of the Central Bank, in addition to his role, amounted to JD 800,000 as of 31 March 2025 and 31 December 2024 with the Invest Bank.

There are no restricted cash balances as at 31 March 2025 and 31 December 2024.

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item consists of the following:

	31 March 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Inside Jordan –		
Listed shares	69,537	37,707
Outside Jordan –		
Listed shares	6,054,625	5,997,204
Listed investment funds*	1,689,410	1,632,064
Total	<u>7,744,035</u>	<u>7,629,268</u>
Bonds – Outside Jordan		
Quoted bonds**	1,720,615	1,724,240
Total Financial Assets at Fair Value Through OCI	<u>9,534,187</u>	<u>9,391,215</u>

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

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

	From 3 months to 6 months	From 6 months to 9 months	From 9 months to a year	More than a year	Total
	JD	JD	JD	JD	JD
Outside Jordan					(Unaudited)
Quoted bonds	-	-	-	1,720,615	1,720,615
	-	-	-	1,720,615	1,720,615

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

Financial assets that are presented at cost due to the inability to determine their fair value are disclosed comparatively.

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

The above bonds have a fixed yield.

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME

This item consists of the following:

	31 March 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Investment funds – Outside Jordan		
Quoted shares	380,725	369,702
	<u>380,725</u>	<u>369,702</u>

(6) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Number of bonds			
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	Bond	Bond	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Inside Jordan				
Unlisted Bonds in financial market				
Government bonds	51	48	92,110,952	90,118,750
Total			<u>92,110,952</u>	<u>90,118,750</u>
Outside Jordan				
Corporate bonds	16	16	4,003,778	4,003,645
Less: impairment on financial assets at amortized cost			(105,691)	(105,691)
Total			<u>3,898,087</u>	<u>3,897,954</u>
Total financial assets at amortized cost outside Jordan			<u>96,009,039</u>	<u>94,016,704</u>

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

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

	From 1 to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 months to one year	More than one year	Total
	JD	JD	JD	JD	JD	JD
<u>Inside Jordan -</u>						(Unaudited)
Governmental Bonds	-	-	-	1,386,620	90,724,332	92,110,952
<u>Outside Jordan -</u>						
Corporate Bonds	-	-	-	-	3,898,087	3,898,087
Total	-	-	-	1,386,620	94,622,419	96,009,039

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

(7) INVESTMENT PROPERTIES, NET

The details of this item are as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Investment Land*	940,001	940,001

- * The fair value of investment properties has been determined by real estate experts as of 31 December 2024 to be JD 1,082,867.

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

(8) INSURANCE CONTRACTS ASSETS/LIABILITIES

Insurance contracts liabilities

	31 March 2025 (Unaudited)			31 December 2024 (Audited)		
	Premium allocation approach (8-A)	General approach (8-B)	Total	Premium allocation approach (8-A)	General approach (8-B)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	1,142,146	-	1,142,146	2,147,009	-	2,147,009
Liability of incurred claims	9,162,501	-	9,162,501	9,102,179	-	9,102,179
Present value of future cash flows	-	53,846,400	53,846,400	-	52,583,653	52,583,653
Risk adjustment - non-financial	1,451,552	2,927,785	4,379,337	1,474,265	2,676,134	4,150,399
CSM	-	21,414,674	21,414,674	-	18,258,752	18,258,752
Total	11,756,199	78,188,859	89,945,058	12,723,453	73,518,539	86,241,992

Insurance contracts assets

	31 March 2025 (Unaudited)			31 December 2024 (Audited)		
	Premium allocation approach (8-A)	General approach (8-B)	Total	Premium allocation approach (8-A)	General approach (8-B)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	-	855,183	855,183	-	1,029,581	1,029,581
Total	-	855,183	855,183	-	1,029,581	1,029,581

Re-insurance contracts assets

	31 March 2025 (Unaudited)			31 December 2024 (Audited)		
	Premium allocation approach (8-C)	General approach (8-C)	Total	Premium allocation approach (8-C)	General approach (8-C)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	223,425	595,823	819,248	702,499	627,594	1,330,093
Liability of incurred claims	9,620,200	-	9,620,200	9,508,776	-	9,508,776
Total	9,843,625	595,823	10,439,448	10,211,275	627,594	10,838,869

AL NISR AL ARABI FOR INSURANCE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025 (UNAUDITED)

(8-A) INSURANCE CONTRACTS ASSETS/LIABILITIES – PREMIUM ALLOCATION APPROACH

31 March 2025	Liability for remaining coverage		Liability for incurred claims		Total
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	
	JD	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2025	(2,103,918)	(43,091)	(9,102,179)	(1,474,265)	(12,723,453)
Insurance contracts assets as at 1 January 2025	-	-	-	-	-
Insurance contracts liabilities as at 1 January 2025	(2,103,918)	(43,091)	(9,102,179)	(1,474,265)	(12,723,453)
Insurance revenues	5,687,152	-	-	-	5,687,152
Incurred claims and other directly attributable expenses	-	-	(4,185,539)	(88,422)	(4,273,961)
Changes that relate to past service-changes in FCF relating to LIC	-	-	(60,322)	111,135	50,813
Losses on onerous contracts	-	2,586	-	-	2,586
Insurance acquisition cash flows assets impairment	(383,319)	-	-	-	(383,319)
Insurance services expenses	(383,319)	2,586	(4,245,861)	22,713	(4,603,881)
Insurance services results	5,303,833	2,586	(4,245,861)	22,713	1,083,271
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in the consolidated statement of income	5,303,833	2,586	(4,245,861)	22,713	1,083,271
Cash flows:					
Premiums received	(4,684,875)	-	-	-	(4,684,875)
Claims and other directly attributable expenses paid	-	-	4,185,539	-	4,185,539
Insurance contracts acquisition cash flows	383,319	-	-	-	383,319
Total cash flows	(4,301,556)	-	4,185,539	-	(116,017)
Insurance contracts liabilities as at 31 March 2025	(1,101,641)	(40,505)	(9,162,501)	(1,451,552)	(11,756,199)
Insurance contracts assets as at 31 March 2025	-	-	-	-	-
Insurance contracts liabilities as at 31 March 2025	(1,101,641)	(40,505)	(9,162,501)	(1,451,552)	(11,756,199)

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INSURANCE CONTRACTS ASSETS/LIABILITIES – PREMIUM ALLOCATION APPROACH

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

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(8-B) INSURANCE CONTRACTS ASSETS/LIABILITIES – GENERAL APPROACH

31 March 2025	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2025	(52,583,653)	(2,676,134)	(18,258,752)	(73,518,539)
Insurance contracts assets as at 1 January 2025	6,662,696	(640,626)	(4,992,489)	1,029,581
Insurance contracts liabilities as at 1 January 2025	(45,920,957)	(3,316,760)	(23,251,241)	(72,488,958)
Changes related to current service:				
Experience adjustments-relating to insurance services expenses	(251,764)	(8,304)	970,336	710,268
Changes related to future service:				
Changes in estimates that adjust the CSM	1,374,895	122,003	(1,496,898)	-
Experience adjustments-arising from premiums received in the period that relate to future service	1,248,992	(150,492)	(1,098,500)	-
Changes related to past service:				
Changes related to the past service that after the obligation regarding the incurred compensations	-	-	-	-
Insurance services result	<u>2,372,123</u>	<u>(36,793)</u>	<u>(1,625,062)</u>	<u>710,268</u>
Financing expenses from issued insurance contracts	(722,922)	-	(309,224)	(1,032,146)
Total income recognized in the consolidated income statement	<u>1,649,201</u>	<u>(36,793)</u>	<u>(1,934,286)</u>	<u>(321,878)</u>
Actuarial losses from change in assumptions	(3,249,433)	73,027	-	(3,176,406)
Total income recognized in statement of comprehensive income	<u>(1,600,232)</u>	<u>36,234</u>	<u>(1,934,286)</u>	<u>(3,498,284)</u>
Cash flows:				
Premiums received	(6,556,334)	-	-	(6,556,334)
Claims and other directly attributable expenses paid	3,953,738	-	-	3,953,738
Life policies experience adjustments	-	-	1,256,162	1,256,162
Total cash flows	<u>(2,602,596)</u>	<u>-</u>	<u>1,256,162</u>	<u>(1,346,434)</u>
Insurance contracts liabilities as at 31 March 2025	<u>(53,846,400)</u>	<u>(2,927,785)</u>	<u>(21,414,674)</u>	<u>(78,188,859)</u>
Insurance contracts assets as at 31 March 2025	<u>3,722,615</u>	<u>(352,740)</u>	<u>(2,514,692)</u>	<u>855,183</u>
Insurance contracts liabilities as at 31 March 2025	<u>(50,123,785)</u>	<u>(3,280,525)</u>	<u>(23,929,366)</u>	<u>(77,333,676)</u>

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INSURANCE CONTRACTS ASSETS/LIABILITIES – GENERAL APPROACH

31 December 2024	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2024	(51,829,601)	(2,291,401)	(16,679,458)	(70,800,460)
Insurance contracts assets as at 1 January 2024	6,879,194	(665,779)	(5,063,991)	1,149,424
Insurance contracts liabilities as at 1 January 2024	(44,950,407)	(2,957,180)	(21,743,449)	(69,651,036)
Changes related to current service:				
Experience adjustments-relating to insurance services expenses	(4,026,909)	(73,600)	6,545,434	2,444,925
Changes related to future service:				
Changes in estimates that adjust the CSM	7,239,885	270,588	(7,510,473)	-
Experience adjustments-arising from premiums received in the period that relate to future service	4,394,479	(565,501)	(3,828,978)	-
Changes related to past service:				
Changes related to the past service that after the obligation regarding the incurred compensations	23,023	-	-	23,023
Insurance services result	<u>7,630,478</u>	<u>(368,513)</u>	<u>(4,794,017)</u>	<u>2,467,948</u>
Financing expenses from issued insurance contracts	(3,260,768)	-	(1,111,293)	(4,372,061)
Total income recognized in the consolidated income statement	<u>4,369,710</u>	<u>(368,513)</u>	<u>(5,905,310)</u>	<u>(1,904,113)</u>
Actuarial losses from change in assumptions	1,959,166	8,933	-	1,968,099
Total income recognized in statement of other comprehensive income	<u>6,328,876</u>	<u>(359,580)</u>	<u>(5,905,310)</u>	<u>63,986</u>
Cash flows:				
Premiums received	(25,280,615)	-	-	(25,280,615)
Claims and other directly attributable expenses paid	17,981,189	-	-	17,981,189
Life policies experience adjustments	-	-	4,397,518	4,397,518
Total cash flows	<u>(7,299,426)</u>	<u>-</u>	<u>4,397,518</u>	<u>(2,901,908)</u>
Insurance contracts liabilities as at 31 December 2024	<u>(52,583,653)</u>	<u>(2,676,134)</u>	<u>(18,258,752)</u>	<u>(73,518,539)</u>
Insurance contracts assets as at 31 December 2024	<u>6,662,696</u>	<u>(640,626)</u>	<u>(4,992,489)</u>	<u>1,029,581</u>
Insurance contracts liabilities as at 31 December 2024	<u>(45,920,957)</u>	<u>(3,316,760)</u>	<u>(23,251,241)</u>	<u>(72,488,958)</u>

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

	Liability for Remaining Coverage		Liability for incurred claims		Total
	Non-onerous contracts	Onerous Contracts	Non-financial-risks adjustments	Financial risks adjustments	
	JD	JD	JD	JD	
31 March 2025					
Insurance contracts liabilities as at 1 January 2025	(72,080,970)	-	(1,437,569)	-	(73,518,539)
Insurance contracts assets as at 1 January 2025	1,029,581	-	-	-	1,029,581
Insurance contracts liabilities as at 1 January 2025	(71,051,389)	-	(1,437,569)	-	(72,488,958)
Insurance revenues	2,078,128	-	-	-	2,078,128
Incurred claims	-	-	(3,661)	-	(3,661)
Other expenses	-	-	(1,364,199)	-	(1,364,199)
Insurance service expense	-	-	(1,367,860)	-	(1,367,860)
Insurance services results	2,078,128	-	(1,367,860)	-	710,268
Financing expenses from issued insurance contracts	(1,032,146)	-	-	-	(1,032,146)
Total income recognized in the consolidated income statement	1,045,982	-	(1,367,860)	-	(321,878)
Actuarial losses from changes in assumptions	(3,176,406)	-	-	-	(3,176,406)
Investment	3,105,460	-	(3,105,460)	-	-
Total income recognized in the consolidated statement of other comprehensive income	975,036	-	(4,473,320)	-	(3,498,284)
Cash flows:					
Premiums received	(6,556,334)	-	-	-	(6,556,334)
Claims and other directly attributable expenses paid	-	-	2,718,662	-	2,718,662
Life policies experience adjustments	1,256,162	-	-	-	1,256,162
Other expenses	(129,123)	-	1,364,199	-	1,235,076
Total cash flows	(5,429,295)	-	4,082,861	-	(1,346,434)
Insurance contracts liabilities as at 31 March 2025	(76,360,830)	-	(1,828,029)	-	(78,188,859)
Insurance contracts assets as at 31 March 2025	855,183	-	-	-	855,183
Insurance contracts liabilities as at 31 March 2025	(75,505,647)	-	(1,828,029)	-	(77,333,676)

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

	Liability for Remaining Coverage		Liability for incurred claims		Total
	Non-onerous contracts	Onerous Contracts	Non-financial-risks adjustments	Financial risks adjustments	
	JD	JD	JD	JD	
31 December 2024					
Insurance contracts liabilities as at 1 January 2024	(69,339,867)	-	(1,460,593)	-	(70,800,460)
Insurance contracts assets as at 1 January 2024	1,149,424	-	-	-	1,149,424
Insurance contracts liabilities as at 1 January 2024	(68,190,443)	-	(1,460,593)	-	(69,651,036)
Insurance revenues	7,600,969	-	-	-	7,600,969
Changes in liability for remaining coverage	-	-	23,024	-	23,024
Incurred claims	-	-	(128,123)	-	(128,123)
Other expenses	-	-	(5,027,922)	-	(5,027,922)
Insurance service expense	-	-	(5,133,021)	-	(5,133,021)
Insurance services results	7,600,969	-	(5,133,021)	-	2,467,948
Financing expenses from issued insurance contracts	(4,372,061)	-	-	-	(4,372,061)
Total income recognized in the consolidated income statement	3,228,908	-	(5,133,021)	-	(1,904,113)
Actuarial Losses (gains) from changes in assumptions	1,968,099	-	-	-	1,968,099
Investment component	12,912,127	-	(12,912,127)	-	-
Total income recognized in the consolidated statement of other comprehensive income	18,109,134	-	(18,045,148)	-	63,986
Cash flows:					
Premiums received	(25,280,615)	-	-	-	(25,280,615)
Claims and other directly attributable expenses paid	-	-	13,040,250	-	13,040,250
Life policies experience adjustments	4,397,517	-	-	-	4,397,517
Other expenses	(86,982)	-	5,027,922	-	4,940,940
Total cash flows	(20,970,080)	-	18,068,172	-	(2,901,908)
Insurance contracts liabilities as at 31 December 2024	(72,080,970)	-	(1,437,569)	-	(73,518,539)
Insurance contracts assets as at 31 December 2024	1,029,581	-	-	-	1,029,581
Insurance contracts liabilities as at 31 December 2024	(71,051,389)	-	(1,437,569)	-	(72,488,958)

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(8-C) RE-INSURANCE CONTRACTS (ASSETS) LIABILITIES – PREMIUM ALLOCATION APPROACH

	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
31 March 2025	JD	JD	JD	JD	JD
Re-insurance contracts liabilities as at 1 January 2025	-	-	-	-	-
Re-insurance contracts assets as at 1 January 2025	702,499	-	8,367,588	1,141,188	10,211,275
Re-insurance contracts assets as at 1 January 2025	702,499	-	8,367,588	1,141,188	10,211,275
Re-insurance expenses	(1,767,624)	-	-	-	(1,767,624)
Incurred claims recovery	-	-	721,253	13,799	735,052
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	101,865	(33,412)	68,453
Re-insurance services results	(1,767,624)	-	823,118	(19,613)	(964,119)
Finance income from re-insurance contracts held	-	-	-	-	-
Total amounts recognised in the consolidated statement of income	(1,767,624)	-	823,118	(19,613)	(964,119)
Cash flows:					
Total premiums paid net of ceding commissions and other directly attributable expenses	1,288,550	-	-	-	1,288,550
Recoveries from re-insurance	-	-	(692,081)	-	(692,081)
Total cash flows	1,288,550	-	(692,081)	-	596,469
Re-insurance contracts liabilities as at 31 March 2025	-	-	-	-	-
Re-insurance contracts assets as at 31 March 2025	223,425	-	8,498,625	1,121,575	9,843,625
Re-insurance contracts net assets as at 31 March 2025	223,425	-	8,498,625	1,121,575	9,843,625

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RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – PREMIUM ALLOCATION APPROACH

	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
31 December 2024	JD	JD	JD	JD	JD
Re-insurance contracts liabilities as at 1 January 2024	-	-	-	-	-
Re-insurance contracts assets as at 1 January 2024	875,103	-	8,562,526	1,370,005	10,807,634
Re-insurance contracts assets as at 1 January 2024	875,103	-	8,562,526	1,370,005	10,807,634
Re-insurance expenses	(7,651,849)	-	-	-	(7,651,849)
Incurred claims recovery	-	-	2,984,426	236,200	3,220,626
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(35,637)	(465,017)	(500,654)
Effect of changes in risk of non-performance by issuer of re-insurance contracts held	-	-	-	-	-
Re-insurance services results	(7,651,849)	-	2,948,789	(228,817)	(4,931,877)
Finance income from re-insurance contracts held	-	-	-	-	-
Total amounts recognised in the consolidated statement of income	-	-	2,948,789	(228,817)	(4,931,877)
Cash flows:					
Total premiums paid net of ceding commissions and other directly attributable expenses	7,479,245	-	-	-	7,479,245
Recoveries from re-insurance	-	-	(3,143,727)	-	(3,143,727)
Total cash flows	7,479,245	-	(3,143,727)	-	4,335,518
Re-insurance contracts liabilities as at 31 December 2024	-	-	-	-	-
Re-insurance contracts assets as at 31 December 2024	702,499	-	8,367,588	1,141,188	10,211,275
Re-insurance contracts net assets as at 31 December 2024	702,499	-	8,367,588	1,141,188	10,211,275

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RE-INSURANCE CONTRACTS ASSETS (LIABILITIES) – GENERAL APPROACH

31 March 2025	Present value of future cash flows JD	Risk adjustment - non-financial JD	CSM JD	Total JD
Re-insurance contracts liabilities as at 1 January 2025	-	-	-	-
Re-insurance contracts assets as at 1 January 2025	(361,436)	1,014,592	(25,562)	627,594
Re-insurance contracts (liabilities) assets as at 1 January 2025	(361,436)	1,014,592	(25,562)	627,594
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	15,155	(5,533)	9,622
Experience adjustments-relating to insurance services expenses	(43,912)	-	-	(43,912)
Changes related to future service:				
Changes in estimates that adjust the CSM	(177,734)	(25,380)	203,114	-
Contracts initially recognised in period	(2,018)	33,891	(31,873)	-
Re-insurance services results	(223,664)	23,666	165,708	(34,290)
Finance expenses from insurance contracts issued	(1,498)	-	(1,912)	(3,410)
Total amounts recognised in the consolidated statement of income	(225,162)	23,666	163,796	(37,700)
Cash flows:				
Premiums received	64,221	-	-	64,221
Claims and other directly attributable expenses paid	(61,702)	-	-	(61,702)
Total cash flows	2,519	-	-	2,519
Re-insurance contracts liabilities as at 31 March 2025	-	-	-	-
Re-insurance contracts assets as at 31 March 2025	(582,581)	1,038,258	138,234	595,823
Re-insurance contracts (liabilities) assets as at 31 March 2025	(582,581)	1,038,258	138,234	595,823

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RE-INSURANCE CONTRACTS ASSETS (LIABILITIES) – GENERAL APPROACH

31 December 2024	Present value of future cash flows JD	Risk adjustment - non-financial JD	CSM JD	Total JD
Re-insurance contracts liabilities as at 1 January 2024	-	-	-	-
Re-insurance contracts assets as at 1 January 2024	(267,285)	878,185	(18,856)	592,044
Re-insurance contracts (liabilities) assets as at 1 January 2024	<u>(267,285)</u>	<u>878,185</u>	<u>(18,856)</u>	<u>592,044</u>
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	66,999	(4,830)	62,169
Experience adjustments-relating to insurance services expenses	(88,242)	-	-	(88,242)
Changes related to future service:				
Changes in estimates that adjust the CSM	(50,094)	(84,508)	134,602	-
Contracts initially recognised in period	<u>(22,420)</u>	<u>153,916</u>	<u>(131,496)</u>	<u>-</u>
Re-insurance services results	<u>(160,756)</u>	<u>136,407</u>	<u>(1,724)</u>	<u>(26,073)</u>
Finance expenses from insurance contracts issued	(11,131)	-	(4,982)	(16,113)
Total amounts recognised in the consolidated statement of income	<u>(171,887)</u>	<u>136,407</u>	<u>(6,706)</u>	<u>(42,186)</u>
Cash flows:				
Premiums received	204,250	-	-	204,250
Claims and other directly attributable expenses paid	(126,514)	-	-	(126,514)
Insurance contracts acquisition cash flows	-	-	-	-
Total cash flows	<u>77,736</u>	<u>-</u>	<u>-</u>	<u>77,736</u>
Re-insurance contracts liabilities as at 31 December 2024	-	-	-	-
Re-insurance contracts assets as at 31 December 2024	(361,436)	1,014,592	(25,562)	627,594
Re-insurance contracts (liabilities) assets as at 31 December 2024	<u>(361,436)</u>	<u>1,014,592</u>	<u>(25,562)</u>	<u>627,594</u>

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(9) INCOME TAX

A- Income tax provision

Movements on the income tax provision were as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	561,415	1,575,182
Provision for the period/ year	313,543	903,067
Income tax paid	<u>(136,498)</u>	<u>(1,916,834)</u>
Balance at the end of the period/ year	<u>738,460</u>	<u>561,415</u>

B-The income tax expense appears in the interim statement of income represents the following:

	31 March 2025	31 March 2024
	JD	JD
	(Unaudited)	(Unaudited)
Income tax for the period	313,543	295,686
Effect of deferred tax assets	<u>(2,573)</u>	<u>(2,189)</u>
	<u>310,970</u>	<u>293,497</u>

Income tax

The company has submitted the self-assessment tax returns for the years 2024,2023,2022 and 2021 on time. Furthermore, the Income Tax Department has not reviewed the company's records up to the date of these consolidated financial statements. In the opinion of the Group's management and the tax advisor, the income tax provision is sufficient to cover any tax liabilities.

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

General sales tax

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

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Income Tax for Al-Amin Arabi Company (a subsidiary)

The Company's tax status has been settled for the year 2023, with the exception of 2021. The tax return for fiscal year 2021 was submitted within the legal deadline and has not yet been audited by the Income and Sales Tax Department nor has a final decision has been issued. In the opinion of the Company's management and its tax advisor, the provision is sufficient to meet tax obligations.

C- Deferred tax assets and liabilities

	31 March 2025 (Unaudited)			31 December 2024 (audited)	
	Balance at the beginning of the year	Released	Additions	Balance at the end of the year	Deferred Tax
	JD	JD	JD	JD	JD
Deferred tax assets:					
Provision for expected credit losses	373,235	-	-	373,235	97,041
Provision for end of service indemnity	49,789	-	-	49,789	12,945
Legal provision	201,575	-	-	201,575	52,410
	624,599	-	-	624,599	162,396
Deferred tax liabilities:					
Unrealized gains- Financial assets at fair value through income statement portfolio	64,599	64,599	43,159	43,159	5,179
Unrealized gains- Financial assets at fair value through other comprehensive income portfolio	864,518	-	54,075	918,593	110,231
	929,117	64,599	97,234	961,752	115,410

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

	Liabilities		Assets	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD	JD	JD	JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Balance at the beginning of the year	111,494	26,309	162,396	169,923
Additions	11,668	111,494	-	2,731
Disposals	(7,752)	(26,309)	-	(10,258)
Balance at the end of the year	115,410	111,494	162,396	162,396

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

D- Below is a summary of reconciliation of accounting profit to taxable profit:

	31 March 2025 JD	31 March 2024 JD
Accounting profit	1,665,011	2,215,104
Losses on sale of financial assets at fair value through other comprehensive income	-	(3,630)
Non-taxable income	(864,456)	(1,356,220)
Non-deductible expenses	405,380	291,000
Taxable profit	1,205,935	1,146,254
Income tax payable	313,543	295,686
Effective income tax rate	19%	13%
Statutory income tax rate and national contribution	26%	26%

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

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(10) INSURANCE CONTRACT REVENUES

31 March 2025 -	Motor	Fire	Liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	-	751,378	314,959	158,435	3,475,686	37,505	1,350,941	6,088,904
Insurance contract issuance fees	-	20,371	12,353	5,973	77,392	29,828	9,443	155,360
Expected incurred claims	-	-	-	-	-	-	115,762	115,762
Change in risk adjustments - non-financial	-	-	-	-	-	-	1,413,558	1,413,558
Expected incurred expenses	-	-	-	-	-	-	(8,304)	(8,304)
	<u>-</u>	<u>771,749</u>	<u>327,312</u>	<u>164,408</u>	<u>3,553,078</u>	<u>67,333</u>	<u>2,881,400</u>	<u>7,765,280</u>

31 March 2024 -	Motor	Fire	Liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	-	886,080	370,494	97,081	3,336,285	37,735	2,308,313	7,035,988
Insurance contract issuance fees	-	37,348	18,092	6,271	145,479	28,954	28,413	264,557
Expected incurred claims	-	-	-	-	-	-	89,126	89,126
Change in risk adjustments - non-financial	-	-	-	-	-	-	1,236,443	1,236,443
Expected incurred expenses	-	-	-	-	-	-	(37,918)	(37,918)
	<u>-</u>	<u>923,428</u>	<u>388,586</u>	<u>103,352</u>	<u>3,481,764</u>	<u>66,689</u>	<u>3,624,377</u>	<u>8,588,196</u>

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(11) INSURANCE CONTRACTS EXPENSES

31 March 2025 –	Motor	Fire	Liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	517	(25,473)	8,228	3,984	(3,082,036)	(26,963)	(688,857)	(3,810,600)
Amortization of acquisition costs	-	(89,307)	(30,131)	(15,949)	(186,590)	(10,554)	(50,787)	(383,318)
Administrative expenses	-	(38,494)	(8,719)	(5,284)	(356,753)	(1,766)	(1,392,105)	(1,803,121)
Loss from onerous contracts	-	-	-	-	2,586	-	-	2,586
Risk adjustments - non-financial	-	(1,391)	20,509	1,278	(3,102)	(94)	5,512	22,712
	<u>517</u>	<u>(154,665)</u>	<u>(10,113)</u>	<u>(15,971)</u>	<u>(3,625,895)</u>	<u>(39,377)</u>	<u>(2,126,237)</u>	<u>(5,971,741)</u>

31 March 2024 –	Motor	Fire	Liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	1,794	(4,563)	19,952	(4,353)	(2,853,126)	(1,408)	(1,009,415)	(3,851,119)
Amortization of acquisition costs	-	(69,981)	(37,148)	(15,505)	(167,692)	(12,423)	(113,554)	(416,303)
Administrative expenses	-	(23,636)	(9,786)	(3,555)	(297,699)	(1,370)	(1,054,875)	(1,390,921)
Loss from onerous contracts	-	-	-	-	(1,953)	-	1,448	(505)
Risk adjustments - non-financial	-	3,746	30,831	(4,219)	265	4,066	89	34,778
	<u>1,794</u>	<u>(94,434)</u>	<u>3,849</u>	<u>(27,632)</u>	<u>(3,320,205)</u>	<u>(11,135)</u>	<u>(2,176,307)</u>	<u>(5,624,070)</u>

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(12) FINANCE EXPENSES – INSURANCE CONTRACTS

	31 March 2025	31 March 2024
	JD	JD
Finance expenses	(1,032,146)	(1,265,086)
	<u>(1,032,146)</u>	<u>(1,265,086)</u>

The Group used discount rates that ranged between 5.9% and 9.5% in Jordanian Dinar and ranged between 3.9% and 4.4% in US Dollar as at 31 March 2025 (31 March 2024: 6.7% and 8.3% in Jordanian Dinar and between 3.9% and 5.4% in US Dollar).

(13) FINANCE (EXPENSES) INCOME – RE-INSURANCE CONTRACTS

	31 March 2025	31 March 2024
	JD	JD
Finance (expenses) income	(3,410)	10,855
	<u>(3,410)</u>	<u>10,855</u>

The Group used discount rates that ranged between 5.9% and 9.5% in Jordanian Dinar and ranged between 3.9% and 4.4% in US Dollar as at 31 March 2025 (31 March 2024: 6.7% and 8.3% in Jordanian Dinar and between 3.9% and 5.4% in US Dollar).

(14) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

	31 March 2025	31 March 2024
	JD	JD
Cash dividends from financial assets at fair value through other comprehensive income	4,892	6,363
	<u>4,892</u>	<u>6,363</u>

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(15) AUTHORIZED AND PAID IN CAPITAL

Authorized and paid in capital amounted to JD 10,000,000, divided into 10,000,000 shares the par value of each is JD 1 as at 31 March 2025 and 31 December 2024.

Share premium

A quarter of a share was distributed for each share of the Company's capital on 9 June 2005. The Company's capital became 2.5 million shares / JD out of 2 million shares / JD, and in 2006 one million shares / JD, and an issuance premium of JD 8,750,000 per share Free of charge for each share of the Company's capital on 6 June 2007, by capitalizing JD 5,000,000 from the upper box. The Company's capital is 10 million shares / JD, a share of 5 million shares / JD, and an issuance premium amounted to JD 3,750,000.

(16) DIVIDENDS TO BE DISTRIBUTED

The Board of Directors will recommend to the Group's General Assembly the distribution of cash dividends amounting to JD 7,500,000 to the shareholders, representing 75% of the Company's paid-in capital as of 31 December 2024, in its meeting to be held during the year 2025.

(17) FAIR VALUE RESERVE

Movements on the fair value reserve were as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the year	760,775	170,425
Loss on sale of financial assets at fair value through other comprehensive income	-	36,440
Change during the year	54,075	634,412
Deferred tax liabilities	(6,489)	(80,502)
Balance at the end of the year	808,361	760,775

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(18) ACTUARIAL ASSUMPTIONS RESERVE

Movements on the fair value reserve were as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the year	17,271,792	15,303,693
Actuarial losses resulting from a change in assumptions	(3,176,406)	1,968,099
Balance at the end of the year	14,095,386	17,271,792

(19) EARNINGS PER SHARE FROM PROFIT FOR THE PERIOD

The profit per share is calculated by dividing the profit for the period by the weighted average number of shares during the period as follows:

	31 March 2025	31 March 2024
Profit for the period / JD	1,354,041	1,921,607
Weighted average number of shares / share	10,000,000	10,000,000
Basic and diluted earnings per share for the year (Fils/JD)	0/135	0/192

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(20) CASH AND CASH EQUIVALENTS

The detail of this item consists of:

	31 March 2025	31 December 2024
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	4,187	3,344
Current accounts at banks	1,429,467	2,438,535
	<u>1,433,654</u>	<u>2,441,879</u>

Cash and cash equivalents which appear in the consolidated statement of cash flows consist of the following:

	31 March 2025	31 March 2024
	JD	JD
Cash on hand and at banks	1,433,654	2,867,643
Add: Deposits at banks with original maturity date less than three months (note 3)	16,882,652	11,365,429
Less: Pledged deposits in favor of the Central Bank of Jordan Governor (note 3)	(800,000)	(800,000)
Net cash and cash equivalents	<u>17,516,306</u>	<u>13,433,072</u>

(21) RELATED PARTY BALANCES AND TRANSACTIONS

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

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

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

	31 March 2025			31 December 2024
	Parent Company	Arab National Leasing Company	Total	Total
	JD	JD	JD	JD
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<u>Consolidated statement of financial position items:</u>				
Deposits at Arab Bank	3,899,008	-	3,899,008	3,801,410
Current accounts at Arab Bank	364,638	-	364,638	1,304,460
Accrued interest	17,188	-	17,188	92,969
Insurance contracts liabilities	32,410	-	32,410	32,410
Bank Guarantees	47,141	-	47,141	81,683
				31 March 2024
<u>Consolidated income statement items:</u>				
Insurance revenues	11,013	3,387	14,400	3,403
Acquisition costs	85,142	-	85,142	76,431
Interest payable	125,143	-	125,143	-

Top Executive management (salaries, bonuses, and other benefits) are as follows:

	31 March 2025	31 March 2024
	JD	JD
Salaries, bonuses, and other benefits	290,244	262,526
Board members remuneration	16,666	23,333
Board members transportation fees	15,750	15,750
	322,660	301,609

(22) ANALYSIS OF MAIN SECTORS

For administrative purposes as explained in insurance contract revenues (note 10) and insurance contract expenses (note 11), the Group is organized to include the general insurance sector and includes (motor insurance, marine and transportation insurance, fire and other property damage insurance, liability insurance, medical insurance, life insurance, and others). This sector forms the basis used by the Group to show information related to key sectors. The above segment also includes investments and cash management for the company's own account. Transactions between business sectors are carried out on the basis of estimated market prices and on the same terms as those dealing with third parties.

(23) CAPITAL MANAGEMENT

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

The group manages its capital structure and makes necessary adjustments in light of changes in business conditions. The group has not made any changes to the objectives, policies, and procedures related to capital structure during the current and previous year. In the opinion of the Group's management, the regulatory capital is sufficient to meet any potential risks or obligations that may arise in the future.

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

	31 March 2025	31 March 2024
	JD	JD
Available capital	25,151,603	23,701,480
Required capital -		
Required capital against risks excluding operational risks	8,658,207	8,025,544
Required capital against operational risks	566,721	539,396
Total required capital	<u>9,224,928</u>	<u>8,564,940</u>
Solvency margin ratio (available capital / required capital)		
Solvency margin ratio *	273%	277%

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

(24) LAWSUITS AGAINST THE GROUP

The Group appears as defendant in a number of lawsuits, the Group booked a sufficient provision to meet any obligations towards these lawsuits, In the opinion of the Group's management and its legal consultant, the provision for a total amount of JD 5,260,226 as at 31 March 2025 is sufficient to meet any obligations towards these lawsuits, Total amount of the cases raised by the Group against others is JD 5,260,226 as at 31 March 2025 (31 December 2024: JD 5,250,113).

Lawsuits filed by the Group against third parties amounted to 575,598 JD as of 31 March 2025 (31 December 2024: 576,598 JD). These cases represent receivables due to the Group and returned checks resulting from the Group's ordinary business activities.

(25) CONTINGENT LIABILITIES

As of the date of the consolidated financial statements, the Group has potential obligations represented by bank guarantees amounting to JD 47,141 as at 31 March 2025 (31 December 2024: JD 81,683).

(26) FAIR VALUE FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT SHOWN IN FAIR VALUE IN THE FINANCIAL STATEMENTS

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

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(27) FAIR VALUE

The following table analyzes the financial instruments recorded at fair value based on the valuation method which is defined at different levels as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2: Information not included in level (1) quoted prices monitored for the asset or liability, either directly (e.g, prices) or indirectly (i.e, derived from prices);
- Level 3: information on the asset or liability not based on those observed from the market (unobservable inputs),

	Level (1)	Level (2)	Total
	JD	JD	JD
31 March 2025- (Unaudited)			
Financial assets			
Financial assets at fair value through other comprehensive income	9,534,187	-	9,534,187
Financial assets at fair value through income statement	380,725	-	380,725
31 December 2024- (Audited)			
Financial assets			
Financial assets at fair value through other comprehensive income	9,391,215	-	9,391,215
Financial assets at fair value through income statement	369,702	-	369,702

(28) SUBSEQUENT EVENTS

There is not any subsequent events that may effect on the interim consolidated condensed financial statements.