

AL NISR AL ARABI FOR INSURANCE

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of AL Nisr AL Arabi Insurance Group / Public Shareholding Company
Amman – Jordan**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of AL Nisr AL Arabi Insurance Jordan Public Shareholding Company and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 consolidated 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 consolidated 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 consolidated financial statements.

1. Recognition of insurance contracts revenues

Revenues is an important determinant of the Group'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 31,965,134 for the year ended 31 December 2024.

How the key audit matter was addressed in the audit

Our audit procedures included:

- Evaluating the accounting policies used to recognize the Group's revenues and evaluate whether the policies followed are in accordance with International Financial Reporting Standard No. (17).
- We examined the Group's controls over revenue recognition, in addition to the main controls for these revenues.
- We selected and reviewed a sample of insurance contracts before and after the date of the consolidated financial statements to ensure that revenues were recognized in the correct periods.
- We performed analytical procedures on revenues accounts based on business activities.
- We recalculated revenues for each business activity using data extracted from the Group'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 consolidated financial statements.

The disclosures related to accounting policies for revenue recognition and disclosure related to insurance contracts revenues are disclosed in note (3) and note (23) to the consolidated financial statements.

<p>2. Measurement and completeness of insurance contracts liabilities in accordance with International Financial Reporting Standard No. (17)</p> <p>Insurance contracts liabilities amounted to JD 86,241,992 representing 96% of the total liabilities as at 31 December 2024.</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>How the key audit matter was addressed in the audit</p> <p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> - We obtained an understanding of the Group's procedures related to measuring insurance contracts liabilities, including entity-level controls, which the Group has adopted for the accounting process under the standard. - Evaluating the Group's methodology for calculating insurance contracts liabilities and evaluating the policies in accordance with International Financial Reporting Standard 17. - We tested the accuracy and completeness of the historical data used to measure insurance contracts liabilities by tracking a sample of data for the contracts and reconciling the data to previous accounting records. - 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. - 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 Group's systems. - We evaluated the competence and objectivity of the actuary appointed by the management. - We assessed the adequacy of the disclosures of the consolidated financial statement regarding these liabilities. - We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs. - In addition, with the assistance of our internal actuarial, we performed the following: <ul style="list-style-type: none"> • Determined if the calculation methods and the model used were appropriate. • Assessed the following key assumptions: <ul style="list-style-type: none"> - Loss ratios - Claims development factors - Discount rates - Cash flows to meet obligations • Determined if the estimates applied in the current and prior year were consistent. <p>The disclosures related to accounting policies for insurance contracts liabilities and disclosure related to insurance contracts liabilities are disclosed in note (3) and note (10) to the consolidated financial statements.</p>
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Other information included in the Group's 2024 annual report

Other information consists of the information included in the Group's 2024 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

Amman – Jordan
27 May 2025

ERNST & YOUNG
Amman - Jordan

AL NISR AL ARABI FOR INSURANCE PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 JD	2023 JD
<u>Assets</u>			
Investments-			
Bank deposits	4	17,598,096	16,203,682
Financial assets at fair value through other comprehensive income	5	9,391,215	8,838,285
Financial assets at fair value through income statement	6	369,702	343,248
Financial assets at amortized cost	7	94,016,704	84,869,659
Investment property	8	940,001	940,001
Financial assets of policyholders linked to investment		304,636	-
Total Investments		122,620,354	111,194,875
Cash on hand and at banks	9	2,441,879	3,240,067
Insurance contracts assets	10	1,029,581	1,149,424
Re-insurance contracts assets	10	10,838,869	11,399,678
Deferred tax assets	11-C	162,396	169,923
Property and equipment	12	2,565,316	2,644,956
Intangible assets	13	243,935	317,823
Other assets	14	3,098,854	3,453,238
Total Assets		143,001,184	133,569,984
<u>Liabilities and Equity</u>			
Liabilities –			
Insurance contracts liabilities:			
Insurance contracts liabilities	10	86,241,992	83,843,472
Total Insurance contract liabilities		86,241,992	83,843,472
Accrued expenses		926,940	777,639
Other provisions	15	251,364	260,464
Income tax provision	11-A	561,415	1,575,182
Deferred tax liabilities	11-C	111,494	26,309
Other liabilities	16	1,442,617	1,229,144
		3,293,830	3,868,738
Total Liabilities		89,535,822	87,712,210
Equity -			
Authorized and paid-in capital	17	10,000,000	10,000,000
Share premium	17	3,750,000	3,750,000
Statutory reserve	18	2,718,026	2,703,679
Voluntary reserve	18	1,326,652	1,326,652
Fair value reserve	19	760,775	170,425
Actuarial assumptions reserve	20	17,271,792	15,303,693
Retained earnings	21	17,638,117	12,603,325
Total Equity		53,465,362	45,857,774
Total Liabilities and Equity		143,001,184	133,569,984

The attached notes 1 to 49 form part of these consolidated financial statements

AL NISR AL ARABI FOR INSURANCE PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		<u>JD</u>	<u>JD</u>
Revenues –			
Insurance contracts revenues	23	31,695,134	28,695,023
Less: Insurance contracts expenses	24	(23,293,194)	(20,348,556)
Insurance contracts services results		<u>8,401,940</u>	<u>8,346,467</u>
Re-insurance contracts results	25	(8,039,183)	(7,955,671)
Re-insurance contracts recoveries	26	3,081,233	3,763,554
Re-insurance contracts services results		<u>(4,957,950)</u>	<u>(4,192,117)</u>
Net insurance and re-insurance contracts results		<u>3,443,990</u>	<u>4,154,350</u>
Finance expenses – insurance contracts	27	(4,372,061)	(3,701,184)
Finance expenses – re-insurance contracts	28	(16,113)	(8,973)
Net insurance and re-insurance contracts results		<u>(944,184)</u>	<u>444,193</u>
Investments income	22	6,768,603	5,867,831
Interest income	22	1,153,030	1,046,922
Gain from financial assets and investments	30	27,156	22,505
Other revenues	31	25,961	49,342
Total revenues		<u>7,974,750</u>	<u>6,986,600</u>
Unallocated general and administrative expenses	29	(622,525)	(567,450)
Unallocated depreciation and amortization	12,13	(206,984)	(240,442)
Other expenses	32	(200,200)	(33,575)
Total expenses		<u>(1,029,709)</u>	<u>(841,467)</u>
Profit for the year before income tax		<u>6,000,857</u>	<u>6,589,326</u>
Less: income tax expense	11-B	(915,278)	(1,849,471)
Profit for the year		<u>5,085,579</u>	<u>4,739,855</u>
		<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share	33	<u>0/509</u>	<u>0/474</u>

The attached notes 1 to 49 form part of these consolidated financial statements

AL NISR AL ARABI FOR INSURANCE PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		JD	JD
Profit for the year		5,085,579	4,739,855
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	19	553,910	781,122
Actuarial losses resulting from changes in assumptions	20	<u>1,968,099</u>	<u>(2,075,035)</u>
Total comprehensive income for the year		<u><u>7,607,588</u></u>	<u><u>3,445,942</u></u>

The attached notes 1 to 49 form part of these consolidated financial statements

AL NISR AL ARABI FOR INSURANCE PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	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
2024-								
Balance as at 1 January 2024	10,000,000	3,750,000	2,703,679	1,326,652	170,425	15,303,693	12,603,325	45,857,774
Total comprehensive income for the year	-	-	-	-	553,910	1,968,099	5,085,579	7,607,588
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-	36,440	-	(36,440)	-
Total comprehensive income for the year	-	-	-	-	590,350	1,968,099	5,049,139	7,607,588
Transfer to statutory reserve	-	-	14,347	-	-	-	(14,347)	-
Balance at 31 December 2024	10,000,000	3,750,000	2,718,026	1,326,652	760,775	17,271,792	17,638,117	53,465,362
2023-								
Balance at 1 January 2023	10,000,000	3,750,000	2,683,569	1,326,652	(610,697)	17,378,728	10,383,580	44,911,832
Total comprehensive income for the year	-	-	-	-	781,122	(2,075,035)	4,739,855	3,445,942
Dividends distribution (note 21)	-	-	-	-	-	-	(2,500,000)	(2,500,000)
Transfer to statutory reserve	-	-	20,110	-	-	-	(20,110)	-
Balance at 31 December 2023	10,000,000	3,750,000	2,703,679	1,326,652	170,425	15,303,693	12,603,325	45,857,774

- An amount of JD 162,396 from the retained earnings as at 31 December 2024, is restricted against deferred tax assets (JD 169,923 as at 31 December 2023).

The attached notes 1 to 49 form part of these consolidated financial statements

AL NISR AL ARABI FOR INSURANCE PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Notes</u>	<u>2024</u> JD	<u>2023</u> JD
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Profit before tax		6,000,857	6,589,326
Adjustments:			
Interest income		(1,360,735)	(1,271,314)
Depreciation and amortization	12,13	206,984	240,442
Net change in fair value of financial assets through income statement		(26,454)	(72,159)
(loss) Gain from sale of property and equipment		(5,665)	262
Gain from sale of financial assets at amortized cost		(5,847,950)	(5,131,829)
End-of-service indemnity provision		10,503	9,876
Cash flows (used in) from operating activities before changes in working capital		(1,022,460)	364,604
Insurance contracts assets		238,559	1,421,892
Re-insurance contracts assets		560,809	373,761
Insurance contracts liabilities		4,366,619	3,738,845
Other assets		308,475	(456,921)
Accrued expenses		149,301	(238,993)
Other liabilities		177,034	354,307
Income tax paid	11-A	(1,916,834)	(774,220)
Net cash flows from operating activities		2,861,503	4,783,275
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
Deposits at banks maturing after three months		-	1,744,759
Purchase of financial assets at fair value through other comprehensive income		(770,518)	(323,194)
Financial assets at amortized cost		(9,147,045)	(4,921,980)
Purchase of property and equipment	12	(71,757)	(119,577)
Purchase of intangible assets	13	(19,111)	(283,612)
Proceeds from sale of property and equipment		43,077	-
Interest received		7,700,077	5,956,771
Net cash flows (used in) from investing activities		(2,265,277)	2,053,167
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Paid distributed dividends	21	-	(2,443,816)
Net cash flow used in financing activities		-	(2,443,816)
Net increase in cash and cash equivalent		596,226	4,392,626
Cash and cash equivalents at the beginning of the year		18,643,749	14,251,123
Cash and cash equivalents at the end of the year	9	19,239,975	18,643,749

The attached notes 1 to 49 form part of these consolidated financial statements

(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 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 December 2024, the financial statements of the Group are consolidated with the parent company.

The Consolidated Financial Statements were approved for issuance by the Board of Directors in its meeting No. (256) held on 26 February 2025, and it is subject to the approval of the general assembly of the shareholders.

(2) BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the Standards issued by the International Accounting Standards Board (IASB).

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

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

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 December 2024:

<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.

AL NISR AL ARABI FOR INSURANCE PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

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.

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

Material accounting policies

The following are the major material accounting policies applied:

Business Sector

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

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

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 definition of an insurance contract in IFRS 17 is 'a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder, 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 consolidated financial statements arising from past events related to insurance contracts, and repayment of obligations is probable and reliably measurable.

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

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

Transition to IFRS 17

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

- Identify, recognize, and measure each set of insurance contracts as if IFRS 17 were always applied.
- Identifying, recognizing and measuring assets for cash flows associated with holding insurance contracts as if IFRS 17 were always applied. On the transfer date, a recoverability assessment was performed, and the impairment loss was not determined.
- De-recognition of any existing balances that would not exist if IFRS 17 were permanently applied.
- Recognize any net resulting difference in rounded earnings.

Retrospective full application method

In transitioning to IFRS 17, the Group applied the full application method retroactively unless impracticable. The Group applied the retroactive full application method when achieving the transition for all contracts issued on or after 1 January 2022.

The effect of the application of IFRS 17 is as follows:

Clauses offered in major insurance and reinsurance contracts	Impact on Earnings as of 1 January 2022 JD
Change at best	9,413,884
Risk adjustment	1,050,210
Impact of contractual margin	(19,634,914)
Deferred acquisition cost	(2,323,407)
Discount effect	15,971,904
Other	(1,197,993)
	<u>3,279,684</u>

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 paid after more than one year.

Initial recognition of insurance contracts / Premiums allocation approach

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

- Insurance premiums received upon initial recognition.
- minus any 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.

De-recognition of insurance contracts

The company derocognise the recognition of insurance contracts in the following cases:

- Termination of the contract (expiry, fulfillment or cancellation of the obligation specified in the insurance contract)
- In the event that the 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.

Insurance contracts expected to be lost

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 Approach

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

Insurance contract		Reinsurance contract	
Type	Measurement approach	Type	Measurement approach
Motors	Premium allocation approach	Motors	Premium allocation approach
Fire and other property damages	Premium allocation approach	Fire and other property damages	Premium allocation approach
Liability	Premium allocation approach	Liability	Premium allocation approach
Marine	Premium allocation approach	Marine	Premium allocation approach
Medical	Premium allocation approach	Medical	Premium allocation approach
Public accidents	Premium allocation approach	Public accidents	Premium allocation approach
Life – Group	Premium allocation approach	Life – Group	Premium allocation approach
Life – Individual	General approach	Life – Individual	General approach

Level of Aggregation

IFRS 17 requires the Group 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 Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

The Group 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.

The level of profitability

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 Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

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

Recognition

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

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

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

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

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

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

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

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

Unit of account

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

- contracts that are onerous at initial recognition
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such groups are not subsequently reconsidered.

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

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

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

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

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

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

Fulfilment cash flows within contract boundary

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

The estimates of future cash flows:

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

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

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

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

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

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

Contract boundary

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

the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

both of the following criteria are satisfied:

- the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
- the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

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

Measurement Model Application

The Group applies the Premium Allocation Approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds for which the coverage period is less than one year. For other contracts issued and held where the coverage period is more than one year, the Group performs PAA Eligibility testing as disclosed in Note 2.3 to confirm whether the PAA may be applied. Subject to passing the PAA eligibility testing, the Group applied PAA on contract issued and reinsurance contracts held that pass the testing. As per the recent testing performed the following could not pass the testing hence, General Measurement Model (GMM) has been applied.

When measuring liabilities for remaining coverage (LRC), the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group 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 Group will recognize as it provides coverage in the future.

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

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

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

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

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

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

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 Group at that date; and
 - 2) the CSM of the Group at that date; and
- b. the LIC, comprising the FCF related to past service allocated to the Group at the reporting date.

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

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

Changes in fulfilment cash flows

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

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

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

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

- a) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b) changes in estimates of the present value of future cash flows in the LRC, 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 Group to reflect the effect of the following changes:

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

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

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 Group recognizes the excess in insurance service expenses and records it as a loss component of the LRC.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money since motor insurance contracts issued by the Group 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 Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise.

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

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

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

Insurance acquisition costs

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

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

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

The acquisition costs are generally capitalized and recognized in the consolidated statement of income over the life of the contracts. However, for contracts under PAA approach, there is an option to recognize any insurance acquisition cash flows as an expense when the Group incurs those costs. The Group has elected not to choose the option except for ----- insurance contracts and has capitalized the costs which would then be recognized over the life of contracts. 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 Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

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

Insurance revenue

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

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

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

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

Insurance service expenses

Insurance service expenses include the following:

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

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

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

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

Net income (expenses) from reinsurance contracts held

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

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

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

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

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

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

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

Insurance finance income or expenses

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

Risk adjustments

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

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

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

Derivation of the risk adjustment

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

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

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

Fair Value

The closing prices (purchase of assets/sale of liabilities) at the date of the consolidated 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.

Financial assets at amortized cost

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

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

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

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

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through income statement

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 consolidated statement of income and expenses upon purchase) and subsequently revalued at fair value. The change in fair value is reflected in the consolidated 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 consolidated statement of income.

Dividends or accrued interest are recorded in the consolidated 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 consolidated statement of income. Any recoveries in the future resulting from previously recognized impairment is credited to the consolidated 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 consolidated statement of income.

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

Cash and Cash equivalents

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

Property and equipment

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

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

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

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

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

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

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

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

Right of use assets

The group recognizes the assets of the right of use on the lease commencement date (i.e., the date on which the asset is usable). The right of use asset is recognized at cost, after deducting accumulated depreciation and impairment losses, and the value is adjusted upon revaluation of rental liabilities.

The cost of the right of use asset includes the value of the recognized lease obligations, as well as the initial direct costs incurred, and rental payments made on or before the contract commencement date, minus any incentives received in connection with the lease. In the event that the group is not sure of obtaining ownership of the leased asset at the end of the contract term, the value of the recognized asset right of use is depreciated on a straight-line basis over the useful life of the asset or the lease period, whichever is less. Right-of-use assets are subject to impairment testing.

Pledged financial assets

Represent those financial assets pledged to other parties with the existence of the right of use for the other party (sale, pledge). A periodic review is performed for those assets. According to the relevant according polices based on original classifications.

Intangible assets

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

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

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

Intangible assets with a definite useful life include computer programs, and the group estimates the useful life of each item, where these assets are amortized using the straight-line method at a rate of 20% per year.

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities at the present value of the lease payments that are to be made over the lease term. Lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate as specified in the lease contract, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and penalties for terminating the lease if the Group is reasonably certain to exercise the termination option, in accordance with the contract terms.

Variable lease payments that do not depend on an index or rate specified in the lease contract are recognized as expenses in the period in which the event or condition that triggers those payments occurs.

To calculate the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease cannot be readily determined. Subsequently, the lease liability is increased by the interest cost and reduced by the actual lease payments made. Additionally, the carrying amount of the lease liability is remeasured when there is a modification or change in the lease term, a change in in-substance fixed lease payments, or a change in the assessment of the option to purchase the underlying asset.

Provisions

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

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

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

Provision for expected credit losses

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

End of service indemnity 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.

Liability adequacy test

At each statement of financial position date, the Group assesses whether its recognized insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts.

If the valuation shows that the present value of insurance liabilities is insufficient compared to the expected future cash flows, then the full value of the deficiency is included in the consolidated statement of income.

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 Group 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.

Expenses recognition

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

Foreign currencies

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

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

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

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

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

Use of Estimates

The preparation of the consolidated 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 consolidated statement of income.
- A provision on lawsuit against the Group is made based on the Group'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 consolidated statement of income for the year.

- The management of the Group assesses the factors that affect the measurement of the right of use assets and lease liabilities related to them and takes into account all the factors related to the option to extend or renew the lease contracts, noting that the management conducts tests to determine whether the contract contains rent. Management also uses estimates to determine the appropriate discount rate to measure lease contracts liabilities.

Insurance and reinsurance contracts

A. PAA Eligibility Assessment

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

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

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

B. Liability for incurred claims

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

C. Identification of onerous contracts

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

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

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

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

D. Expense attribution

The Group identifies expenses which are directly attributable towards acquiring insurance contracts (acquisition costs) and fulfilling /maintaining (other attributable expenses) such contracts and those expenses which are not directly attributable to the aforementioned contracts (non-attributable expenses). Acquisition costs, such as underwriting costs including other expenses except for initial commission paid, are no longer recognized in the consolidated statement of income when incurred and instead spread over the lifetime of the group of contracts based on the passage of time.

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

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

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(4) BANK DEPOSITS

This item consists of the following:

	2024				2023
	Deposits maturing in 1 month	Deposits maturing in 1 month to 3 months	Deposits maturing in 3 months to one year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan					
Investment Bank	7,500,000	1,000,000	-	8,500,000	5,500,000
ABC Bank	-	1,523,712	-	1,523,712	1,523,712
Egyptian Arab Land Bank	2,283,890	-	-	2,283,890	4,374,829
Jordan Ahli Bank	1,500,000	-	-	1,500,000	-
Arab Bank	2,026,410	-	-	2,026,410	-
Commercial Bank	-	-	-	-	1,500,000
Capital Bank	-	-	-	-	1,000,000
Total	13,310,300	2,523,712	-	15,834,012	13,898,541
Outside Jordan					
Arab Bank					
Switzerland	-	1,775,000	-	1,775,000	1,725,300
Deutsche Bank (Suisse) SA	-	-	-	-	609,180
Total	-	1,775,000	-	1,775,000	2,334,480
Allowance for expected credit losses	(5,196)	(5,720)	-	(10,916)	(29,339)
Net Total	13,305,104	4,292,992	-	17,598,096	16,203,682

The interest rates on deposits with banks in Jordanian Dinar ranged between 5.75% and 6.75%, 5.40% for U.S. Dollar deposits during the year ended 31 December 2024. (31 December 2023: from 6.25% to 6.50% for Jordanian Dinar deposits, and from 4.70% to 5.85% 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 December 2024 (31 December 2023: JD 800,000 in favor of the Director General of the Insurance Directorate, in addition to his role) with The Investment Bank.

There are no restricted cash balances as at 31 December 2024 and 2023.

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

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	29,339	30,241
Transferred to allowance for expected credit losses for receivables	(18,423)	(902)
Balance at the end of the year	10,916	29,339

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

This item consists of the following:

*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.

This item consists of financial assets at fair value through other comprehensive income as follows:

	31 December 2024	31 December 2023
	JD	JD
Shares and investment funds		
Shares and investment funds		
Inside Jordan		
Listed Shares		
Social Security Investment Company	37,707	46,522
Total	37,707	46,522
Outside Jordan –		
Listed Shares		
Shs iShare II PLC - SROXX Europe	597,013	608,722
Uts SPDR S&P 500 ETF Trust Units	938,760	761,333
Shs Invesco QQQ Trust	813,786	651,882
HSBC ETFS PLC - HSBC EURO STOXX	400,318	393,874
Invesco QQQ Trust	485,658	389,035
SSGA SPDR ETFS Europe PLC S&P 500	599,482	483,657
Invesco EQQQ NASDAQ	90,245	71,389
Shs B EUR Serie AB Alternative Fund - Real Estate	1,061,890	1,296,522
Shs iShare Core EUro STOXX	332,266	327,434
G Squared VI SCSP	260,428	134,016
Lexington Capital Partners	417,358	312,937
Total	5,997,204	5,430,801
Listed Investment Funds*		
UTS UBS China Opportunity USD	309,772	296,840
Shs DB PWM SICAV Fix income opportunity Shs	283,882	-
PICTET Japanese Opportunities	781,805	639,145
UBS China Opportunities	256,605	245,894
Total	1,632,064	1,181,880

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	31 December 2024	31 December 2023
	JD	JD
Bonds		
Outside Jordan –		
Quoted bonds**		
NTS Scor Se 2015 5.25%	378,884	343,910
NTS DNB Bank 4.875%	-	138,209
NTS Svenska 4.75%	256,835	234,556
Banco Santander SA 4.75%	270,467	238,546
6% GLN HSBC Holding PLC	139,600	-
7.75% NTS Swedbank	146,359	-
Allianz 3.875%	297,655	300,650
MetLife 5.875%	106,021	104,370
NTS Svenska 4.75%	128,419	116,795
NTS DNB Bank 4.875%	-	276,417
Credit Agricole 6.875%	-	141,629
Progressive Corp 5.375%	-	284,000
Total	1,724,240	2,179,082
Total Financial Assets at Fair Value Through OCI	9,391,215	8,838,285

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 December 2024 and 31 December 2023.

** 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					
Quoted bonds	-	-	-	1,724,240	1,724,240
	-	-	-	1,724,240	1,724,240

The above bonds have a fixed yield.

The interest rates on bonds outside of Jordan ranged between 3.875% and 7.75% during the year ending 31 December 2024 (31 December 2023: from 3.875% to 6.875%).

(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Investment Funds - outside Jordan -		
Investment quoted funds	369,702	343,248
	<u>369,702</u>	<u>343,248</u>

(7) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Number of bonds	31 December 2024	31 December 2023
		JD	JD
Inside Jordan			
Unlisted Bonds in financial market			
Government bonds	48	90,118,750	82,202,305
Total		<u>90,118,750</u>	<u>82,202,305</u>
Outside Jordan			
Corporate bonds	16	4,003,645	2,773,045
Less: impairment on financial assets at amortized cost		105,691	105,691
Total		<u>3,897,954</u>	<u>2,667,354</u>
Total financial assets at amortized cost outside Jordan		<u>94,016,704</u>	<u>84,869,659</u>

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

	From 1 to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 months to one year	More than one year	Total
	JD	JD	JD	JD	JD	JD
Inside Jordan -						
Governmental Bonds	-	-	-	-	90,118,750	90,118,750
Outside Jordan -						
Corporate Bonds	-	-	-	-	3,897,954	3,897,954
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,016,704</u>	<u>94,016,704</u>

- The interest rates on governmental and corporate bonds denominated in Jordanian Dinar ranged from 5.058 % to 7.999% and on foreign currency bonds ranged from 2.5% to 6.267% during the year ended 31 December 2024. (2023: from 5.058% to 7.999% and on foreign currency bonds ranged from 3.25% to 5.15%).
- These bonds have fixed rates

(8) INVESTMENT PROPERTY

The details of this item are as follows:

	31 December 2024	31 December 2023
	JD	JD
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.

(9) CASH ON HAND AND BALANCES AT BANKS

The details of this item consists of:

	31 December 2024	31 December 2023
	JD	JD
Cash on hand	3,344	3,687
Current accounts at banks	2,438,535	3,236,380
	2,441,879	3,240,067

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

	31 December 2024	31 December 2023
	JD	JD
Cash on hand and at banks	2,441,879	3,240,067
Add: Deposits at banks with original maturity date less than three months (note 4)	17,598,096	16,203,682
Less: Pledged deposits in favor of the Central Bank of Jordan Governor (note 4)	(800,000)	(800,000)
Net cash and cash equivalents	19,239,975	18,643,749

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(10) INSURANCE CONTRACTS ASSETS/LIABILITIES

Insurance contracts liabilities

	2024			2023		
	Premium allocation approach			Premium allocation approach		
	(10-A)	General approach (10-B)	Total	(10-A)	General approach (10-B)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	2,147,009	-	2,147,009	1,037,755	-	1,037,755
Liability of incurred claims	9,102,179	-	9,102,179	10,228,443	-	10,228,443
Present value of future cash flows	-	52,583,653	52,583,653	-	51,829,601	51,829,601
Risk adjustment - non-financial	1,474,265	2,676,134	4,150,399	1,776,814	2,291,401	4,068,215
CSM	-	18,258,752	18,258,752	-	16,679,458	16,679,458
Total	12,723,453	73,518,539	86,241,992	13,043,012	70,800,460	83,843,472

Insurance contracts assets

	2024			2023		
	Premium allocation approach (10-A)	General approach (10-B)	Total	Premium allocation approach (10-A)	General approach (10-B)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	-	1,029,581	1,029,581	-	1,149,424	1,149,424
Total	-	1,029,581	1,029,581	-	1,149,424	1,149,424

Re-insurance contracts assets

	2024			2023		
	Premium allocation approach (10-C)	General approach (10-C)	Total	Premium allocation approach (10-C)	General approach (10-C)	Total
	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	702,499	627,594	1,330,093	875,103	592,044	1,467,147
Liability of incurred claims	9,508,776	-	9,508,776	9,932,531	-	9,932,531
Total	10,211,275	627,594	10,838,869	10,807,634	592,044	11,399,678

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

	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	
2024					
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 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	<u>22,583,340</u>	<u>(33,121)</u>	<u>(16,918,776)</u>	<u>302,549</u>	<u>5,933,992</u>
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in the consolidated statement of income	<u>22,583,340</u>	<u>(33,121)</u>	<u>(16,918,776)</u>	<u>302,549</u>	<u>5,933,992</u>
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	<u>(23,659,473)</u>	<u>-</u>	<u>18,045,040</u>	<u>-</u>	<u>(5,614,433)</u>
Insurance contracts liabilities as at 31 December 2024	<u>(2,103,918)</u>	<u>(43,091)</u>	<u>(9,102,179)</u>	<u>(1,474,265)</u>	<u>(12,723,453)</u>
Insurance contracts assets as at 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Insurance contracts liabilities as at 31 December 2024	<u>(2,103,918)</u>	<u>(43,091)</u>	<u>(9,102,179)</u>	<u>(1,474,265)</u>	<u>(12,723,453)</u>

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INSURANCE CONTRACTS ASSETS/LIABILITIES – PREMIUM ALLOCATION APPROACH

2023	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 2023	(1,580,720)	(36,239)	(11,324,797)	(1,665,961)	(14,607,717)
Insurance contracts assets at 1 January 2023	-	-	-	-	-
Insurance contracts liabilities as at 1 January 2023	(1,580,720)	(36,239)	(11,324,797)	(1,665,961)	(14,607,717)
Insurance revenues	21,438,720	-	-	-	21,438,720
Incurred claims and other directly attributable expenses	-	-	(14,500,811)	(316,963)	(14,817,774)
Changes that relate to past service-changes in FCF relating to LIC	-	-	259,600	206,110	465,710
Losses on onerous contracts	-	26,269	-	-	26,269
Insurance acquisition cash flows assets impairment	(1,533,042)	-	-	-	(1,533,042)
Insurance services expenses	(1,533,042)	26,269	(14,241,211)	(110,853)	(15,858,837)
Insurance services results	19,905,678	26,269	(14,241,211)	(110,853)	5,579,883
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognised in the consolidated statement of income	19,905,678	26,269	(14,241,211)	(110,853)	5,579,883
Cash Flows:					
Premiums received	(20,885,785)	-	-	-	(20,885,785)
Claims and other directly attributable expenses paid	-	-	15,337,565	-	15,337,565
Insurance contracts acquisition cash flows	1,533,042	-	-	-	1,533,042
Total cash flows	(19,352,743)	-	15,337,565	-	(4,015,178)
Insurance contracts liabilities as at 31 December 2023	(1,027,785)	(9,970)	(10,228,443)	(1,776,814)	(13,043,012)
Insurance contracts assets as at 31 December 2023	-	-	-	-	-
Insurance contracts liabilities as at 31 December 2023	(1,027,785)	(9,970)	(10,228,443)	(1,776,814)	(13,043,012)

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

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)	2,130,192	(1,970,317)
Experience adjustments	-	-	4,415,242	4,415,242
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 service 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 (gains) 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

2023	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2023	(44,977,959)	(2,268,063)	(16,175,853)	(63,421,875)
Insurance contracts assets as at 1 January 2023	7,009,947	(559,152)	(3,879,479)	2,571,316
Insurance contracts liabilities as at 1 January 2023	(37,968,012)	(2,827,215)	(20,055,332)	(60,850,559)
Changes related to current service:				
Experience adjustments-relating to insurance services expenses	(2,200,924)	(29,117)	2,071,314	(158,727)
Experience adjustments	-	-	3,238,993	3,238,993
Changes related to future service:				
Changes in estimates that adjust the CSM	3,831,768	60,806	(3,892,574)	-
Experience adjustments-arising from premiums received in the period that relate to future service	4,493,033	(298,862)	(4,194,171)	-
Changes related to past service:				
Changes related to the past service that after the obligation regarding the incurred compensations	(313,682)	-	-	(313,682)
Insurance service result	5,810,195	(267,173)	(2,776,438)	2,766,584
Financing expenses from issued insurance contracts	(2,870,491)	-	(830,693)	(3,701,184)
Total income recognized in the consolidated income statement	2,939,704	(267,173)	(3,607,131)	(934,600)
Actuarial Losses from change in assumptions	(2,212,243)	137,208	-	(2,075,035)
Total income recognized in consolidated statement of other comprehensive income	727,461	(129,965)	(3,607,131)	(3,009,635)
Cash flows:				
Total premiums received	(24,222,846)	-	-	(24,222,846)
Claims and other directly attributable expenses paid	16,512,990	-	-	16,512,990
Life policies experience adjustments	-	-	1,919,014	1,919,014
Total cash flows	(7,709,856)	-	1,919,014	(5,790,842)
Insurance contracts liabilities as at 31 December 2023	(51,829,601)	(2,291,401)	(16,679,458)	(70,800,460)
Insurance contracts assets as at 31 December 2023	6,879,194	(665,779)	(5,063,991)	1,149,424
Insurance contracts liabilities as at 31 December 2023	(44,950,407)	(2,957,180)	(21,743,449)	(69,651,036)

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

2024	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	
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 service 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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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
2023					
Insurance contracts liabilities as at 1 January 2023	(62,274,966)	-	(1,146,909)	-	(63,421,875)
Insurance contracts assets as at 1 January 2023	2,571,316	-	-	-	2,571,316
Insurance contracts liabilities as at 1 January 2023	(59,703,650)	-	(1,146,909)	-	(60,850,559)
Insurance revenues	7,256,303	-	-	-	7,256,303
Changes in liability for remaining coverage	-	-	(313,682)	-	(313,682)
Incurred claims	-	-	931,290	-	931,290
Other expenses	-	-	(5,107,327)	-	(5,107,327)
Insurance service expense	-	-	(4,489,719)	-	(4,489,719)
Insurance service results	7,256,303	-	(4,489,719)	-	2,766,584
Financing expenses from issued insurance contracts	(3,701,184)	-	-	-	(3,701,184)
Total income recognized in the consolidated income statement	3,555,119	-	(4,489,719)	-	(934,600)
Actuarial Losses (gains) from changes in assumptions	9,673,715	-	(11,748,750)	-	(2,075,035)
Total income recognized in the consolidated statement of other comprehensive income	13,228,834	-	(16,238,469)	-	(3,009,635)
Cash flows:					
Premiums received	(24,222,846)	-	-	-	(24,222,846)
Claims and other directly attributable expenses paid	-	-	11,993,866	-	11,993,866
Life policies experience adjustments	1,919,014	-	-	-	1,919,014
Other expenses	588,205	-	3,930,919	-	4,519,124
Total cash flows	(21,715,627)	-	15,924,785	-	(5,790,842)
Insurance contracts liabilities as at 31 December 2023	(69,339,867)	-	(1,460,593)	-	(70,800,460)
Insurance contracts assets as at 31 December 2023	1,149,424	-	-	-	1,149,424
Insurance contracts liabilities as at 31 December 2023	(68,190,443)	-	(1,460,593)	-	(69,651,036)

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ACCOUNT RECEIVABLES RELATED TO INSURANCE OPERATIONS

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

	31 December 2024 JD	31 December 2023 JD
Receivables of policyholders (premiums allocation approach)	6,872,264	6,206,770
Receivables of policyholders (general approach)	469,580	440,032
	<u>7,341,844</u>	<u>6,646,802</u>
Less: Allowance for expected credit losses for receivables (premiums allocation approach) *	(303,670)	(305,672)
Less: Allowance for expected credit losses for receivables (general approach)	-	-
Net receivables	<u>7,038,174</u>	<u>6,341,130</u>

Below is the aging schedule for premiums allocation approach receivables:

	Less than 30 days JD	30-91 day JD	91-180 day JD	181-360 day JD	More than 361 days JD	Total JD
31 December 2024	5,936,237	733,368	108,967	12,355	81,337	6,872,264
31 December 2023	5,419,412	614,543	99,558	1,252	72,005	6,206,770
Percentages	86%	11%	2%	0%	1%	100%

Below is the aging schedule for general approach receivables:

	Less than 30 days JD	30-91 day JD	91-180 day JD	181-360 day JD	More than 361 days JD	Total JD
31 December 2024	65,416	306,170	96,687	1,307	-	469,580
31 December 2023	-	323,422	114,607	2,003	-	440,032
Percentages	14%	65%	21%	0%	0%	100%

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

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	305,672	309,579
Additions	-	-
Transferred from allowance for impairment of re-insurance receivables	72	132
Written off	(19,854)	(852)
Transferred from allowance for expected credit losses on deposits and checks under collection	17,780	(3,187)
Balance at the end of the year	<u>303,670</u>	<u>305,672</u>

RECEIVABLES NOT RELATED TO INSURANCE OPERATIONS

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Receivables not related to insurance operations	4,621	4,621
Total receivables not related to insurance operations	4,621	4,621
Less: Expected credit Losses for receivables (receivables not related to insurance operations)	(4,621)	(4,621)
Net receivables not related to insurance operations	-	-

Below is the aging schedule for other receivables:

	Less than 30 days	30-91 day	91-180 day	181-360 day	More than 361 days	Total
	JD	JD	JD	JD	JD	JD
31 December 2024	-	-	-	-	4,621	4,621
31 December 2023	-	-	-	-	4,621	4,621
Percentages	0%	0%	0%	0%	100%	100%

- * The movement in the allowance for expected credit losses for receivables (receivables not related to insurance operations) is as follows:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	4,621	4,621
Additions	-	-
Transferred from (to) the allowance for impairment of reinsurance receivables	-	-
Written off	-	-
Transferred from (to) the allowance for expected credit losses for deposits and cheques under collection	-	-
Balance at the end of the year	4,621	4,621

CHEQUES UNDER COLLECTION RELATED TO INSURANCE OPERATIONS

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

	31 December 2024	31 December 2023
	JD	JD
Cheques under collection (premiums allocation approach)*	602,677	418,738
Cheques under collection (general approach)	-	-
	602,677	418,738
Less: Allowance for expected credit losses for receivables (premiums allocation approach)	(2,109)	(1,465)
Less: Allowance for expected credit losses for receivables (general approach)	-	-
Net receivables	600,568	417,273

- * The details of this item are as follows:

	31 December 2024	31 December 2023
	JD	JD
Cheques under collection within 6 months	528,262	343,115
Cheques under collection maturing after 6 months	74,415	75,623
Cheques under collection up to one year	-	-
	602,677	418,738

LIFE POLICYHOLDERS' LOANS RELATED TO INSURANCE OPERATIONS

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

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Loans to life policyholders which do not exceed the surrender value	13,959,565	15,117,489

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

	No maturity date	Total
	JD	JD
Loans to life policyholders	13,959,565	13,959,565

ACCOUNTS PAYABLE RELATED TO INSURANCE OPERATIONS

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

	31 December 2024	31 December 2023
	JD	JD
Policyholders' payables	1,318,980	1,180,856
Brokers payables	274,263	230,695
Other payables	-	3,284
	<u>1,593,243</u>	<u>1,414,835</u>

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

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	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	(7,651,849)	-	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 – PREMIUM ALLOCATION APPROACH

2023	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
Re-insurance contracts liabilities as at 1 January 2023	-	-	-	-	-
Re-insurance contracts assets as at 1 January 2023	1,303,059	2,548	8,706,207	1,291,680	11,303,494
Re-insurance contracts liabilities as at 1 January 2023	1,303,059	2,548	8,706,207	1,291,680	11,303,494
Re-insurance expenses	(7,723,194)	(2,548)	-	-	(7,725,742)
Incurred claims recovery	-	-	4,139,803	405,893	4,545,696
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(798,851)	(327,568)	(1,126,419)
Effect of changes in risk of non-performance by issuer of re-insurance contracts held	-	-	-	-	-
Insurance services results	(7,723,194)	(2,548)	3,340,952	78,325	(4,306,465)
Finance income from re-insurance contracts held	-	-	-	-	-
Total amounts recognised in the consolidated statement of income	(7,723,194)	(2,548)	3,340,952	78,325	(4,306,465)
Cash flows:					
Total premiums paid net of ceding commissions and other directly attributable expenses	7,295,238	-	-	-	7,295,238
Recoveries from re-insurance	-	-	(3,484,633)	-	(3,484,633)
Total cash flows	7,295,238	-	(3,484,633)	-	3,810,605
Re-insurance contracts liabilities as at 31 December 2023	-	-	-	-	-
Re-insurance contracts assets as at 31 December 2023	875,103	-	8,562,526	1,370,005	10,807,634
Re-insurance contracts (liabilities) assets as at 31 December 2023	875,103	-	8,562,526	1,370,005	10,807,634

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RE-INSURANCE CONTRACTS ASSETS (LIABILITIES) – GENERAL APPROACH

2024				
	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	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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RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – GENERAL APPROACH

2023	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Re-insurance contracts liabilities as at 1 January 2023	-	-	-	-
Re-insurance contracts assets as at 1 January 2023	(260,506)	760,050	(29,599)	469,945
Re-insurance contracts (liabilities) assets as at 1 January 2023	(260,506)	760,050	(29,599)	469,945
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	39,474	(129)	39,345
Experience adjustments-relating to insurance service expenses	75,003	-	-	75,003
Changes related to future service:				
Changes in estimate that results in onerous contract losses or reversal of such losses	(57,647)	(38,071)	95,718	-
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	(35,689)	116,732	(81,043)	-
Insurance services results	(18,333)	118,135	14,546	114,348
Finance expenses from insurance contracts issued	(5,170)	-	(3,803)	(8,973)
Total amounts recognised in the consolidated statement of income	(23,503)	118,135	10,743	105,375
Cash flows:				
Premiums received	181,096	-	-	181,096
Claims and other directly attributable expenses paid	(164,372)	-	-	(164,372)
Insurance contracts acquisition cash flows	-	-	-	-
Total cash flows	16,724	-	-	16,724
Re-insurance contracts liabilities as at 31 December 2023	-	-	-	-
Re-insurance contracts assets as at 31 December 2023	(267,285)	878,185	(18,856)	592,044
Re-insurance contracts assets (liabilities) as at 31 December 2023	(267,285)	878,185	(18,856)	592,044

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ACCOUNTS RECEIVABLE RELATED TO RE-INSURANCE OPERATIONS

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

	31 December 2024	31 December 2023
	JD	JD
Local re-insurance companies for premium allocation approach	80,892	102,043
Foreign re-insurance companies for premium allocation approach	10,596	90,801
Foreign re-insurance companies for general approach	-	32,100
	91,488	224,944
Less: Provision for expected credit losses *	(51,920)	(51,992)
Net re-insurance receivables	39,568	172,952

* Movements on allowance for expected credit losses for reinsurance receivables during the year:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	51,992	52,124
Transferred to the allowance for expected credit losses for receivables	(72)	(132)
Balance at end of the year	51,920	51,992

Below is the aging schedule of reinsurance receivables:

	Less than 30 days	30 – 90 day	91-180 day	181-361 days	More than 361 days	Total
	JD	JD	JD	JD	JD	JD
31 December 2024	3,310	2,794	26,658	6,806	51,920	91,488
31 December 2023	160,586	1,192	11,048	126	51,992	224,944

ACCOUNTS PAYABLE RELATED TO RE-INSURANCE OPERATIONS

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

	31 December 2024	31 December 2023
	JD	JD
Local re-insurance companies for premium allocation approach	14,708	6,343
Foreign re-insurance companies for premium allocation approach	985,208	1,268,252
Foreign re-insurance companies for general approach	129,971	68,280
	1,129,887	1,342,875

(11) INCOME TAX

A- Income tax provision

Movements on the income tax provision were as follows:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	1,575,182	503,308
Income tax paid	(1,916,834)	(774,220)
Income tax for the year	903,067	1,846,094
Balance at the end of the year	<u>561,415</u>	<u>1,575,182</u>

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

	2024	2023
	JD	JD
Income tax payable	903,067	1,846,094
Additions of deferred tax assets	12,211	3,377
	<u>915,278</u>	<u>1,849,471</u>

Income tax

The company has submitted the self-assessment tax returns for the years 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.

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.

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C- Deferred tax assets/Liabilities

The details of this item are as follows:

	2024			2023	
	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	393,089	19,854	-	373,235	97,041
Provision for end of service indemnity	58,889	19,603	10,503	49,789	12,945
Legal provision	201,575	-	-	201,575	52,410
Unrealized losses - Financial assets at fair value through profit or loss	-	-	-	-	-
Unrealized losses - Financial assets at fair value through other comprehensive income	-	-	-	-	-
	<u>653,553</u>	<u>39,457</u>	<u>10,503</u>	<u>624,599</u>	<u>162,396</u>
Deferred tax liabilities:					
Unrealized gains- Financial assets at fair value through income statement portfolio	25,575	25,575	64,599	64,599	7,752
Unrealized gains- Financial assets at fair value through other comprehensive income portfolio	193,666	193,666	864,518	864,518	103,742
	<u>219,241</u>	<u>219,241</u>	<u>929,117</u>	<u>929,117</u>	<u>111,494</u>

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

	Liabilities		Assets	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	JD	JD	JD	JD
Balance at the beginning of the year	26,309	-	169,923	341,873
Additions	111,494	26,309	2,731	2,567
Disposals	<u>(26,309)</u>	<u>-</u>	<u>(10,258)</u>	<u>(174,517)</u>
Balance at the end of the year	<u>111,494</u>	<u>26,309</u>	<u>162,396</u>	<u>169,923</u>

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.

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

	2024	2023
	JD	JD
Accounting profit	6,000,857	6,589,326
Losses on sale of financial assets at fair value through other comprehensive income	(36,440)	-
Non-taxable income	(2,882,892)	(5,335,911)
Non-deductible expenses	391,810	5,846,947
Taxable profit	3,473,335	7,100,362
Income tax payable	903,067	1,846,094
Effective income tax rate	15%	28%
Statutory income tax rate and national contribution	26%	26%

E- The income tax for the Group for the years ended 31 December 2024 and 31 December 2023, was calculated in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

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(12) PROPERTY AND EQUIPMENT

	Land	Building	Leasehold improvement	Elevators	Tools, equipment and furniture	Vehicles	Decorations	Computers	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024-									
Cost:									
Balance at the beginning of the year	777,480	1,786,131	53,339	57,000	809,293	123,522	963,074	432,407	5,002,246
Additions	-	-	3,000	-	18,896	43,000	2,220	4,641	71,757
Disposals	-	-	-	-	(4,227)	(50,000)	-	(23,603)	(77,830)
Balance at the end of the year	<u>777,480</u>	<u>1,786,131</u>	<u>56,339</u>	<u>57,000</u>	<u>823,962</u>	<u>116,522</u>	<u>965,294</u>	<u>413,445</u>	<u>4,996,173</u>
Accumulated depreciation:									
Balance at the beginning of the year	-	271,237	38,117	57,000	667,486	78,117	924,885	320,448	2,357,290
Depreciation for the year	-	27,124	5,349	-	37,164	9,099	5,217	30,032	113,985
Disposals	-	-	-	-	(3,644)	(13,188)	-	(23,586)	(40,418)
Balance at the end of the year	<u>-</u>	<u>298,361</u>	<u>43,466</u>	<u>57,000</u>	<u>701,006</u>	<u>74,028</u>	<u>930,102</u>	<u>326,894</u>	<u>2,430,857</u>
Net book value at the end of the year	<u>777,480</u>	<u>1,487,770</u>	<u>12,873</u>	<u>-</u>	<u>122,956</u>	<u>42,494</u>	<u>35,192</u>	<u>86,551</u>	<u>2,565,316</u>
2023-									
Cost:									
Balance at the beginning of the year	777,480	1,786,131	42,088	57,000	760,541	123,522	963,074	384,428	4,894,264
Additions	-	-	11,251	-	50,142	-	-	58,184	119,577
Disposals	-	-	-	-	(1,390)	-	-	(10,205)	(11,595)
Balance at the end of the year	<u>777,480</u>	<u>1,786,131</u>	<u>53,339</u>	<u>57,000</u>	<u>809,293</u>	<u>123,522</u>	<u>963,074</u>	<u>432,407</u>	<u>5,002,246</u>
Accumulated depreciation:									
Balance at the beginning of the year	-	244,113	34,302	51,300	636,300	63,006	883,728	301,864	2,214,613
Depreciation for the year	-	27,124	3,815	5,700	32,328	15,111	41,157	28,775	154,010
Disposals	-	-	-	-	(1,142)	-	-	(10,191)	(11,333)
Balance at the end of the year	<u>-</u>	<u>271,237</u>	<u>38,117</u>	<u>57,000</u>	<u>667,486</u>	<u>78,117</u>	<u>924,885</u>	<u>320,448</u>	<u>2,357,290</u>
Net book value at the end of the year	<u>777,480</u>	<u>1,514,894</u>	<u>15,222</u>	<u>-</u>	<u>141,807</u>	<u>45,405</u>	<u>38,189</u>	<u>111,959</u>	<u>2,644,956</u>

Property and equipment includes fully depreciated assets of JD 2,493,243 JD as at 31 December 2024 (2,279,664 JD as at 31 December 2023).

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(13) INTANGIBLE ASSETS

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

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	317,823	120,643
Additions	19,111	283,612
Amortization	(92,999)	(86,432)
Balance at the end of the year	243,935	317,823

(14) OTHER ASSETS

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Accrued and unreceived revenue	1,749,541	1,245,729
Various accounts receivable	565,675	849,541
Cheques under collection*	600,568	417,273
Prepaid expenses	165,642	149,947
Refundable deposits	8,900	11,058
Others	8,528	779,690
	3,098,854	3,453,238

*The details of this item are as follows:

	31 December 2024	31 December 2023
	JD	JD
Cheques under collection due within six months	528,262	343,115
Cheques under collection due within more than six months	74,415	75,623
Less: Allowance for expected credit losses*	(2,109)	(1,465)
	600,568	417,273

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* Movements on allowance for expected credit losses during the year were as follows:

	31 December 2024 JD	31 December 2023 JD
Balance at the beginning of the year	1,465	1,997
Transferred from (to) provision for expected credit losses for receivables	644	(532)
Balance at the end of the year	2,109	1,465

The maturity of checks under collection extends up to 4 December 2025.

(15) OTHER PROVISIONS

	31 December 2024 JD	31 December 2023 JD
End of service indemnity provision*	49,789	58,889
Lawsuits provision	201,575	201,575
	251,364	260,464

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

	31 December 2024 JD	31 December 2023 JD
Balance at the beginning of the year	58,889	49,013
Additions	10,503	9,876
Released	(19,603)	-
Balance at the end of the year	49,789	58,889

(16) OTHER LIABILITIES

This item consists of the following:

	31 December 2024 JD	31 December 2023 JD
Shareholders' deposits	565,004	582,505
Recoveries of canceled contracts / life	406,554	314,148
Accrued agents commissions dues	305,934	226,642
Other deposits	75,557	61,281
Board of director's bonus	89,568	44,568
	1,442,617	1,229,144

(17) 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 December 2024 and 2023.

* 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 8,750,000 JD per share Free of charge for each share of the Company's capital on 6 June 2007, by capitalizing 5,000,000 JD 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 3,750,000 JD.

(18) LEGAL RESERVES

Statutory reserve -

This item represents the accumulated amounts deducted from profit before tax at 10% during this year and prior years for the Group in accordance with the Companies Law not to exceed 25% of the paid-up capital. This reserve is not available for distribution to shareholders. The statutory reserve of the Company was fully transferred and reached 25% of its paid in capital in previous years. The subsidiary may continue transferring to the statutory reserve up to 100% of its paid in capital.

Voluntary reserve -

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

(19) FAIR VALUE RESERVE

Movements on the fair value reserve were as follows:

	31 December 2024 JD	31 December 2023 JD
Balance at the beginning of the year	170,425	(610,697)
Loss on sale of financial assets at fair value through other comprehensive income	36,440	-
Change during the year	634,412	976,005
Deferred tax liabilities	(80,502)	(194,883)
Balance at the end of the year	<u>760,775</u>	<u>170,425</u>

(20) ACTUARIAL ASSUMPTIONS RESERVE

Movements on the fair value reserve were as follows:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	15,303,693	17,378,728
Actuarial gain losses resulting from a change in assumptions	1,968,099	(2,075,035)
Balance at the end of the year	17,271,792	15,303,693

(21) RETAINED EARNINGS

This item consists of the following:

	31 December 2024	31 December 2023
	JD	JD
Balances at the beginning of the year	12,603,325	10,383,580
Profit for the year	5,085,579	4,739,855
Gain on sale of financial assets through other comprehensive income	(36,440)	-
Transfer to reserves	(14,347)	(20,110)
Dividends distribution*	-	(2,500,000)
Balance at the end of the year	17,638,117	12,603,325

* The General Assembly of shareholders approved in its ordinary meeting held on 30 April 2023 the distribution of cash dividends amounting to JD 2,500,000 equivalent to 25% of paid-in capital as at 31 December 2022. Also, the General Assembly in its ordinary meeting of shareholders on 21 April 2022 approved the distribution of cash dividends amounting to JD 3,000,000 equivalent to 30% of paid-in capital as at 31 December 2021.

Dividend suggested 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.

(22) INTEREST INCOME

This item consists of the following:

	<u>2024</u>	<u>2023</u>
	JD	JD
Interest income on financial assets at amortized cost	5,847,950	5,131,829
Bank interest	1,360,735	1,271,314
Loan interest	<u>712,948</u>	<u>511,610</u>
Total	<u>7,921,633</u>	<u>6,914,753</u>
Investments income	<u>6,768,603</u>	<u>5,867,831</u>
Interest income	<u><u>1,153,030</u></u>	<u><u>1,046,922</u></u>

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(23) INSURANCE CONTRACTS REVENUES

2024 -

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

2023 -

	Motor	Fire	Liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	-	3,409,785	1,666,799	356,470	12,661,908	168,331	5,898,802	24,162,095
Insurance contract issuance fees	-	119,727	56,497	21,701	402,618	161,662	118,775	880,980
Expected incurred claims	-	-	-	-	-	-	424,692	424,692
Change in risk adjustments - non- financial	-	-	-	-	-	-	(29,117)	(29,117)
Expected incurred expenses	-	(356,173)	(178,468)	(44,824)	(648,300)	(79,656)	4,563,794	3,256,373
	<u>-</u>	<u>3,173,339</u>	<u>1,544,828</u>	<u>333,347</u>	<u>12,416,226</u>	<u>250,337</u>	<u>10,976,946</u>	<u>28,695,023</u>

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(24) INSURANCE CONTRACTS EXPENSES

2024 –

	Motor	Fire	Liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	1,757	(170,364)	(47,469)	(45,936)	(11,805,461)	(30,234)	(3,016,846)	(15,114,553)
Amortization of acquisition costs	-	(348,040)	(160,367)	(70,740)	(638,109)	(66,510)	(1,037,777)	(2,321,543)
Administrative expenses (note 29)	-	(105,329)	(44,922)	(22,472)	(1,617,873)	(6,659)	(4,329,271)	(6,126,526)
Loss from onerous contracts	-	-	-	-	(34,568)	-	-	(34,568)
Recovered from loss of burdened contracts	-	-	-	-	-	-	1,447	1,447
Risk adjustments - non-financial	-	8,238	23,070	(7,194)	(7,569)	10,505	275,499	302,549
	<u>1,757</u>	<u>(615,495)</u>	<u>(229,688)</u>	<u>(146,342)</u>	<u>(14,103,580)</u>	<u>(92,898)</u>	<u>(8,106,948)</u>	<u>(23,293,194)</u>

2023 -

	Motor	Fire	Liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	10,606	(148,692)	(139,091)	8,869	(10,236,659)	(24,567)	(2,806,153)	(13,335,687)
Amortization of acquisition costs	-	-	-	-	-	-	(753,983)	(753,983)
Administrative expenses (note 29)	-	(227,685)	(105,735)	(33,521)	(1,598,267)	(71,014)	(4,137,809)	(6,174,031)
Loss from onerous contracts	-	-	-	-	23,613	-	2,656	26,269
Recovered from loss of burdened contracts	-	-	-	-	-	-	-	-
Risk adjustments - non-financial	-	28,963	(27,639)	4,086	(372)	(12,130)	(104,032)	(111,124)
	<u>10,606</u>	<u>(347,414)</u>	<u>(272,465)</u>	<u>(20,566)</u>	<u>(11,811,685)</u>	<u>(107,711)</u>	<u>(7,799,321)</u>	<u>(20,348,556)</u>

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(25) REINSURANCE CONTRACT EXPENSES

2024-	<u>Motor</u>	<u>Fire</u>	<u>Liability</u>	<u>Marine</u>	<u>Medical</u>	<u>General accidents</u>	<u>Life</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Insurance claims incurred	-	(3,062,609)	(1,129,571)	(420,221)	-	(92,346)	(3,245,302)	(7,950,049)
Amortization of acquisition costs	-	(49,500)	-	(6,000)	-	(7,560)	-	(63,060)
Contractual service margin due	-	-	-	-	-	-	(26,074)	(26,074)
	<u>-</u>	<u>(3,112,109)</u>	<u>(1,129,571)</u>	<u>(426,221)</u>	<u>-</u>	<u>(99,906)</u>	<u>(3,271,376)</u>	<u>(8,039,183)</u>
2023-	<u>Motor</u>	<u>Fire</u>	<u>Liability</u>	<u>Marine</u>	<u>Medical</u>	<u>General accidents</u>	<u>Life</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
	-	(3,018,862)	(1,390,902)	(280,085)	-	(97,581)	(3,235,981)	(8,023,411)
Insurance claims incurred	-	(31,000)	-	(5,500)	-	(7,560)	-	(44,060)
Amortization of acquisition costs	-	-	-	-	-	-	114,347	114,347
Contractual service margin due	-	-	-	-	-	-	(2,547)	(2,547)
Loss of contracts expected to be lost	-	-	-	-	-	-	-	-
	<u>-</u>	<u>(3,049,862)</u>	<u>(1,390,902)</u>	<u>(285,585)</u>	<u>-</u>	<u>(105,141)</u>	<u>(3,124,181)</u>	<u>(7,955,671)</u>

(26) REINSURANCE CONTRACT RECOVERIES

2024-	<u>Motor</u>	<u>Fire</u>	<u>Liability</u>	<u>Marine</u>	<u>Medical</u>	<u>General accidents</u>	<u>Life</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Insurance claims incurred	-	162,928	43,156	26,569	-	18,350	2,697,787	2,948,790
Change in Non-Financial Risk Adjustments	-	(6,777)	(16,119)	4,472	-	(5,000)	(205,393)	(228,817)
Commissions received from reinsurers	-	184,141	35,072	141,630	-	417	-	361,260
	<u>-</u>	<u>340,292</u>	<u>62,109</u>	<u>172,671</u>	<u>-</u>	<u>13,767</u>	<u>2,492,394</u>	<u>3,081,233</u>
2023-	<u>Motor</u>	<u>Fire</u>	<u>Liability</u>	<u>Marine</u>	<u>Medical</u>	<u>General accidents</u>	<u>Life</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Insurance claims incurred	-	196,101	179,450	7,438	22,560	55,719	2,879,739	3,341,007
Change in Non-Financial Risk Adjustments	-	(21,902)	20,511	(2,951)	-	6,150	76,462	78,270
Commissions received from reinsurers	-	209,868	39,580	93,516	-	1,313	-	344,277
	<u>-</u>	<u>384,067</u>	<u>239,541</u>	<u>98,003</u>	<u>22,560</u>	<u>63,182</u>	<u>2,956,201</u>	<u>3,763,554</u>

(27) FINANCE EXPENSES – INSURANCE CONTRACTS

	2024	2023
	JD	JD
Finance expenses	(4,372,061)	(3,701,184)
	(4,372,061)	(3,701,184)

The Group used discount rates that ranged between 6.3% and 9.7% as at 31 December 2024 (31 December 2023: 5.2% and 11.4%).

(28) FINANCE EXPENSES – RE-INSURANCE CONTRACTS

	2024	2023
	JD	JD
Finance expenses	(16,113)	(8,973)
	(16,113)	(8,973)

The Group used discount rates that ranged between 6.3% and 9.7% as at 31 December 2024 (31 December 2023: 5.2% and 11.4%).

****How to calculate discount rates****

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

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

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

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

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

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(29) GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
	JD	JD
Salaries and bonuses*	3,329,333	3,135,468
Medical services management	688,132	596,577
Company's share of social security*	556,739	552,183
Computer expenses	246,896	217,736
Insurance management fees	225,438	214,938
Professional fees	271,397	207,092
Board members transportation fees and remuneration (note 34)	203,000	200,535
Insurance expenses	180,138	182,749
Fees and commissions	169,193	129,306
The company bears the fund of those affected	113,295	-
Advertisements	107,134	97,780
Stationery and printing	65,523	67,878
Rent	56,646	53,293
Government and other fees	49,731	44,544
Marketing activities	51,622	43,913
Postage and telecommunications	55,166	42,855
Subscriptions	29,883	38,193
Medical expenses	56,857	36,308
Maintenance	27,982	35,587
Hospitality	29,623	32,150
Hakeem expenses	35,120	31,825
Training expenses*	46,997	29,755
Water, electricity, and heating	28,566	25,901
Activities and nursery allowance*	13,698	25,386
Donations	32,066	24,456
Travel and transportation*	27,205	23,808
Cleaning expenses	12,703	11,776
End of service indemnity*	10,503	9,876
Interest paid to re-insurers	9,283	9,237
Vehicles expenses	6,715	8,163
Branches expenses	3,179	1,710
Other expenses and policy acquisition costs	9,288	610,503
	<u>6,749,051</u>	<u>6,741,481</u>
Allocated general and administrative expenses to insurance contract expenses (note 24)	6,126,526	6,174,031
Unallocated general and administrative expenses to insurance contract expenses	<u>622,525</u>	<u>567,450</u>

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*** Employee expenses**

	2024	2023
	JD	JD
Salaries and bonuses	3,329,333	3,135,468
End of service bonus	10,503	9,876
Company's share of social security	556,739	552,183
Training	46,997	29,755
Travel and transport	27,205	23,808
Activities and nursery allowance	13,698	25,386
Total	<u>3,984,475</u>	<u>3,776,476</u>

(30) NET GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

This item consists of the following:

	2024	2023
	JD	JD
Dividends income from financial assets at fair value through other comprehensive income	<u>27,156</u>	<u>22,505</u>
	<u>27,156</u>	<u>22,505</u>

(31) OTHER INCOME

This item consists of the following:

	2024	2023
	JD	JD
Treaties profits	15,271	28,536
Others	10,690	20,806
	<u>25,961</u>	<u>49,342</u>

(32) OTHER EXPENSES

This item consists of the following:

	2024					2023				
	Contract- Related Acquisition Expenses	Contract- Related Expenses	Non- Contract- Related Expenses	Total		Contract- Related Acquisition Expenses	Contract- Related Expenses	Non- Contract- Related Expenses	Total	
	JD	JD	JD	JD		JD	JD	JD	JD	
Other Expenses	-	-	-	200,200	200,200	-	-	-	33,575	33,575
Total	-	-	-	200,200	200,200	-	-	-	33,575	33,575

(33) BASIC 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 the following:

	2024	2023
Profit for the year / JD	5,085,579	4,739,855
Weighted average number of shares / share	10,000,000	10,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share for the year (Fils/JD)	0/509	0/474

(34) RELATED PARTY TRANSACTIONS AND BALANCES

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.

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

	2024			2023
	Parent Company JD	Arab National Leasing Company JD	Total JD	Total JD
<u>Consolidated statement of financial position items:</u>				
	3,801,410	-	3,801,410	1,725,300
Deposits at Arab Bank	1,304,460	-	1,304,460	2,352,602
Current accounts at Arab Bank	92,969	-	92,969	16,868
Accrued interest	32,410	-	32,410	57,309
Insurance contracts liabilities	81,683	-	81,683	73,251
Bank Guarantees				
<u>Consolidated income statement items:</u>				
Insurance revenues	47,785	15,766	63,551	58,476
Acquisition costs	(335,936)	-	(335,936)	(308,194)
Interest payable	54,264	-	54,264	85,729

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

	2024	2023
	JD	JD
Salaries, bonuses, and other benefits	878,775	790,718
Board members remuneration (note 29)	140,000	140,000
Board members transportation fees (note 29)	63,000	60,535
	<u>1,081,775</u>	<u>991,253</u>

(35) CONTRACTS EXPECTED TO BE LOST

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

(36) RISK MANAGEMENT

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

Risk management process

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

Risk measurement and reporting systems

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

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

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

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. Regarding the application of the probability theory on pricing and the reserve, the primary risks facing the Group are that incurred claims and the related payments may exceed the book value of the insurance obligations. This may happen if the probability and risk of claims are greater than expected.

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

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

Duplicate Claims

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

2- Claims development

The schedules below show the actual claims (based on management's estimates at year- end) compared to the expectations for the past four years based on the year in which the claims were reported as follows:

Motor Insurance:

The accident year	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	30,513,749	-	-	-	-	30,513,749
After one year	30,505,705	-	-	-	-	30,505,705
After two years	30,517,646	-	-	-	-	30,517,646
After three years	30,510,001	-	-	-	-	30,510,001
After four years	30,583,203	-	-	-	-	30,583,203
Current estimates of accumulated claims	30,583,203	-	-	-	-	30,583,203
Accumulated payments	30,524,449	-	-	-	-	30,524,449
Discount impact	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	58,753	-	-	-	-	58,753

The commitment as shown in the budget amounted to 68,184 dinars, where the difference represents the value of claims under settlement for the two border branches 9,431 dinars as received from the Jordan Federation of Insurance Companies.

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Marine Insurance:

The accident year	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	3,869,585	39,467	42,761	46,514	135,447	4,133,774
After one year	3,797,190	52,979	51,792	52,744	-	3,954,705
After two years	3,808,940	31,797	50,914	-	-	3,891,651
After three years	3,802,815	29,478	-	(18,725)	-	3,813,568
After four years	3,826,040	(4,373)	-	(18,725)	-	3,802,941
Current estimates of accumulated claims	3,826,040	29,478	50,914	52,744	135,447	4,094,623
Accumulated payments	3,928,434	29,478	48,091	21,795	16,120	4,043,918
Discount Effect	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	(102,395)	-	2,823	30,949	119,327	50,705

Fire and other property damage:

The accident year	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	20,752,838	125,801	34,362	61,978	101,170	21,076,149
After one year	22,687,671	226,000	118,354	101,908	-	23,133,933
After two years	25,099,420	239,633	186,985	-	-	25,526,038
After three years	25,146,604	243,262	-	-	-	25,389,865
After four years	25,133,250	(1,776)	-	-	-	25,131,474
Current estimates of accumulated claims	25,133,250	243,262	186,985	101,908	101,170	25,766,574
Accumulated payments	20,058,620	235,313	186,792	94,178	17,428	20,592,332
Discount Effect	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	5,074,630	7,948	193	7,730	83,742	5,174,242

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Life Insurance:

The accident year	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	29,732,426	2,215,243	1,637,701	1,347,302	2,488,945	37,421,617
After one year	32,001,704	4,134,664	3,443,179	2,920,792	-	42,500,339
After two years	32,219,853	4,277,520	3,483,257	-	-	39,980,630
After three years	32,133,219	4,277,520	-	-	-	36,410,739
After four years	32,185,956	-	-	-	-	32,185,956
Current estimates of accumulated claims	32,185,956	4,277,520	3,483,257	2,920,792	2,488,945	45,356,470
Accumulated payments	32,082,546	4,201,652	3,299,555	2,561,013	1,048,713	4,043,918
Discount Effect	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	103,410	75,868	183,702	359,779	1,440,232	2,162,991

Social liability Insurance:

The accident year	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	2,775,297	-	23,793	2,632	5,369	2,807,092
After one year	3,205,741	11,098	172,501	5,603	-	3,394,943
After two years	3,187,420	17,157	170,220	-	-	3,374,797
After three years	3,216,714	21,656	-	-	-	3,238,370
After four years	3,265,411	17,182	-	-	-	3,282,593
Current estimates of accumulated claims	3,265,411	21,656	170,220	5,603	5,369	3,468,260
Accumulated payments	1,711,024	16,181	170,218	5,600	1,585	1,904,608
Discount Effect	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	1,554,388	5,475	2	3	3,785	1,563,653

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Personal accidents Insurance:

The accident year	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	1,013,906	19,895	6,599	31,776	48,771	1,120,948
	778,298	18,768	14,493	40,977	-	852,536
After one year						
After two years	774,428	19,071	14,684	-	-	808,183
After three years	791,261	12,826	-	-	-	804,087
After four years	791,261	-	-	-	-	791,261
Current estimates of accumulated claims	791,261	12,826	14,684	40,977	48,771	908,520
Accumulated payments	742,179	12,776	11,798	40,977	3,700	811,430
Discount Effect	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	49,082	51	2,887	-	45,071	97,090

Medical Insurance:

The accident year	2020 and before JD	2021 JD	2022 JD	2023 JD	2024 JD	Total JD
At the end of the year	106,230,506	6,751,935	8,106,872	7,724,655	7,570,785	136,384,753
	113,628,181	13,680,366	15,617,806	10,921,362	-	153,847,715
After one year						
After two years	113,641,164	13,689,913	15,624,757	-	-	142,955,834
After three years	113,640,986	13,690,035	-	-	-	127,331,020
After four years	113,641,195	-	-	-	-	113,641,195
Current estimates of accumulated claims	113,641,195	13,690,035	15,624,757	10,921,362	7,570,785	161,448,133
Accumulated payments	113,641,191	13,690,035	15,624,257	10,921,363	7,078,903	160,955,748
Discount Effect	-	-	-	-	-	-
Liabilities as presented in the consolidated statement of financial position	106,230,506	6,751,935	500	-	491,882	492,386

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

3. INSURANCE RISK CONCENTRATIONS

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

Insurance liabilities are concentrated based on insurance type as follows:

<u>Insurance types</u>	2024		2023	
	Net JD	Gross JD	Net JD	Gross JD
Motor	-	-	-	-
Marine	3,584	(24,323)	(20,517)	15,426
Fire and properties	627,924	7,076,411	634,390	7,345,304
Social liability	188,925	2,220,252	228,956	2,327,857
Personal accidents	134,647	235,876	95,751	261,653
Medical	1,553,054	1,553,055	1,133,123	1,133,123
Life	72,894,989	75,180,721	70,372,093	72,760,109
Total	75,403,123	86,241,992	72,443,796	83,843,472

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

	2024			2023		
	Assets JD	Liabilities JD	Reinsurance assets JD	Assets JD	Liabilities JD	Reinsurance assets JD
According to geographical area						
Inside Jordan	127,300,384	89,535,822	10,838,869	118,811,489	87,712,210	11,399,678
Other Middle East Countries	2,481,741	-	-	1,894,465	-	-
Europe	7,503,355	-	-	9,411,144	-	-
Asia *	1,632,064	-	-	1,181,880	-	-
United states of America	4,083,640	-	-	2,271,006	-	-
Total	143,001,184	89,535,822	10,838,869	133,569,984	87,712,210	11,399,678

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

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

	2024			2023		
	Assets	Liabilities	Off- Consolidated	Assets	Liabilities	Off- Consolidated
	JD	JD	Statement of	JD	JD	Statement of
			Financial Position			Financial Position
			JD			JD
<u>According to</u>						
<u>Sector</u>						
Companies	6,513,984	2,448,867	81,683	5,165,701	2,523,644	73,251
&corporations						
Individuals	563,758	274,263	-	1,348,380	234,066	-
Total						
	<u>7,077,742</u>	<u>2,723,130</u>	<u>81,683</u>	<u>6,514,081</u>	<u>2,757,710</u>	<u>73,251</u>

4- REINSURANCE RISK

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

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

5- INSURANCE RISK SENSITIVITY

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

*Net after deducting income tax effect.

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

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

2023	Change percentage	Contractual	Contractual	Profit or	Profit or	Changes	Changes
		service	service	loss	loss	in equity	in equity
		margin	margin				
		Total	Net	Net	Net	Net	Net
		JD	JD	JD	JD	JD	JD
Death rate	5%+	-	-	(11,030)	(3,309)	(11,030)	(3,309)
Death rate	5%-	-	-	11,030	3,309	11,030	3,309
Illness	5%+	-	-	(1,226)	(368)	(1,226)	(368)
Illness	5%-	-	-	1,226	368	1,226	368
Longevity	5%+	-	-	11,030	3,309	11,030	3,309
Longevity	5%-	-	-	(11,030)	(3,309)	(11,030)	(3,309)
Expenses	5%+	-	-	(196,546)	(196,546)	(196,546)	(196,546)
Expenses	5%-	-	-	196,546	196,546	196,546	196,546
Expiry rate	5%+	(1,087,172)	(1,086,230)	(108,332)	(108,332)	(108,332)	(108,332)
Expiry rate	5%-	1,087,172	1,086,230	108,332	108,332	108,332	108,332
Total loss rate	5%+	-	-	-	-	-	-
Total loss rate	5%-	-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-

B- FINANCIAL RISKS

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

1- Market Risks

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

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

Market risk is measured and controlled using sensitivity analysis.

- Interest Rate Risk

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

The annual interest rate on the deposits in Jordanian Dinar ranged between 5.75% to 6.75% and on the deposit in US Dollar 5.40% during the year ended 31 December 2024 (2023: from 6.25% to 6.5% on deposits in Jordanian dinars and 4.70% to 5.85% on US dollars).

The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates as at 31 December 2024 and 2023, with all other variables held constant.

The sensitivity of the consolidated statement of income is the effect of the assumed changes in interest rates on the Group's profit for one year based on the floating rate financial assets as at 31 December 2024 and 2023.

-2024	Increase in interest rate	Effect on the current year pre-tax profit
Currency	%	JD
Jordanian Dinar	1	158,340
US Dollar	1	17,750

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

-2023

Currency	Increase in interest rate %	Effect on the current year pre-tax profit JD
Jordanian Dinar	1	138,985
US Dollar	1	23,345

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

Foreign Currencies Risks

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

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

2- Liquidity Risk

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

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

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

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

2024 -	Less than month	1 month to 3 months	3-6 months	6 months to 1 year	1-3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Insurance contracts liabilities	6,616,195	5,343,849	763,409	-	-	73,518,539	-	86,241,992
Accrued expenses	-	926,940	-	-	-	-	-	926,940
Other provisions	49,789	-	-	-	-	201,575	-	251,364
Income tax provision	-	561,415	-	-	-	-	-	561,415
Deferred tax liabilities	-	111,494	-	-	-	-	-	111,494
Other liabilities	1,442,617	-	-	-	-	-	-	1,442,617
Total liabilities	8,108,601	6,943,698	763,409	-	-	73,720,114	-	89,535,822
Total Assets	18,845,837	16,267,999	162,396	-	-	107,724,952	-	143,001,184
2023 -	Less than month	1 month to 3 months	3-6 months	6 months to 1 year	1-3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities								
Insurance contracts liabilities	6,782,366	5,478,065	782,581	-	-	-	70,800,460	83,843,472
Accrued expenses	-	777,639	-	-	-	-	-	777,639
Other provisions	58,889	-	-	-	-	-	201,575	260,464
Income tax provision	-	1,575,182	-	-	-	-	-	1,575,182
Deferred tax liabilities	-	26,309	-	-	-	-	-	26,309
Other liabilities	1,229,144	-	-	-	-	-	-	1,229,144
Total liabilities	8,070,399	7,857,195	782,581	-	-	-	71,002,035	87,712,210
Total Assets	16,673,277	22,200,190	-	490,264	-	81,121,940	13,084,313	133,569,984

3- Credit risks

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

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

The largest two clients represent 18% of the accounts receivable for the year ended 31 December 2024 (2023: 14%).

(37) ANALYSIS OF MAIN SECTORS

A- Background for the Group business sectors

For administrative purposes, the Group has been organized such that the sectors are measured according to the reports used by the Chief Executive Officer and the primary decision-maker of the group. This includes two business sectors: the General Insurance sector, which encompasses vehicle, marine, transport, aviation, fire, and other property damage insurance, liability insurance, medical insurance, and other branches; and the Life Insurance sector, which includes life insurance. These two sectors form the basis used by the group to present information related to the main sectors. The aforementioned sectors also include investments and cash management for the group's own account. Transactions between business sectors are conducted based on estimated market prices and under the same terms as those applied to third parties.

B- Geographic concentration of risk

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

	Inside the Kingdom		Outside the Kingdom		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total revenues	31,695,134	28,695,023	-	-	31,695,134	28,695,023
Total assets	116,167,436	118,811,489	26,833,748	14,758,495	143,001,184	133,569,984
Capital expenditures	90,868	403,189	-	-	90,868	403,189

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(38) 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
2024 -			
Assets-			
Banks deposits	17,598,096	-	17,598,096
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
Financial assets at amortized cost	-	94,016,704	94,016,704
Investment property	-	940,001	940,001
Financial assets of policyholders linked to investment	-	304,636	304,636
Cash and cash equivalents	2,441,879	-	2,441,879
Insurance contracts assets	1,029,581	-	1,029,581
Re-insurance contracts assets	10,838,869	-	10,838,869
Deferred tax assets	162,396	-	162,396
Property and equipment	-	2,565,316	2,565,316
Intangible assets	-	243,935	243,935
Other assets	3,098,854	-	3,098,854
Total Assets	35,169,675	107,831,509	143,001,184
Liabilities-			
Insurance contracts liabilities	12,723,453	73,518,539	86,241,992
Accrued expenses	926,940	-	926,940
Other provisions	251,364	-	251,364
Income tax provision	561,415	-	561,415
Deferred tax liability	111,494	-	111,494
Other liabilities	1,442,617	-	1,442,617
Total Liabilities	16,017,283	73,400,116	89,535,822
Net	19,152,392	34,312,970	53,465,362

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	Within 1 year	More than 1 year	Total
	JD	JD	JD
2023 -			
Assets-			
Banks deposits	16,203,682	-	16,203,682
Financial assets at fair value through other comprehensive income	-	8,838,285	8,838,285
Financial assets at fair value through income statement	-	343,248	343,248
Financial assets at amortized cost	3,747,719	81,121,940	84,869,659
Investment property	-	940,001	940,001
Cash and cash equivalents	3,240,067	-	3,240,067
Insurance contracts assets	1,149,424	-	1,149,424
Re-insurance contracts assets	11,399,678	-	11,399,678
Deferred tax assets	169,923	-	169,923
Property and equipment	-	2,644,956	2,644,956
Intangible assets	-	317,823	317,823
Other assets	3,453,238	-	3,453,238
Total Assets	39,363,731	94,206,253	133,569,984
Liabilities-			
Insurance contracts liabilities	13,043,012	70,800,460	83,843,472
Accrued expenses	777,639	-	777,639
Other provisions	260,464	-	260,464
Income tax provision	1,575,182	-	1,575,182
Deferred tax liability	26,309	-	26,309
Other liabilities	1,229,144	-	1,229,144
Total Liabilities	16,911,750	70,800,460	87,712,210
Net	22,451,981	23,405,793	45,857,774

(39) ANALYSIS OF MAIN SECTORS

A- Background for the Group business sectors

For administrative purposes as explained in insurance contract revenues (note 23) and insurance contract expenses (note 24), 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.

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

	Motor		Marine		Fire and damages property		Liability		Medical		Life		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Assets -																
Insurance contracts assets	-	-	-	-	-	-	-	-	-	-	1,029,581	1,149,424	-	-	1,029,581	1,149,424
Reinsurance contract assets	-	-	(89)	35,943	6,448,487	6,710,916	2,031,327	2,098,900	-	-	2,285,732	2,388,016	73,412	165,903	10,838,869	11,399,678
Receivables	-	-	140,228	59,228	437,523	508,539	227,721	287,235	5,389,301	4,632,962	836,586	848,658	6,815	4,508	7,038,174	6,341,130
Financial Assets	-	-	-	-	-	-	-	-	-	-	304,636	-	-	-	304,636	-
Investments	-	-	-	-	-	-	-	-	-	-	122,315,718	111,194,875	-	-	122,315,718	111,194,875
Total assets	-	-	140,139	95,171	6,886,010	7,219,455	2,259,048	2,386,135	5,389,301	4,632,962	126,772,253	115,580,973	80,227	170,411	141,526,978	130,085,107
	Motor		Marine		Fire and damages property		Liability		Medical		Life		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liabilities -																
Insurance contracts liabilities	-	-	(24,323)	15,426	7,076,411	7,345,304	2,220,252	2,327,857	1,553,055	1,133,123	75,180,720	72,760,109	235,877	261,653	86,241,992	83,843,472
Payables	-	-	5,306	2,812	57,849	37,440	1,674	2,481	1,225,498	913,078	302,186	457,337	731	1,687	1,593,243	1,414,835
Other Provisions	-	-	-	-	-	-	-	-	-	-	251,364	260,464	-	-	251,364	260,464
Total liability	-	-	(19,017)	18,238	7,134,260	7,382,744	2,221,926	2,330,338	2,778,553	2,046,201	75,734,270	73,477,910	236,608	263,341	88,086,599	85,518,771

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

	Motor		Marine		Fire and damages property		Liability		Medical		Life		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Continuing operations-																
Revenues-																
Insurance contracts revenue	-	-	560,650	333,347	3,517,170	3,173,339	1,464,893	1,544,828	14,293,467	12,416,226	11,608,687	10,976,946	250,267	250,337	31,695,134	28,695,023
Less: insurance contracts																
expenses	1,757	10,606	(146,341)	(20,566)	(615,495)	(347,414)	(229,688)	(272,465)	(14,103,580)	(11,811,685)	(8,106,948)	(7,799,321)	(92,899)	(107,711)	(23,293,194)	(20,348,556)
Results of insurance contracts	1,757	10,606	414,309	312,781	2,901,675	2,825,925	1,235,205	1,272,363	189,887	604,541	3,501,739	3,177,625	157,368	142,626	8,401,940	8,346,467
Reinsurance contract expenses	-	-	(284,591)	(186,569)	(2,927,968)	(2,853,054)	(1,094,499)	(1,351,322)	-	-	(3,632,636)	(3,468,458)	(99,489)	(96,268)	(8,039,183)	(7,955,671)
Reinsurance contract recoveries	-	-	31,040	4,487	156,151	174,199	27,036	199,961	-	22,560	2,853,655	3,300,533	13,351	61,814	3,081,233	3,763,554
Reinsurance Contract Results	-	-	(253,551)	(182,082)	(2,771,817)	(2,678,855)	(1,067,463)	(1,151,361)	-	22,560	(778,981)	(167,925)	(86,138)	(34,454)	(4,957,950)	(4,192,117)
Net results of insurance and																
reinsurance contracts	1,757	10,606	160,758	130,699	129,858	147,070	167,742	121,002	189,887	627,101	2,722,758	3,009,700	71,230	108,172	3,443,990	4,154,350
Financing Income (Expenses) -																
Insurance Contracts	-	-	-	-	-	-	-	-	-	-	(4,372,061)	(3,701,184)	-	-	(4,372,061)	(3,701,184)
Financing income (expenses) -																
reinsurance contracts	-	-	-	-	-	-	-	-	-	-	(16,113)	(8,973)	-	-	(16,113)	(8,973)
Net results of insurance and																
reinsurance contracts	1,757	10,606	160,758	130,699	129,858	147,070	167,742	121,002	189,887	627,101	(1,665,416)	(700,457)	71,230	108,172	(944,184)	444,193
Investment income	-	-	-	-	-	-	-	-	-	-	6,768,603	5,867,831	-	-	6,768,603	5,867,831
Credit interest	-	-	-	-	-	-	-	-	-	-	1,153,030	1,046,922	-	-	1,153,030	1,046,922
Gains on financial assets and																
investments	-	-	-	-	-	-	-	-	-	-	27,156	22,505	-	-	27,156	22,505
Other income	-	-	-	-	-	-	-	-	-	-	25,961	49,342	-	-	25,961	49,342
Total Revenue	1,757	10,606	160,758	130,699	129,858	147,070	167,742	121,002	189,887	627,101	6,309,334	6,286,143	71,229	108,172	7,974,750	6,986,600
Undistributed administrative and																
general expenses	-	-	(8,242)	(4,809)	(36,384)	(36,764)	(19,624)	(21,476)	(158,294.67)	(176,691)	(397,228)	(324,998)	(2,752)	(2,712)	(622,525)	(567,450)
Undistributed consumption and																
amortization	-	-	-	-	-	-	-	-	-	-	(206,984)	(240,443)	-	-	(206,984)	(240,442)
Other expenses	-	-	-	-	-	-	-	-	-	-	(200,200)	(33,575)	-	-	(200,200)	(33,575)
Total expenses	-	-	(8,242)	(4,809)	(36,384)	(36,764)	(19,624)	(21,476)	(158,294.67)	(176,691)	(804,412)	(599,015)	(2,752)	(2,712)	(1,029,709)	(841,467)
Profit for the year before																
income tax	1,757	10,606	152,516	125,890	93,475	110,306	148,118	99,526	31,592	450,410	5,504,922	5,687,128	68,477	105,460	6,000,857	6,589,326

(40) 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:

	<u>2024</u>	<u>2023</u>
	JD	JD
Available capital	16,671,572	22,455,135
Required capital -		
Required capital against risks excluding operational risks	7,226,854	7,006,106
Required capital against operational risks	<u>1,698,581</u>	<u>1,618,217</u>
Total required capital	<u>8,925,435</u>	<u>8,624,323</u>
Solvency margin ratio (available capital / required capital)		
Solvency margin ratio *	187%	260%

*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.

(41) 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 5,250,113 as at 31 December 2024 is sufficient to meet any obligations towards these lawsuits, Total amount of the cases raised by the Group against others is JD 5,250,113 as at 31 December 2024 (31 December 2023: JD 2,560,741).

Lawsuits filed by the Group against third parties amounted to 576,598 JD as of 31 December 2024 (31 December 2023: 653,769 JD). These cases represent receivables due to the Group and returned checks resulting from the Group's ordinary business activities.

(42) CONTINGENT LIABILITIES

As of the date of the consolidated financial statements, the Group has potential obligations represented by bank guarantees amounting to JD 81,683 compared to JD 73,251 as of 31 December 2024, and 31 December 2023, respectively.

(43) 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),

	<u>Level (1)</u> JD	<u>Level (2)</u> JD	<u>Total</u> JD
31 December 2024-			
Financial assets			
Financial assets at fair value through other comprehensive income	<u>9,391,215</u>	<u>-</u>	<u>9,391,215</u>
Financial assets at fair value through income statement	<u>369,702</u>	<u>-</u>	<u>369,702</u>
31 December 2023-			
Financial assets			
Financial assets at fair value through other comprehensive income	<u>8,838,285</u>	<u>-</u>	<u>8,838,285</u>
Financial assets at fair value through income statement	<u>343,248</u>	<u>-</u>	<u>343,248</u>

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(44) WRITTEN PREMIUMS BY INSURANCE BRANCH

	Motor		Marine		Fire and damages property		Social Liability		Medical		Life		Personal accidents		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums -																
Direct premiums	-	-	583,602	378,395	3,111,724	3,366,074	1,380,698	1,536,854	14,492,699	13,475,997	29,718,400	28,087,104	152,855	175,191	49,439,978	47,019,615
Indirect premiums	-	-	-	-	35,182	104,636	1,896	1,896	-	-	-	-	-	-	37,078	106,532
Total written premiums	-	-	583,602	378,395	3,146,906	3,470,710	1,382,594	1,538,750	14,492,699	13,475,997	29,718,400	28,087,104	152,855	175,191	49,477,056	47,126,147
Less:																
Re-insurance premiums local	-	-	77,593	33,532	384,925	573,740	132,153	27,132	-	-	-	-	-	-	594,671	634,404
Re-insurance premiums foreign	-	-	374,154	267,520	2,402,681	2,485,099	933,839	1,234,048	-	-	3,685,071	3,487,716	92,424	111,272	7,488,169	7,585,655
Net re-insurance premiums	-	-	131,855	77,343	359,300	411,871	316,602	277,570	14,492,699	13,475,997	26,033,329	24,599,388	60,431	63,919	41,394,216	38,906,088

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(45) EXPECTED RECOGNITION IN THE CSM OF THE GENERAL APPROACH MODEL

2024	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
Expected years of CSM recognition	13	13	13	13
One year	2,010,421	2,010,421	(8,748)	(8,748)
Two years	946,778	946,778	(6,262)	(6,262)
Three years	1,054,438	1,054,438	(6,354)	(6,354)
Four years	1,090,158	1,090,158	(5,285)	(5,285)
Five years	1,036,192	1,036,192	(8,828)	(8,828)
Six to ten years	5,024,525	5,024,525	(16,103)	(16,103)
More than ten years	12,088,729	12,088,729	77,142	77,142
Total	23,251,241	23,251,241	25,562	25,562

2023	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
Expected years of CSM recognition	13	13	13	13
One year	1,479,085	1,479,085	(2,457)	(2,457)
Two years	1,079,157	1,079,157	(3,579)	(3,579)
Three years	1,040,834	1,040,834	(2,406)	(2,406)
Four years	1,128,147	1,128,147	(2,859)	(2,859)
Five years	1,122,510	1,122,510	(2,628)	(2,628)
Six to ten years	5,323,631	5,323,631	(6,666)	(6,666)
More than ten years	10,570,085	10,570,085	39,451	39,451
Total	21,743,449	21,743,449	18,856	18,856

(46) AMORTIZATION OF ACQUISITION EXPENSES FOR INSURANCE CONTRACTS ASSETS

	2024						
	Motor	Fire	Social Liability	Marine	Medical	Life	Others
	JD	JD	JD	JD	JD	JD	JD
Expected years for the amortization of acquisition expenses for insurance contracts assets						13	13
One year	-	-	-	-	-	128,913	-
Two years	-	-	-	-	-	30,484	-
Three years	-	-	-	-	-	34,623	-
Four years	-	-	-	-	-	36,046	-
Five years	-	-	-	-	-	38,888	-
Six to ten years	-	-	-	-	-	219,277	-
More than 10 years	-	-	-	-	-	363,819	-
Total	-	-	-	-	-	852,050	-

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	2023						
	Motor	Fire	Social Liability	Marine	Medical	Life	Others
	JD	JD	JD	JD	JD	JD	JD
Expected years for the amortization of acquisition expenses for insurance contracts assets						13	13
One year	-	-	-	-	-	40,012	-
Two years	-	-	-	-	-	29,193	-
Three years	-	-	-	-	-	28,157	-
Four years	-	-	-	-	-	30,519	-
Five years	-	-	-	-	-	30,366	-
Six to ten years	-	-	-	-	-	144,015	-
More than ten years	-	-	-	-	-	285,942	-
Total	-	-	-	-	-	588,204	-

(47) ANALYSIS OF ACCOUNTS RECEIVABLE

	2024			2023		
	Accounts receivable	Provision for expected credit losses	Total	Accounts receivable	Provision for expected credit losses	Total
	JD	JD	JD	JD	JD	JD
Motor	1,284	1,284	-	1,284	1,284	-
Liability	227,722	3,893	223,829	287,235	12,188	275,047
Marine	140,228	-	140,228	59,228	97	59,131
Fire	432,670	3,893	428,777	507,255	39,423	467,832
Life	868,777	-	868,777	848,658	11,079	837,579
Medical	5,664,348	298,984	5,365,364	4,938,634	246,222	4,692,412
Others	6,815	238	6,577	9,129	-	9,129
Total	7,346,465	308,291	7,038,174	6,651,423	310,293	6,341,130

(48) SUBSEQUENT EVENTS

No subsequent events had an impact on the consolidated financials treatments.

(49) 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 Group's consolidated financial statements are disclosed below. The Group 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 Group 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 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

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

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 are not expected to have a material impact on the Group'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.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, 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 Group's financial statements.