

National Insurance Company Group

Public Shareholding Company
Palestine

Review Report and Condensed Interim Consolidated
Financial Information

For the Three-Months Period Ended March 31, 2025

National Insurance Company Group

Public Shareholding Company
Palestine

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Review Certificate

Messrs. National Insurance Group
Public Shareholding Company
Palestine

Subject: Condensed Interim Consolidated Financial Information for the Period Ended March 31, 2025, in English

We hereby certify that the following Condensed Interim Consolidated Financial Information of the National Insurance Company Group, which comprise the Condensed Interim Consolidated Statement of Financial Position as of March 31, 2025, Condensed Interim Consolidated Statement of Profit or Loss, Condensed Interim Consolidated Statement of Other Comprehensive Income, Condensed Interim Consolidated statement of Changes in Equity and Condensed Interim Consolidated Statement of Cash Flows for the three months period then ended were extracted and translated into English from the Arabic reviewed financial statements of the Group that had an unqualified conclusion issued on May 13, 2025.

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Palestine



The image shows a blue ink signature on the left and the HLB PS logo on the right. The logo consists of a blue circle containing the letters 'HLB' and 'PS' to its right, with the text 'AUDIT | TAX | ADVISORY' below it.

Samir Sahhar, CPA - License Number (109/2001)
May 13, 2025



REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors
National Insurance Company Group

Public Shareholding Company
Palestine

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of **National Insurance Company** (the “Company”) and its **Subsidiary** (together referred to as the “Group”), as of March 31, 2025, and the related condensed interim consolidated statements of profit or loss, condensed interim consolidated other comprehensive income, condensed interim consolidated changes in equity and condensed interim consolidated cash flows for the three-months period then ended. Management is responsible for the preparation and fair presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard (34): Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information is not prepared, in all material respects in accordance with IAS (34).

HLB – PS (License No. 201/2023)
Ramallah, Palestine



Samir Sahhar – (License No. 109/2001)
May 13, 2025

National Insurance Company's Group Public Shareholding Company

Condensed Interim Consolidated Statement of Financial Position

As of

	March 31, 2025 (Reviewed/Unaudited) USD	December 31, 2024 (Audited) USD
Assets		
Current Assets		
Cash and Cash Equivalent	4,126,455	7,074,327
Term Deposits	7,896,320	9,016,605
Accounts Receivables, Net	221,105	636,190
Financial Assets at Fair Value through Profit or Loss ("FVTPL")	3,779,250	5,183,869
Financial Assets at Amortized Cost- Current	1,300,269	2,513,724
Insurance Contracts Assets	539,602	106,379
Reinsurance Contracts Assets	28,606,036	30,936,661
Other Assets- Current	2,088,072	1,032,457
Total Current Assets	48,557,109	56,500,212
Non Current Assets		
Financial Assets at Fair Value through Other Comprehensive Income ("FVTOCI")	11,345,433	9,315,753
Financial Assets at Amortized Cost- Noncurrent	9,130,940	8,784,639
Investment in Associates	1,889,368	2,109,246
Right of Use Assets	633,498	670,353
Property Investments	26,487,143	26,450,669
Restricted Cash	3,166,176	3,266,775
Other Assets- Non Current	388,022	305,822
Property and Equipment, Net	4,210,009	4,196,384
Deferred Tax Assets	3,448,885	3,380,705
Total Non Current Assets	60,699,474	58,480,346
Total Assets	109,256,583	114,980,558
Liabilities		
Current Liabilities		
Accounts Payable	2,511,064	2,213,478
Insurance Contracts Liabilities	51,503,833	55,036,171
Reinsurance Contracts Liabilities	43,491	20,332
Lease Liability- Current	154,908	152,279
Other Current Liabilities	5,621,794	5,812,028
Tax Provisions	1,920,228	2,305,320
Total Current Liabilities	61,755,318	65,539,608
Non Current Liabilities		
Lease Liability- Current	476,088	577,023
Provision for Employees End of Services Benefits	4,103,871	4,163,563
Deferred Tax Liability	2,120,189	2,120,189
Total Non Current Liabilities	6,700,148	6,860,775
Total Liabilities	68,455,466	72,400,383
Equity		
Paid-in Capital	18,500,000	18,500,000
Treasury Stocks	(270,906)	(270,906)
Statutory Reserve	8,796,645	8,796,645
Cumulative Change In Fair Value Reserve	(3,500,229)	(1,289,803)
Foreign Currency Translation Differences	(2,068,388)	(2,035,491)
Retained Earnings	19,343,995	18,879,730
Total Equity	40,801,117	42,580,175
Total Equity And Liabilities	109,256,583	114,980,558

**National Insurance Company's Group
Public Shareholding Company**

Condensed Interim Consolidated Statement of Profit or Loss
For the Three Months Period Ended March 31,

	2025 (Reviewed/Unaudited) USD	2024 (Reviewed/Unaudited) USD
Insurance Contracts Revenue	12,892,925	12,253,201
(Insurance Contracts Expenses)	<u>(9,868,542)</u>	<u>(15,058,724)</u>
Insurance Contracts Results Before Reinsurance Contracts Held	3,024,383	(2,805,523)
Net Results from Reinsurance Contracts Held	<u>(1,881,421)</u>	<u>5,212,585</u>
Insurance and Reinsurance Contracts Results	<u>1,142,962</u>	<u>2,407,062</u>
Interest Income from Financial Assets Not Measured at FVTPL	268,719	265,991
Net Gains (Losses) on Financial Assets Measured at FVTPL	242,043	(437,161)
Net (Losses) from the Derecognition of Financial Assets at Amortized Cost	(511,684)	(235,558)
Net Impairment Recoveries on Financial Assets	<u>559,917</u>	<u>346,074</u>
Net Investment Income (Loss)	558,995	(60,654)
Finance (Expense) from Insurance Contracts Issued	(1,164,885)	(1,009,744)
Finance Income from Reinsurance Contracts Held	<u>376,771</u>	<u>174,676</u>
Net Insurance Financing (Expenses)	<u>(788,114)</u>	<u>(835,068)</u>
Net Insurance and Investment Results	913,843	1,511,340
Other General and Administrative Expenses (Unallocated)	(334,925)	(394,276)
Net Gain from Property Investments Operations	113,705	128,166
Group's Share of Results from Associates	(88,981)	47,504
(Loss) Gain on Disposal of Property and Equipment	(1,103)	8,074
Currency Exchange (Loss)	<u>(1,582)</u>	<u>(188,519)</u>
Net Profit Before Taxes for the Period	600,957	1,112,289
Tax Expenses	<u>(136,692)</u>	<u>(411,985)</u>
Net Profit After Taxes for the Period	<u>464,265</u>	<u>700,304</u>
Attributable to:		
Shareholders of the Parent Company	464,265	693,202
Non-controlling interests	<u>-</u>	<u>7,102</u>
	<u>464,265</u>	<u>700,304</u>
Basic and Diluted Earning Per Share Attributable to the Shareholders of the Parent Company	0.025	0.038

National Insurance Company's Group
Public Shareholding Company

Condensed Interim Consolidated Statement of Other Comprehensive Income
For the Three Months Period Ended March 31,

	2025 (Reviewed/Unaudited) USD	2024 (Reviewed/Unaudited) USD
Net Profit After Taxes for the Period	464,265	700,304
Other Comprehensive Income Items:		
<i>Items that will not be reclassified to the consolidated statement of profit or loss on the subsequent period</i>		
Change in Fair Value Reserve - Financial Assets at FVTOCI	(2,210,426)	(1,798,916)
<i>Items that may be reclassified to the consolidated statement of profit or loss on the subsequent period</i>		
Foreign Currency Translation Differences	(32,897)	(654,331)
Total Other Comprehensive (loss) for the Period	<u>(2,243,323)</u>	<u>(2,453,247)</u>
Total Comprehensive (loss) for the Period	<u>(1,779,058)</u>	<u>(1,752,943)</u>
Attributable to:		
Shareholders of the Parent Company	(1,779,058)	(1,759,017)
Non-controlling interests	-	6,074
	<u>(1,779,058)</u>	<u>(1,752,943)</u>
Basic and Diluted Per Share from the Other Comprehensive (Loss) Attributable to Shareholders of the Parent Company	<u>(0.096)</u>	<u>(0.095)</u>

National Insurance Company's Group Public Shareholding Company

Condensed Interim Consolidated Statement of Changes in Equity
For the Three Months Period Ended March 31,

	Paid-in Capital USD	Treasury Stocks USD	Statutory Reserve USD	Cumulative Change In Fair Value Reserve USD	Foreign Currency Translation USD	Retained Earnings USD	Total Equity USD	Non-Controlling Interests USD	Total Equity USD
Balance As of January 1, 2025 (Audited)	18,500,000	(270,906)	8,796,645	(1,289,803)	(2,035,491)	18,879,730	42,580,175	-	42,580,175
Net Profit for the Period	-	-	-	-	-	464,265	464,265	-	464,265
Other Comprehensive (Loss) Items	-	-	-	(2,210,426)	(32,897)	-	(2,243,323)	-	(2,243,323)
Total Other Comprehensive (Loss) Income For the Period	-	-	-	(2,210,426)	(32,897)	464,265	(1,779,058)	-	(1,779,058)
Balance As of March 31, 2025 (Reviewed/Unaudited)	18,500,000	(270,906)	8,796,645	(3,500,229)	(2,068,388)	19,343,995	40,801,117	-	40,801,117
Balance As of January 1, 2024 (Audited)	17,250,000	(254,296)	8,625,000	37,607	(1,315,489)	17,631,954	41,974,776	1,663,462	43,638,238
Prior Period Adjustments	-	-	-	-	-	343,039	343,039	-	343,039
Balance As of January 1, 2024 - Restated (Audited)	17,250,000	(254,296)	8,625,000	37,607	(1,315,489)	17,974,993	42,317,815	1,663,462	43,981,277
Net profit for the Period	-	-	-	-	-	693,202	693,202	7,102	700,304
Other Comprehensive (Loss) Items	-	-	-	(1,798,916)	(653,303)	-	(2,452,219)	(1,028)	(2,453,247)
Total Other Comprehensive (Loss) Income For The Period	-	-	-	(1,798,916)	(653,303)	693,202	(1,759,017)	6,074	(1,752,943)
Change in Non-Controlling Interests	-	-	-	-	-	-	-	(149,191)	(149,191)
Change in Treasury Stocks	-	(16,610)	-	-	-	-	(16,610)	-	(16,610)
Balance As of March 31, 2024 (Reviewed/Unaudited)	17,250,000	(270,906)	8,625,000	(1,761,309)	(1,968,792)	18,668,195	40,542,188	1,520,345	42,062,533

**National Insurance Company's Group
Public Shareholding Company**

Condensed Interim Consolidated Statement of Cash Flows
For the Three Months Period Ended March 31,

	2025 (Reviewed/Unaudited) USD	2024 (Reviewed/Unaudited) USD
Cash Flows from Operating Activities:		
Net Profit Before Tax for the Period	600,957	1,112,289
Adjustments:		
Depreciation of Property and Equipment	126,475	144,561
Right of Use Amortization	36,855	83,243
Loss (Gain) from Sale of Property and Equipment	227	(8,074)
Impairment Loss on Financial Assets Measured at Amortized Cost	(34,603)	-
Change in the book value of Financial Assets Measured at Amortized Cost	515,286	95,504
Net (Gains) Losses from the Derecognition of Financial Assets Measured at Amortized Cost	(3,602)	235,558
Loss from Sale of Financial Assets measured at FVTPL	1,119,295	35,981
Changes in Fair Value of Financial Assets Measured at FVTPL	(1,356,277)	437,161
Change in the value of Derivative Financial Instruments	(120,929)	(282,995)
Interest Revenue	(268,719)	(265,991)
Provision for Employees' End of Service Benefits	76,331	(163,086)
Group's Share of Results from Associates	88,981	(47,504)
Interest on Lease Liability	8,621	23,639
Net Impairment (Recoveries) on Financial Assets	(559,917)	(346,074)
Currency Variance	259,733	98,980
Cash Flows before Changes in Operating Activities	488,714	1,153,192
Change in Operating Assets and Liabilities:		
Decrease (Increase) in Accounts Receivables	414,710	(56,899)
(Increase) in Insurance Contracts Assets	(433,223)	(345,354)
Decrease (Increase) in Reinsurance Contracts Assets	2,330,625	(6,831,614)
(Increase) Decrease in Prepaid Expenses and Other Assets	(1,085,066)	303,848
(Decrease) Increase in Insurance Contracts Liabilities	(3,532,338)	5,222,826
Increase (Decrease) in Reinsurance Contracts Liabilities	23,159	(34,731)
Increase in Accounts Payable	297,586	1,407,757
(Decrease) in Accrual and Other Liabilities	(122,054)	(1,753,843)
Net Cash Flows (Used In) operating activities before taxes and employees end of services benefits paid	(1,617,887)	(934,818)
Taxes Paid	(849,697)	(852,973)
Employees End of Services Benefits Payments	(136,023)	(143,794)
Net Cash Flows (Used In) Operating Activities	(2,603,607)	(1,931,585)
Cash flows from Investing Activities:		
Purchase of Financial Assets Measured at FVTPL	(2,191,093)	(135,013)
Sale of Financial Assets Measured at FVTPL	3,832,694	191,312
Decrease in Restricted Cash	100,599	62,514
Decrease (Increase) in Bank Deposit Due More than Three Months	1,139,010	(1,319,728)
Interest Revenue	268,719	265,991
(Purchase) of Financial Assets Measured at FVTOCI	(4,240,106)	-
Cash dividends received by associates	98,000	98,000
(Purchase) of Property and Equipment	(140,327)	(59,465)
Proceeds from the Sale of Property and Equipment	-	15,531
(Purchase) of Property Investments	(36,474)	(78,966)
(Purchase) of Financial Assets measured at Amortized Cost	(495,351)	-
Sale/Retirement of Financial Assets measured at Amortized Cost	1,439,745	-
Net Cash Flows (Used In) Investing Activities	(224,584)	(959,824)
Cash Flows from Financing Activities:		
Proceeds from the Purchase of Non-Controlling Interest Shares	-	(149,191)
Change in Treasury Stocks	-	(16,610)
Payment of Lease Liabilities	(106,927)	(10,945)
Net Cash Flows (Used in) Financing Activities	(106,927)	(176,746)
Change in Cash and Cash Equivalents	(2,935,118)	(3,068,155)
Cash and Cash Equivalents, Beginning of the Period	7,113,170	6,410,811
Cash and Cash Equivalents, End of the Period	4,178,052	3,342,656
Composition of Cash and Cash Equivalents at Period End:-		
Cash and Cash Equivalents per Financial Position	4,126,455	7,074,327
Add: Expected Credit Losses on Cash and Cash Equivalents	51,597	(38,843)
Cash and Cash Equivalents, End of the Period	4,178,052	7,035,484