

**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Amman – The Hashemite Kingdom of Jordan**  
**Interim Condensed Financial Statements**  
**(Unaudited) and the Independent Auditor's Report**  
**for the three months period ended**  
**March 31, 2024 (Unaudited)**

**Euro Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Amman – The Hashemite Kingdom of Jordan**  
**Interim Condensed Financial Statements (Unaudited) and the Independent Auditor's Report**  
**For the three months period ended March 31,2024 (Unaudited)**

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## Independent Auditors' Report

**To, The Shareholders**  
**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Amman - The Hashemite Kingdom of Jordan**

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Euro Arab Insurance Group Company ("the Company")** as of March 31, 2024 and the related interim condensed statements of profit or loss, other comprehensive income, changes in shareholders' equity, and cash flows for the three months period then ended and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as endorsed in the Hashemite Kingdom of Jordan. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Hashemite Kingdom of Jordan. A review of interim condensed financial statements 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.

### Qualified Conclusion Basis

The company has not obtained the approval of the Central Bank of Jordan on the financial statements for the financial year ended December 31, 2023 to date.

### Qualified Conclusion

Based on our review, with the exception of the effect of what was mentioned in the qualified conclusion basis paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements for the period ended March 31, 2024 are not prepared in all material respects, in accordance with IAS (34) "Interim Financial Reporting" as endorsed in the Hashemite Kingdom of Jordan.

The partner is in charge of the audit resulting in this auditor's report was Hasan Amin Othman; license number 674.

Date: June 30, 2024  
Amman - Jordan



**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Interim Condensed Statement of Financial Position**  
**As of March 31, 2024 (Unaudited)**  
(Jordanian Dinars)

	<b>Note</b>	<b>March 31, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
<b><u>Assets</u></b>			
Deposits at banks, net	6	22,991,143	21,547,289
Financial assets at fair value through profit or loss statement	7	1,726,093	2,048,980
Financial assets at amortized cost	8	8,229,302	7,520,722
Investment properties	9	1,222,797	1,224,232
<b>Total investments</b>		<b>34,169,335</b>	<b>32,341,223</b>
Cash on hand and at banks	10	352,493	3,510,544
Insurance contract assets, net	12	-	106,535
Reinsurance contract assets held	13	3,168,929	2,602,863
Deferred tax assets	14	1,561,568	1,595,416
Property and equipment, net	15	2,773,436	2,774,965
Intangible assets, net	16	29,619	32,216
Other assets	17	932,931	620,504
		<b>8,818,976</b>	<b>11,243,043</b>
<b>Total assets</b>		<b>42,988,311</b>	<b>43,584,266</b>
<b><u>Liabilities and Shareholders' Equity</u></b>			
<b><u>Liabilities:</u></b>			
Insurance Contract Liabilities	12	24,821,669	25,299,191
Reinsurance contract liabilities	13	297,181	736,072
<b>Total insurance contract liabilities</b>		<b>25,118,850</b>	<b>26,035,263</b>
Other provisions	18	53,507	53,507
Due to bank		2,598,890	2,803,316
Provision for income tax	14	489,329	440,086
Deferred tax liabilities	14	-	-
Other liabilities	19	563,557	605,819
		<b>3,705,283</b>	<b>3,902,728</b>
<b>Total liabilities</b>		<b>28,824,133</b>	<b>29,937,991</b>
<b><u>Shareholders' Equity</u></b>			
Authorized and paid-up share capital	20	9,000,000	9,000,000
Statutory reserve		2,227,331	2,227,331
Voluntary reserve		15,676	15,676
Retained earnings	23	2,921,171	2,403,268
<b>Total Shareholders' Equity</b>		<b>14,164,178</b>	<b>13,646,275</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>42,988,311</b>	<b>43,584,266</b>

The accompanying notes from 1 to 34 are an integral part of these interim condensed financial statements.

**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Interim Condensed Statement of Profit or Loss**  
**For the three months period ended March 31, 2024 (Unaudited)**  
(Jordanian Dinars)

	<u>Note</u>	<u>March 31,2024</u> <u>(Unaudited)</u>	<u>March 31, 2023</u> <u>(Unaudited)</u>
<b><u>Revenue:</u></b>			
Insurance contract revenues	25	<b>11,363,683</b>	11,103,013
Insurance contract expenses	26	<b>(9,328,374)</b>	(8,499,995)
<b>Insurance contract service result</b>		<b>2,035,309</b>	2,603,018
Reinsurance contracts revenues	27	<b>(2,521,479)</b>	(2,455,525)
Reinsurance contracts expenses	28	<b>684,607</b>	210,038
<b>Reinsurance contracts results</b>		<b>(1,836,872)</b>	(2,245,487)
<b>Net insurance operations results</b>		<b>198,437</b>	357,531
(expenses)/ Finance revenues - insurance contracts		<b>20,999</b>	1,066
(expenses)/ Finance revenues - reinsurance contracts		<b>3,543</b>	21,953
<b>Net financing results of insurance operations</b>		<b>24,542</b>	23,019
Interest income		<b>546,043</b>	338,695
Net Profit from financial assets and investments		<b>4,333</b>	75,148
Other revenues		-	-
<b>Net investment revenue</b>		<b>550,376</b>	413,843
<b>Net results of insurance and investment (Total revenues)</b>		<b>773,355</b>	794,393
Undistributed employee expenses		-	(48,755)
Undistributed general and administrative expenses		-	(53,690)
Other Expenses		<b>(72,941)</b>	(235,445)
<b>Total expenses</b>		<b>(72,941)</b>	(337,890)
<b>Net profit for the period before income tax</b>		<b>700,414</b>	456,503
Income tax expense and national contribution fees	15	<b>(182,511)</b>	(70,273)
<b>Net profit for the period after income tax</b>		<b>517,903</b>	386,230
<b>Earnings per share from profit for the period</b>	29	<b>0.058</b>	0.048

The accompanying notes from 1 to 34 are an integral part of these interim condensed financial statements.

**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Interim Condensed Statement of Other Comprehensive Income**  
**For the three months period ended March 31,2024 (unaudited)**  
(Jordanian Dinars)

	<u>Note</u>	<u>March 31,2024</u> <u>(Unaudited)</u>	<u>March 31, 2023</u> <u>(Unaudited)</u>
Net profit for the period after tax		<b>517,903</b>	386,230
Added:			
<b>Other comprehensive income items:</b>			
Change in the fair value reserve for financial assets		-	-
<b>Other Comprehensive Income</b>	37	<u><b>517,903</b></u>	<u>386,230</u>

The accompanying notes from 1 to 34 are an integral part of these interim condensed financial statements.

**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Interim Condensed Statement of Changes in Shareholders' Equity**  
**For the three months period ended March 31, 2024 (Unaudited)**  
(Jordanian Dinars)

	Authorized and paid- up share Capital	Statutory reserve	Voluntary reserve	Retained earnings	Total
<b><u>For the three months ended March 31, 2023 (unaudited)</u></b>					
Balance as at December 31, 2022 (Audited)	8,000,000	1,945,688	15,676	1,912,950	11,874,314
Total comprehensive income for the period	-	-	-	386,230	386,230
Balance as at March 31, 2023 (unaudited)	8,000,000	1,945,688	15,676	2,299,180	12,260,544
<b><u>For the three months ended March 31, 2024 (unaudited)</u></b>					
Balance as of December 31, 2023(Audited)	9,000,000	2,227,331	15,676	2,403,268	13,646,275
Total comprehensive income for the period	-	-	-	517,903	517,903
Balance as at March 31, 2024 (unaudited)	9,000,000	2,227,331	15,676	2,921,171	14,164,178

The accompanying notes from 1 to 34 are an integral part of these interim condensed financial statements.



**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Interim Condensed Statement of Cash Flows**  
**For the three months period ended March 31, 2024 (Unaudited)**  
(Jordanian Dinars)

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>March 31, 2023</b> <b>(Unaudited)</b>
<b>Cash flow from Operating Activities:</b>		
Net profit for the period before income tax	<b>700,414</b>	456,503
Adjustments to reconcile net profit before income tax to net cash flow provided by operating activities:		
Depreciation and amortization	<b>28,870</b>	25,069
Net change in fair value of financial assets through profit or loss statement	<b>322,887</b>	(100,232)
Other provisions	<b>-</b>	4,632
<b>Cash flow from operating activities before change in working capital</b>	<b>1,052,171</b>	385,972
<b>Change in Working Capital Items:</b>		
Insurance contract assets -net	<b>106,535</b>	166,506
Reinsurance contract assets -net	<b>(566,066)</b>	5,425
Other assets	<b>(278,579)</b>	(18,432)
Insurance contract liabilities	<b>(477,522)</b>	(656,011)
Reinsurance contract liabilities	<b>(438,891)</b>	262,999
Other liabilities	<b>(42,262)</b>	544,716
Income tax paid	<b>(133,268)</b>	(92,936)
<b>Net cash flows provided by operating activities</b>	<b>(777,882)</b>	598,239
<b>Cash flow from Investing Activities</b>		
Deposits at banks	<b>(1,443,854)</b>	(189,734)
Purchase property and equipment, net	<b>(23,309)</b>	-
Purchase intangible assets	<b>-</b>	-
(Purchasing)/ sale financial assets at amortized cost	<b>(708,580)</b>	-
Proceeds from the sale of financial assets at fair value through the statement profit or loss	<b>-</b>	-
Proceeds from the sale of financial assets at fair value through the statement of comprehensive income	<b>-</b>	-
<b>Net cash flows provided by/ (used in) by investing activities</b>	<b>(2,175,743)</b>	(189,734)
<b>Cash flow from financing activities</b>		
Due to banks	<b>(204,426)</b>	59,433
<b>Cash flows (used in)/ provided by financing activities</b>	<b>(204,426)</b>	59,433
Net increase in cash on hand and at bank	<b>(3,158,051)</b>	467,938
Net cash on hand and at bank at beginning of the period	<b>3,510,544</b>	2,053,799
<b>Net cash in hand and at bank at the end of the period</b>	<b>352,493</b>	2,521,737

The accompanying notes from 1 to 34 are an integral part of these interim condensed financial statements.



**Euro Arab Insurance Group**  
(Public Limited Shareholding Company)  
**Notes to the Interim Condensed Financial Statements**  
**For the three months period ended March 31,2024 (unaudited)**

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**1. Legal Status and Activities**

The Euro Arab Insurance Group was established under the Jordanian Corporate Law and its amendments under No. (304) as a Public Joint-Stock Limited Company. As a Several amendments were made to the capital, the latest was during 2023, so that the authorized and paid-up capital amounted to JD 9,000,000, divided into 9,000,000 shares, with a nominal value of one JD per share.

The Company's address is at Sharif Nasser Bin Jameel Street, Building No. (41), P.O. Box 1435, Amman 11953, Jordan.

The Company aims to practice all types of insurance, including the field of life insurance.

The financial statements were approved by the Board of Directors' decision held on 30 June 2024

**2. Principles of preparing financial statements**

The interim condensed financial statements for the three monthsperiod ended March 31,2024 have been prepared in accordance with the standards issued by the International Accounting Standards Board ("IASB") No. (34) and in accordance with the applicable local laws and according to the forms set by the Central Bank of Jordan ("CBJ").

**3. Application of international accounting standards for preparing new and amended financial reports**

The accounting policies followed in preparing the financial statements are consistent with those followed in preparing the financial statements for the fiscal year ending on December 31, 2023, except that the Company applied the following amendments as of January 1, 2023, if any:

**A. New and amended IFRS Standards that are effective for the current year:**

- Amendments to International Accounting Standard No. (1) - Presentation of Financial Statements - Classification of liabilities as current or non-current.
- Amendments to IAS No. (1) - Presentation of Financial Statements - Non-current obligations with undertakings.
- Amendments to IAS (7) Statement of Cash Flows and IFRS (7) Financial Instruments: Disclosures - Supplier Financing Arrangements.
- Amendment to IFRS No. (16) Lease Contracts - Lease Obligations in Sale and Re-Lease.
- International Financial Reporting Standard 1 - General requirements for the disclosure of financial information related to sustainability.
- IFRS 2 - Climate-related disclosures.

#### **4. Use of Estimates and Assumptions**

Preparing financial statements and applying accounting policies requires the Company's management to make estimates and judgments that affect the amounts of financial assets and financial liabilities and the disclosure of potential liabilities. These estimates and judgments also affect revenues, expenses, and allocations, as well as changes in the fair value that appear in the profit or loss statement and in shareholders' equity. In particular, it requires the Company's management to issue important judgments and judgments to estimate the amounts and times of future cash flows. The aforementioned estimates are necessarily based on multiple assumptions and factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

The nature and extent of the changes in the estimates of the amounts contained in the reports of previous financial years do not have a material impact on the current data. Our estimates in the financial statements are reasonable and detailed as follows:

##### **Expected credit loss**

The Company applies the simplified approach imposed by International Financial Reporting Standard No. (9) to recognize impairment by measuring expected credit losses over the life of receivables and contractual assets based on the historical cash flow ratio for collection.

Expected loss rates are based on the Company's historical credit losses experienced during the prior three-year period up to the end of the current period, and historical loss rates are then adjusted for current information. Since the Company is based on historical cash flow ratios without including economic factors, Standard No. 9 does not require including these factors.

##### **Impairment in the value of financial assets**

The Company reviews the values recorded of the financial assets at the date of the financial statements to determine whether there are indications of impairment in their value individually or in the form of a Company, and in the event of such indications, the fair value is estimated in order to determine the impairment loss.

##### **Income tax**

The financial period has been charged with its income tax expense in accordance with the regulations, laws and international financial reporting standards as follows:

##### **1- Accrued Tax**

Income tax was estimated in accordance with International Financial Reporting Standard No. 17, noting that the income and sales tax law had not been amended as of the date of preparing the financial statements.

Taxes are calculated according to the tax rates established under the laws, regulations and instructions in the Hashemite Kingdom of Jordan.

##### **2- Deferred taxes**

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. Taxes are calculated using the compliance method in the financial statements. Deferred taxes are calculated according to the tax rates that are expected to be applied upon settlement. Tax liability or realization of deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the financial statements and reduced in the event that it is expected that it will not be possible to benefit from those tax assets, partially or completely, or to settle the tax liability or select the need for it.

#### **4. Use of Estimates and Assumptions (continued)**

##### **Property, equipment and intangible assets**

The management periodically reassesses the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization depending on the assets and the estimated useful lives expected on the general situation in the future. Impairment loss, if any, is recorded in the profit and loss statement.

##### **The present and future value of cash flows**

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract/ reinsurance contract held after adjusting them to reflect the timing and uncertainty of those amounts, based on actuarial assumptions and the Company's experience in insurance contracts and reinsurance contracts held.

Future cash flows are recognized at the current value of insurance contracts, using historical cash flows and the local rate of return on local bonds issued by the Central Bank of Jordan, as they are closest to the Company's reality. The income or expense from discounting cash flows is treated through the statement of profit or loss. Or for reinsurance contracts, the percentage of illiquidity risks is deducted.

The Company will not calculate a present value for future cash flows on insurance and reinsurance premiums whose duration is less than 12 months.

When developing assumptions regarding estimating flows for groups of insurance contracts, the Company must take into account the following:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- The possibility of liquidating the contract before the expiration date of insurance coverage, and other practices expected from the insurance contract holder.
- Factors that will affect estimates, and sources of information for these factors.

##### **Non-financial risk adjustments**

A sum of money allocated by the Company against the uncertainty of the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the Company's experience in managing the range of insurance contracts / insurance contracts held. The cost rate is set at 5.76% per annum representing the return required to compensate for exposure to non-financial risks. The capital is set at a confidence level of 75% and is expected to be in line with the runoff of the business. The diversification feature is included to reflect diversity in contracts sold across geographies as this reflects the compensation requested by the company. Non-financial risk adjustments are to be revalued annually by the actuary.

##### **Non-insurance components**

The Company discloses the following aspects:

- Defining the insurance risks.
- Defining the insurance contract, and defining the written insurance contracts that are consistent with the definition.
- Determining the contracts issued by the Company that are consistent with the definition of the insurance contract.
- The mechanism for separating the non-insurance components (investment component, service component, etc.) from the insurance contract, and if they exist, the most specialized standard that will be applied to address those components is mentioned.
- Mechanism for determining the materiality of the risks of the insurance contract.

#### **4. Use of estimates and assumptions (continued)**

##### **Fair Value Levels**

Fair value is the value that is expected to be received when selling an asset, or paid to transfer any liability in regular transactions between market participants on the measurement date under prevailing market conditions, regardless of whether that price is directly observable or estimated using another valuation method. The fair value measurement is based on the assumption that the asset or liability will be sold either:

- Through the main market for the assets or liabilities, or
- Through the most advantageous market for assets or liabilities in the absence of a primary market.

The main or most advantageous market must be accessible to the Company.

Fair value is measured using the assumptions used by market participants when pricing assets or liabilities, assuming that market participants act in a way that achieves the best economic benefits for them.

Measuring the fair value of non-financial assets takes into account the ability of market participants to provide economic benefits by using the assets in a way that achieves the best benefit from them or by selling them to another market participant to use them in a way that achieves the best benefit from them. The Company uses valuation methods that are appropriate to the existing circumstances and conditions and has sufficient data to measure fair value, makes greater use of relevant observable data, and reduces the use of unobservable data to the greatest extent.

All assets and liabilities that are measured at fair value or disclosed in the financial statements are classified within the hierarchy of fair value levels mentioned below and on the basis of the lowest level inputs that are significant to the fair value measurement as a whole:

- Level One: Prices traded in an active market for similar assets or liabilities.
- The second level: measurement methods that consider the lower-level inputs (important for measuring fair value) that are directly or indirectly observable.
- The third level: measurement methods that consider the lowest level inputs - that are significant to measuring fair value - to be unobservable.

The fair value measurement of available-for-sale financial assets, and non-recurring measurements, such as assets held for distribution in a discontinued operation, are evaluated on a periodic basis.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as described above.

#### **5- Significant Accounting Policies**

##### **A. Segments Information**

The business segment represents a Company of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other segments, which are measured according to the reports that were used by the CEO and the main decision maker of the Company.

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

##### **B. Goodwill**

The company does not record the value of goodwill

## **5- Significant Accounting Policies (continued)**

### **C- Insurance Contracts**

#### **Definition of insurance contract**

It is a contract whereby one party (the issuer) accepts a substantial insurance risk from another party (the contract holder), by agreeing to compensate the contract holder in case of the occurrence of a specific and uncertain future event (the insured event) such that this event, if it occurs, adversely affects the contract holder.

#### **Definition of non-insurance contract**

IFRS 17 defines insurance risk as risks, other than financial risks, that are transferred from the contract holder to the issuer and therefore a contract that exposes the issuer to financial risk without significant insurance risk is not an insurance contract.

#### **Company's products**

All contracts issued by the Company meet the definition of an insurance contract. Below is a breakdown of the insurance contracts issued by the Company that meet the definition:

<b><u>Main Insurance Type</u></b>	<b><u>Sub-Insurance Type</u></b>	
<b>Engineering</b>	- Boiler explosion - Contractor machinery and equipment - Electronic equipment - Machinery damage	- Contractors' risks - Damage to assets - Installation risks - Loss of profits/damage to machinery
<b>General insurance</b>	- Cash  - theft - Workers' compensation - Civil liability	- Dishonesty  - Personal accidents - Broken glass panels - Professional responsibility
<b>Motor</b>	- Border centers - comprehensive - Against others - comprehensive buses	- Orange card - Complementary - Buses
<b>Life</b>	- Borrowers insurance - Individual	- Group - Individual decreasing
<b>Fire</b>	- fire - All risks	- Residential
<b>Marine</b>	- Marine direct open cover - Ship hulls	- Direct marine goods
<b>Medical Travel</b>	- Individual -travel	- Grouping

**5- Significate Accounting Policies (continued)**

**Direct participating feature**

The direct participation feature in IFRS 17 is defined as insurance contracts that have economic characteristics similar to an insurance contract (long term of coverage, frequent premiums and amount or timing of return at the discretion of the issuer) and are linked to a portfolio of assets. Contracts that contain this feature at the beginning of the contract, include:

- The contractual terms specify that the insurance contract holders participate in a share of the insurance contract portfolio.
- The Company expects to pay the contract holder a significant share of the fair value proceeds from the portfolio of insurance contracts.
- The Company expects that a significant proportion of any change in the amounts that will be paid to the contract holder will vary with the change in the fair value of the insurance contracts portfolio.

**Types of direct participating feature**

**Investment contracts:**

Investment contracts that have a legal form similar to an insurance contract but do not transfer significant insurance risk to the issuer and bear financial risks (embedded derivatives, change in the fair value of an instrument, change in interest rates, change in currency exchange rates, or credit rating) are classified as investment contract in accordance with IFRS (9).

Investment contracts that contain the feature of voluntary participation, which are investment contracts that have a legal form similar to an insurance contract, but do not transfer significant insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified in accordance with International Financial Reporting Standard No (17).

**Self-Insurance**

Self-insurance (keeping the risks that could have been covered by the insurance contract within the Company, there is no other party to the contract). For example, a Company issuing an insurance contract in the name of the Company or a fellow subsidiary, which is classified in accordance with IFRS 15.

The Company issues the following contracts that are classified according to IFRS 15:

- Medical insurance contract for employees of the Euro Arab Insurance Group.
- Life insurance contract for employees of the Euro Arab Insurance Group.
- Motor insurance contracts owned by the Euro Arab Insurance Group.
- All Risk Insurance Contracts for buildings owned by Euro Arab Insurance Group.



**5- Significate Accounting Policies (continued)**

**Separation of non-insurance components**

**The investment component**

A Company is required to separate the distinct investment component distinct from the underlying insurance contract when the investment component is distinct if and only if the following two conditions are met:

- 1- The investment component and the insurance component are not closely related.
- 2- The contract is sold on equivalent terms, or may be sold, September separately in the same market or jurisdiction, either by the entities issuing the insurance contracts or by other parties.

The investment component and the insurance component are directly related if, and only if:

- 1- The Company was unable to measure one component without looking at the other. Therefore, if the value of one component varies according to the value of the other component, the Company must apply IFRS 17 to calculate the co-investment and insurance component.
- 2- The policyholder cannot benefit from one of the components unless the other is also present. Therefore, if the lapse or maturity of one component of a contract causes the lapse or maturity of the other, the Company must apply IFRS 17 to account for the investment component and the combined insurance component.

The company does not have products that have an investment component.

**Acquisition costs**

An entity shall allocate acquisition costs to the acquisition of the insurance contract to groups of insurance contracts and amortize them over the term of the contract, unless the entity elects to recognize them as an expense by applying paragraph 59 (a), which states:

When applying the premium allocation approach, the entity:

It may choose to recognize any cash flows from acquiring insurance as an expense when those costs are incurred, provided that the coverage period for each contract in the Company on initial recognition does not exceed one year.

The Company has selected the above exception provided that all costs are recognized as periodcosts other than commissions paid which are amortized over the contract period.

**Recognition of the insurance contract**

The Company shall recognize the Company of insurance contracts as of the following dates, whichever is earlier:

- The beginning of the coverage period.
- Eligibility for the first payment.
- The date on which the insurance contract is considered a contract with an expected loss.

The company adopts the beginning of coverage instead of the payment maturity as there is no data indicating that the payment maturity precedes the coverage start date for any of its products.



## **5- Significate Accounting Policies (continued)**

### **Amending Insurance Contracts**

The Company makes adjustments to the initial recognition of insurance contracts by dealing with the changes that occurred in the future cash flows to fulfill the contracts, unless the conditions for derecognition of insurance contracts apply to them.

### **Derecognition of insurance contracts**

The Company derecognizes insurance contracts in the following cases:

- Expiration of the contract. (Expiration, fulfillment or cancellation of the obligation specified in the Insurance contract).
- In case that the insurance contracts are amended so that the contract no longer meets the requirements of the standard, then the Company cancels the contract and recognizes a new one.

### **Contracts measurement approach**

The standard provides insurance companies with three approaches for measuring and processing insurance contracts and reinsurance contracts held by accounting, as follows:

#### **Premium allocation approach:**

It applies to the group of insurance contracts shown below:

- The duration of the insurance coverage does not exceed one year.
- In which the value of "Liabilities vs. Residual Coverage" does not substantially differ from its value when applying the requirements of the general approach.

#### **General approach:**

It is applied to all insurance contracts, where it is required to measure the obligations of the insurance contract groups by deducting the future cash flows "incoming and outgoing", and then subtracting from them non-financial risk adjustments to reach the contractual service margin, which represents the unearned profit from the group of insurance contracts.

#### **Variable cost approach:**

It is the approach through which some requirements of the general approach are modified to deal with investment contracts that include the participation feature.

The Company applies the premium allocation approach to all insurance contracts and reinsurance contracts held, as the Company does not have products or reinsurance contracts held in which the coverage period exceeds one year, unlike travel and diminishing life insurance, as the coverage period for these contracts is more than one year, and since the premiums of these products combined are less than 100,000 JD and it is not of relative importance when applying premium allocation approach.

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**5- Significate Accounting Policies (continued)**

**Contract Measurement approach (continued)**

Summary of the approved insurance contract measurement methodology:

<b>Wallet (Level I) *</b>	<b>Contract classification**</b>	<b>Measurement Methodology</b>
Engineering	Insurance Contracts	Premium Allocation Approach
General Insurance	Insurance Contracts	Premium Allocation Approach
Motor (Portfolio A)	Insurance Contracts	Premium Allocation Approach
Motor (Portfolio B)	Insurance Contracts Roadside Assistance	Premium Allocation Approach IFRS 15
Motor (Portfolio C)	Insurance Contracts	Premium Allocation Approach
Motor (Portfolio D)	Insurance Contracts	Premium Allocation Approach
Life (Portfolio A)	Insurance Contracts	Premium Allocation Approach
Life (Portfolio B)	Insurance Contracts	Premium Allocation Approach
Fire	Insurance Contracts	Premium Allocation Approach
Marine	Insurance Contracts	Premium Allocation Approach
Medical	Insurance Contracts	Premium Allocation Approach
Travel	Insurance Contracts	Premium Allocation Approach

\* Portfolios of insurance contracts subscribed by the company.

\*\* Classification of contracts in the event that there are non-insurance components (investment or service component) and in the absence of these components and do not require separation, they are classified as insurance contracts only.

Classification of insurance contract portfolios according to the appropriate measurement methodology, and in the event of non-insurance components, the most specialized accounting standard is clarified.

Summary of the approved retained reinsurance contract measurement methodology:

<b>Wallet</b>	<b>Measurement Methodology</b>
Engineering	Premium Allocation Approach
General Insurance	Premium Allocation Approach
Motor	Premium Allocation Approach
Life	Premium Allocation Approach
Fire	Premium Allocation Approach
Marine	Premium Allocation Approach
Medical	Premium Allocation Approach
Travel	Premium Allocation Approach

**Materiality:**

The relative importance in the company is 2% of the total written premiums. The test of the applicability of the premium allocation approach was applied to the decreasing travel and life insurance as the coverage period for these contracts is more than one year and since the premiums of these products are combined Less than JOD 50,000 and not of relative importance The premium allocation approach has been applied.

## 5- Significate Accounting Policies (continued)

### Measurement approaches

#### Premium allocation approach

##### **1- Initial proof of insurance contracts:**

- Upon initial verification, the Company records the amount of the insurance premium received as a liability, from which the acquisition costs (commissions "if any") are subtracted and distributed throughout the year of coverage.
- The amount of insurance premium not received is not recognized upon initial recognition.

##### **2- Subsequent measurement/installment allocation approach:**

At the end of each subsequent year, the Company measures the carrying amount of the liability, taking into consideration the following adjustments to the liability balance:

- Add insurance premiums received for the period.
- Subtract cash flows for the acquisition of insurance contracts.
- Add any amounts related to the exhaustion of cash flows to acquire established insurance contracts as an expense.
- Subtract the amount proven as insurance revenue for the coverage provided in that period.

The Company recognizes insurance contract assets for insurance contracts for which service is provided but has not been collected. Expected credit losses for these assets are treated under IFRS No. (9).

#### Aggregation level

The company aggregates insurance contracts into separate portfolios (portfolio) to classify and process them independently for the underwriting year (Cohort) and then profitability (Group) at the portfolio level.

#### Determination of insurance contract portfolios

The entity must determine the portfolios of insurance contracts. The portfolio consists of contracts that are subject to similar risks and are managed together.

The company has distributed the insurance contract portfolios as follows:

<b>Main Insurance</b>		<b>Sub-Insurance Type</b>	
<b>Type</b>	<b>Wallet</b>		
<b>Engineering</b>	<b>Engineering</b>	- Boiler explosion	- Dangers of the two sayings
		- Contractor's machinery and equipment	- Damage to assets
		- Electronic equipment	- Installation hazards
		- Machinery malfunction	- Loss of profits/machinery damage
<b>General Insurance</b>	<b>General Insurance</b>	-cash	- Dishonesty
		-theft	- Personal accidents
		-Workmen's compensation	- Breaking glass panels
		- Civil liability	- Professional responsibility
<b>Motor</b>	<b>Cars (portfolio A)</b>	-Buses	
	<b>Cars (portfolio B)</b>	-comprehensive - comprehensive Buses	-supplementary

**5- Significate Accounting Policies (continued)**

**Aggregation level (continued)**

**A- Determination of insurance contract portfolios (continued)**

<u>Main Insurance Type</u>	<u>Wallet</u>	<u>Sub-Insurance Type</u>	
<b>Motor</b>	<b>Motor (Portfolio C)</b>	- Border posts - Against third parties	- Orange card
	<b>Motor (Portfolio D)</b>	-Bids	
<b>Life</b>	<b>Life (Wallet A)</b>	- Insurance of borrowers	-collective
	<b>Life (Portfolio B)</b>	-Individual	- Decreasing singles
<b>Fire</b>	<b>Fire</b>	-fire	-residential
		- All Hazards	
<b>Marine</b>	<b>Marine</b>	- Marine direct open cover	- Marine direct cargo
		- Ship hulls	
<b>Medical</b>	<b>Medical</b>	-Individual	-collective
<b>Travel</b>	<b>Travel</b>	-travel	

**B- Proof of Aggregation Level (Cohort)**

The entity must not include contracts separated by more than one year in the same group.

The company details the insurance contract portfolios according to the classifications referred to above according to the year of underwriting on an annual basis.

**C- Aggreation of insurance contracts**

The entity must divide the portfolio of insurance contracts issued into at least:

- Group of contracts not expected to be burdened with liabilities.
- Group burdened with liabilities.
- Another group.

1- The company follows these procedures to determine the groups:

- Profitability of individual contracts is not assessed as the available system does not provide this service. Instead, profitability of products as a whole is evaluated based on historical loss ratio data from the last 3 years.
- The historical technical loss ratio percentage is adopted at the sub-product level in distributing the groups.
- The historical loss ratio is calculated using the following equation:

$$\frac{(\text{Total Paid Claims} + \text{Suspended Claims} + \text{Acquisition Costs} - \text{Refunds})}{\text{Total Premiums}}$$

- 2- Technical loss ratio for the last 3 years is less than 80%: Classified under the group of contracts not likely to be burdened with liabilities.

Technical loss ratio for the last 3 years is between 80% and 100%: Classified under another group.

Technical loss ratio for the last 3 years is more than 100%: Classified under the group burdened with liabilities.

**5- Significate Accounting Policies (continued)**

**3- Handling burdensome insurance contracts**

Handling burdened insurance contracts: Losses are recognized for the portfolio assessed as "Onerous" type on the initial proof date, and the loss is documented and reassessed during the coverage period.

**The present value of future cash flows**

Flows are defined as all amounts expected to be collected and expected to be paid within the limits of the insurance contract/reinsurance contract held after adjusting to reflect the timing and uncertainty of these amounts, based on actuarial assumptions and the Company's experience in managing a portfolio of contracts. Insurance/reinsurance contracts held are as follows:

- Inherent risks.
- Aggregation level.
- The possibility of natural disasters.
- The possibility of liquidating the contract before the expiration date of insurance coverage, and other practices expected from the insurance contract holder.
- Factors that will affect estimates, and sources of information for these factors.

A bottom-up approach has been applied in determining discount rates for different products. The bottom-up approach is used to derive the discount rate for cash flows that do not change based on the returns on the underlying terms in the participating contracts (except for non-DPL investment contracts that are not within the scope of IFRS 17). Under this approach, the discount rate is defined as the risk-free return adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free return and the cash flows of the related liabilities (known as the illiquidity premium). The risk-free return is derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a credit rating of AAA are used. Management uses judgment to evaluate the liquidity characteristics of the cash flows of liabilities. Direct participation contracts and investment contracts with the DPL are less liquid than the financial assets used to derive the risk-free return. For these contracts, the illiquidity premium is estimated based on the market-observed illiquidity premium in the financial assets adjusted to reflect the illiquidity characteristics of the cash flows of the liabilities.

The top-down approach is used to derive discount rates for cash flows that do not change based on the returns on the underlying terms in all other contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the return implicit in the fair value of a reference portfolio adjusted for the differences between the reference portfolio of assets and the cash flows of the relevant liabilities. The reference portfolio consists of a mix of sovereign bonds and corporate bonds available in the markets, and assets are selected to match the cash flows of liabilities. The return from the reference portfolio is adjusted to remove expected and unforeseen credit risks and these adjustments are estimated using information from observed historical levels of credit default swaps and credit defaults related to the bonds included in the reference portfolio. For the unobservable year, the yield curve is approximated between the rate The final and last point can be observed using the Smith-Wilson method.

The Company does not calculate a present value for future cash flows on insurance and reinsurance premiums whose duration is less than 12 months.

The Company calculates a present value of future cash flows on claims incurred, recoveries and liabilities from reinsurance contracts held based on the Company's assessment if payment or collection is expected after more than 12 months.

## **5- Significate Accounting Policies (continued)**

### **present value of future cash flows (continued)**

To calculate the discount rate, a top-down approach will be used as follows:

#### **Risk-free yield curve:**

The risk-free yield curve will be derived based on the reference portfolio.

For this purpose, in the absence of any reference portfolio, the prices of highly rated bonds (above AA+) from the Hashemite Kingdom of Jordan will be used.

#### **Market Risk Premium for Credit Risk:**

The market risk premium for credit risk will be removed from the yield curves to account for “default” in insurance contracts as follows:

Discount rate = risk-free rate - market risk premium for credit risk

#### **Non-liquidity premium:**

The illiquidity premium is used to calculate the following:

- Uncertainty in cash flows for subsequent periods
- Uncertainty in asset and liability management in subsequent periods

### **Non-financial risk adjustments:**

A financial amount that the Company reserves for uncertainty in the amount and timing of cash flows arising from non-financial risks based on actuarial assumptions and the Company’s experience in managing the portfolio of insurance/reinsurance contracts held.

Non-financial risk adjustment is the compensation required for a Company to bear uncertainty about the amount and timing of cash flows that arise from non-financial risks in fulfilling an insurance contract. Because risk adjustment represents compensation for uncertainty, estimates of the degree of diversification benefits and expected favorable and unfavorable outcomes are made in a way that reflects the degree to which the firm reduces risk. The Company estimates an adjustment for non-financial risks separately from all other estimates. The risk adjustment is calculated at the issuer level and then distributed to each group of contracts according to their risk levels. The cost of capital method is used to derive the overall risk adjustment for non-financial risks. In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of expected capital related to non-financial risks.

**The cost rate is determined at a ratio that represents the return required to compensate for exposure to non-financial risks. The capital is set at a confidence level of 75% and is expected to be in line with the runoff of the business. The diversification feature is included to reflect diversity in contracts sold across geographies as it reflects the compensation requested by the enterprise. Non-financial risk adjustments are to be revalued annually by the actuary.**

### **Reinsurance contracts held**

#### **Definition of reinsurance contracts held**

It is an insurance contract issued by a reinsurer to compensate another facility for claims arising from one or more insurance contracts issued by that other Company (the basic contracts).

#### **1- Proof of reinsurance contracts held:**

- If the reinsurance contracts held are proportional to a group of insurance contracts, the reinsurance contracts held are recognized at the beginning of the coverage year for the group of these contracts or at the initial confirmation of any of the base contracts, whichever is earlier.
- From the beginning of the coverage year for the group of reinsurance contracts held.



**5- Significate Accounting Policies (continued)**

**2- Reinsurance aggregation:**

The Company segments its reinsurance contract portfolios in accordance with paragraphs 14 to 24 of IFRS 17, except that references to onerous contracts in those paragraphs should be replaced with a reference to contracts for which there is a net gain on recognition. Initial. For some reinsurance contracts held, application of paragraphs 14 to 24 of IFRS 17 will result in a group consisting of a single contract.

The Company collects reinsurance contracts held into separate portfolios (Portfolio) to be classified and processed independently for the year of underwriting (Cohort) and then profitability (Group) at the portfolio level.

**Determine the portfolios of reinsurance contracts held:**

The Company determines the portfolios of reinsurance contracts held. The portfolio consists of contracts subject to similar risks and managed together (reinsurance portfolios held follow insurance contract portfolios).

The company has distributed the portfolios of retained reinsurance contracts as follows:

<b>Main Insurance Type</b>	<b>Wallet</b>	<b>Sub-Insurance Type</b>	
<b>Engineering</b>	<b>Engineering</b>	- Boiler explosion - Contractor's machinery and equipment - Electronic equipment - Machinery malfunction	- Dangers of the two sayings - Damage to assets - Installation hazards - Loss of profits/machinery damage
<b>General Insurance</b>	<b>General Insurance</b>	-cash -theft -Workmen's compensation - Civil liability	- Dishonesty - Personal accidents - Breaking glass panels - Professional responsibility
<b>Motor</b>	<b>Motor (Portfolio A)</b>	-Buses	
	<b>Motor (Portfolio B)</b>	-comprehensive - Shamil Buses	-supplementary
	<b>Motor (Portfolio C)</b>	- Border posts - Against third parties	- Orange card
	<b>Motor (Portfolio D)</b>	-Bids	



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**5- Significate Accounting Policies (continued)**

**2- Compilation of reinsurance contracts (continued)**

**Determine the portfolios of reinsurance contracts held (continued)**

<u>Main Insurance Type</u>	<u>Wallet</u>	<u>Sub-Insurance Type</u>	
Life	Life (Portfolio A)	- Insurance of borrowers	-collective
	Life (Portfolio B)	-Individual	- Decreasing singles
Fire	fire	-fire	-residential
		- All Hazards	
Marine	Marine	- Marine direct open cover	- Marine direct cargo
		- Ship hulls	
Medical	Medical	-Individual	-collective
Travel	Travel	-travel	

**A- Proof of Aggregation Level (Cohort)**

The entity shall not include retained reinsurance contracts separated by more than one year in the same group. The Company details the reinsurance contract portfolios held according to the above-mentioned classifications by year of subscription on an annual basis

**B- Compilation of reinsurance contracts held**

Aggregation entity divides the portfolio of retained reinsurance contracts into at least:

- A group of contracts is unlikely to become net profit.
- Net profit group.
- Another group.

The Company evaluates the profitability of the reinsurance contract group held based on the evaluation of the insurance contracts.

**2- Reinsurance contract commissions**

The Company records the commission on reinsurance contracts as unaccrued income and is recovered over the contract term.

**3- Reinsurance contract assets**

When measuring the assets of reinsurance contracts, the risk allowance for the default of reinsurance companies (reinsurers) is calculated outside the framework of Standard No. (17), as they are considered credit risks that are treated under Standard No. (9).

**Profitability level**

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

- Contracts for which there is no possibility of becoming lost upon initial recognition.
- Contracts expected to be lost.

**1- Financial Assets**

Financial assets are classified upon initial recognition and into one of the following categories:

- at amortized cost.
- At fair value through the profit or loss statement.
- at fair value through the statement of other comprehensive income.

**5- Significate Accounting Policies (continued)**

**Profitability level(continued)**

**1. Financial assets (continued)**

**A- Financial assets at amortized cost:**

The Company classifies financial assets at amortized cost based on the Company's business approach for managing financial assets and the contractual cash flow characteristics of the financial assets and when both of the following conditions are met:

- The purpose of holding these assets in the context of the business approach is to collect contractual cash flows.
- The cash flows under the contractual terms of these assets arise on specified dates and represent only payments of the principal amount of the assets and interest accrued on the principal of those assets.

Financial assets are recorded at amortized cost using the cost method upon purchase plus acquisition expenses. The premium/discount (if any) is amortized using the effective interest method to limit or calculate interest, and any provisions resulting from a decline in the value of these investments that lead to the inability to recover this investment are deducted. Part of it, and any decrease in its value is recorded in the profit and loss statement.

The amount of impairment in financial assets at amortized cost is the difference between the recognized value and the present value of expected cash flows discounted at the base effective interest rate.

In rare cases, the standard allows these assets to be measured at fair value through the statement of profit or loss if this eliminates or significantly reduces the measurement inconsistency (sometimes called accounting mismatch) that arises from measuring the assets or liabilities or recognizing the gains and losses resulting from them on a different basis.

The value of financial assets is reduced at amortized cost by impairment losses, as interest income, gains and losses on foreign currency differences and impairment are recognized in the statement of profit or loss, and gains or losses resulting from the disposal of financial assets appear in the statement of profit or loss.

**B- Financial assets at fair value through the statement of profit or loss:**

- The remaining financial assets that do not meet the conditions of financial assets at amortized cost are measured as financial assets at fair value.
- Financial assets at fair value through the statement of profit or loss represent investments in equity and debt instruments for trading purposes, and the purpose of keeping them is to generate profits from short-term market price fluctuations or trading profit margin.
- Financial assets are recorded through the statement of profit or loss at fair value upon purchase (acquisition expenses are recorded in the statement of profit or loss upon purchase) and are re-evaluated at the date of the financial statements at fair value, and subsequent changes in the fair value are recorded in the statement of profit or loss at the same time. The year the change occurred, including the change in fair value resulting from translation differences on non-monetary asset items in foreign transactions. Dividends or returns are recorded in the statement of profit or loss when they are realized. (Approved by the General Assembly of Shareholders)

**Reclassification**

It is permissible to reclassify from financial assets at amortized cost to financial assets at fair value through profit or loss and vice versa only when the Company changes the business approach on the basis of which it classified those assets as mentioned above, taking into account the following:

- It is not permissible to recover any profits, losses or interests that were previously recognized.
- When financial assets are reclassified so that they are measured at fair value, their fair value is determined on the date of reclassification, and any profits or losses resulting from differences between the previously recorded value and the fair value are recorded in the statement of profit or loss.
- When financial assets are reclassified to be measured at amortized cost, they are recorded at their fair value as of the date of reclassification.

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**5-Significate Accounting Policies (continued)**

**Profitability level (continued)**

**C- Financial assets at fair value through the statement of other comprehensive income:**

- Upon initial recognition of investments in equity instruments that are not held for the purpose of trading, it is permitted to adopt an irrevocable option to present all changes in the fair value of these investments on an individual basis (each share separately) within the items of other comprehensive income, and it is not possible under any circumstances to In the event that at a later date, the amounts of these changes recognized in other comprehensive income are reclassified to the statement of profit or loss, while the dividends received from these investments are recognized in net investment income, unless these distributions clearly represent a partial recovery of all investments.
- In the event that these assets or part of them are sold, the profits or losses resulting from the sale are transferred from the balance of the accumulated net change in fair value through other comprehensive income to retained profits or losses and not through the statement of profit or loss.

**Real estate investments**

Real estate investments are shown at cost after subtracting accumulated depreciation (excluding lands). These investments are depreciated over their useful life at a rate of 2%. Any decline in their value is recorded in the statement of profit or loss. The operating revenues or expenses of these investments are also recorded in the statement of profit or loss.

**Property and equipment**

Property and equipment are stated at cost after deducting accumulated depreciation and any accumulated impairment losses. Property and equipment (except land) are depreciated when they are ready for use on a straight-line basis over their expected life using the following annual percentages. The depreciation expense is recorded in the statement of profit or loss.

Asset	Depreciation Rate (%)		
Furniture& fixtures	15%	Buildings	2%
Computers	25%	Heating	15%
Transportation	10%	Fire	10%
Equipment and tools	15%	Elevators	2%
Electricals	15%	Solar	5%

Depreciation of property and equipment is calculated when these assets are ready for use for their intended use.

The full value of the depreciation expense for the year is shown from the item allocated for that purpose in the statement of profit or loss. When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the impairment value is recorded in the statement of profit or loss.

Property and equipment under construction for the Company's use are stated at cost and after deducting any impairment losses. The useful life of property and equipment is reviewed at the end of each year. If the useful life expectations differ from the previously prepared estimates, the change in estimate is recorded for subsequent years as a change in estimates.

Gains or losses resulting from the exclusion or write-off of any property and equipment, which represent the difference between the amount received from the sale and the book value of the asset, appear in the statement of profit or loss. Property and equipment are eliminated when they are disposed of or when no future benefits are expected from their use.

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**4- Significate Accounting Policies (continued)**

**Intangible assets**

- Intangible assets obtained through the merger are recorded at fair value on the date of acquisition. Intangible assets that are acquired through a method other than a merger are recorded at cost.
- Other intangible assets are classified based on estimating their lifespan for a specific year or for specific periods. Intangible assets that have a specific lifespan are amortized during this life and are amortized in the statement of profit or loss.
- As for intangible assets whose useful life is indefinite, the decline in their value is reviewed at the date of the financial statements, and any decline in their value is recorded in the statement of profit or loss.
- Intangible assets generated internally in the Company are not capitalized and are recorded in the statement of profit or loss in the same current year.
- Any indications of impairment of the value of intangible assets at the date of the financial statements are reviewed. The estimate of the chronological life of those assets is also reviewed and any adjustments are made for subsequent periods.

**Cash and its equivalent**

Cash and cash equivalents represent cash on hand, balances with banks, deposits with banks, and maturities exceeding three months after deducting bank accounts payable and restricted balances.

**Settlement**

Offsetting is carried out between financial assets and financial liabilities, and the net amount is shown in the statement of financial position only when binding legal rights are available, as well as when they are settled on the basis of offsetting, or the assets are accrued and the liabilities are settled at the same time.

**Date of recognition of financial assets**

Purchases and sales of financial assets are recognized on the trade date (the date the Company commits to buying or selling the financial assets).

**Fair Value**

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

In the event that announced prices are not available, there is no active trading in some financial instruments, or there is no market activity, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is very similar to it.
- Analyze future cash flows and discount the expected cash flows by a rate used in a similar financial instrument.
- Options pricing approaches.

Valuation methods aim to obtain a fair value that reflects market expectations. Market factors and any expected risks or benefits are taken into account when estimating the value of financial instruments. In the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any decline in their value

**5- Significate Accounting Policies (continued)**

**Intangible assets (continued)**

**Financial liabilities**

The Company classifies financial liabilities based on the purpose for which this liability arises. The accounting policy for financial liabilities is as follows:

**1- Creditors and liabilities of reinsurance contracts:**

Accounts payable and reinsurance payables are initially recognized at fair value and subsequently stated at amortized cost using the effective interest rate method.

**2- Creditor banks:**

They are initially recognized at fair value, net of costs associated with obtaining the facilities. Such interest-bearing liabilities are subsequently carried at amortized cost using the effective interest rate method. The financing cost includes the initial costs and the premium paid upon settlement, in addition to the interest that accrues during the life of the obligation.

**3- Provisions:**

Provisions are recognized when the Company has obligations at the date of the financial statements arising from past events, and the settlement of the obligations is probable and their value can be measured reliably. The amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as of the date of the financial statements, taking into account the risks and uncertainty associated with commitment. When the value of the provision is determined on the basis of the estimated cash flows to settle the current obligation, its book value represents the present value of these cash flows.

When it is expected that some or all of the economic benefits required from other parties will be recovered to settle a provision, the receivable is recognized as an asset if the actual receipt of compensation is certain and its value can be measured reliably.

**4- End of service benefits provision:**

The provision for employees' end-of-service benefits calculated in accordance with the Company's policy, which is consistent with the Jordanian Labor Law.

The annual benefits incurred for employees who leave the service is recorded at the expense of the end-of-service benefits provision when paid, and the provision for the obligations incurred by the Company for the end-of-service benefits for employees is taken in the statement of profit or loss.

**Foreign currency**

- Transactions that occur in foreign currencies during the current year are recorded at the exchange rates prevailing on the date of the transactions.
- The balances of financial assets and financial liabilities are translated at the average foreign currency rates prevailing on the date of the statement of financial position and announced by the Central Bank of Jordan.
- Non-financial assets and non-financial liabilities denominated in foreign currencies and shown at fair value are translated on the date their fair value is determined.
- Gains and losses resulting from foreign currency translation are recorded in the statement of profit or loss.
- Translation differences for items of assets and liabilities denominated in non-monetary foreign currencies are recorded as part of the change in fair value.



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**5- Significate Accounting Policies (continued)**

**Financial liabilities(continued)**

**Foreign currency (continued)**

- When consolidating the financial statements, the assets and liabilities of branches and subsidiaries abroad are translated from the average currency rates on the date of the financial statements, the main (base) currency, to the reporting currency according to that announced by the Central Bank of Jordan. As for the revenue and expense items, they are translated on the basis of the average price during the year, and the resulting currency differences appear in a separate item within equity. In the event that one of these companies or branches is sold, the amount of foreign currency translation differences related to it will be recorded within the revenues/expenses in the statement of profit or loss.

**Treasury stocks**

Treasury shares are stated at cost. These shares do not have any right to dividends distributed to shareholders, and do not have the right to participate. Or voting in the Company's general assembly meetings. The profits or losses resulting from the sale of treasury shares are not recognized in the profit or loss statement. Rather, the profit is shown in equity under the share issue premium item, while the loss is recorded in retained earnings in the event that the stock issue premium balance is exhausted.

**Costs of issuing or purchasing insurance Company shares**

Any costs resulting from the issuance or purchase of insurance Company shares are recorded in retained earnings (net after the tax impact of these costs). If the issuance or purchase process does not take place, these costs are recorded as expenses in the statement of profits or losses.

**Realize revenue**

**1- Dividend and interest income:**

Dividend income from investments is verified when the right of shareholders to receive dividend payments is established upon approval by the General Assembly of Shareholders. Interest income is calculated according to the accrual basis based on the time periods due, the original amounts and the interest rate earned.

**2- Rental income:**

Rental income from real estate investments under operating lease contracts is recognized on a straight-line basis over the term of those contracts and on an accrual basis.

**Insurance contract expenses**

The Company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the Company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the statement of profit or loss.

**Acquisition costs**

The acquisition costs incurred by the Company in exchange for selling, subscribing, or starting new insurance contracts represent acquisition costs, as the Company recognizes all acquisition costs directly when the insurance contract is recognized in the statement of profit or loss, while the Company recognizes acquisition costs by amortizing the costs incurred over a period of time. Coverage of the insurance contract in the statement of financial position. When applying the premium allocation approach, the Company may elect to recognize any insurance acquisition cash flows as expenses when those costs are incurred, provided that the coverage period for each contract in the group at initial recognition does not exceed one year. The Company has chosen the aforementioned exception only for commission expenses.

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**5- Significate Accounting Policies (continued)**

**Insurance contracts with expected loss**

The Company recognizes insurance contracts as loss-expected contracts if the contract is expected to be lost on the date of initial recognition. The loss component is measured by comparing the cash flows expected to meet the obligations of the contract or group of contracts with the cash flows generated from this contract or group of contracts. The Company has disclosed the loss component if the value of the contractual service margin is zero (applies only to the general measurement approach and the variable cost approach).

**Statutory Reserve**

The compulsory reserve is formed in accordance with the provisions of the Jordanian Companies Law by deducting 10% of the annual net profits, and this deduction stops when the accumulated reserve balance reaches the equivalent of 25% of the company's authorized capital, but it is permissible with the approval of the company's general assembly to continue deducting this percentage until the balance of this reserve reaches the equivalent of the amount of the company's authorized capital. The amounts accumulated in this account represent the annual profit before tax transferred at a rate of 10% during the previous year and years in accordance with the Companies Law and is not distributable to shareholders.

**6- Deposits at Banks**

<u>Deposits at banks</u>	<u>March 31, 2024 (unaudited)</u>			<u>December 31, 2023</u>
	<u>Deposits due within a 3 month</u>	<u>Deposits due from 3 months to 1 year</u>	<u>Total</u>	<u>(Audited)</u>
Inside Jordan	11,514,634	11,191,483	22,706,117	21,262,263
Outside Jordan	-	1,023,567	1,023,567	1,023,567
Provision for expected credit losses	-	(738,541)	(738,541)	(738,541)
	<u>11,514,634</u>	<u>11,476,509</u>	<u>22,991,143</u>	<u>21,547,289</u>

- Interest rates on bank deposits balances in Jordanian Dinar ranges from 3% to 7% during the period ended 31/3/2024, and on US Dollars deposits 4.6%.
- Deposits pledged to the order of the Central Bank Governor amounted to 1,050,000 as on March 31,2024 and December 31,2023 at 1,050,000 Bank.
- The restricted balances amounted to JD 2,200,000 as of March 31, 2024 (JD 2,200,000 as of December 31, 2023) in the form of cash deposits.



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**6- Deposits at Banks (continued)**

The following is the distribution of the Company's deposits at banks:

<b>Inside Jordan</b>	<b>March 31,2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Arab Bank Corporation	4,367,342	4,368,495
Al- Ahli Bank	3,700,000	3,700,000
Jordan Commercial Bank	3,521,917	3,521,917
Bank of Jordan	3,714,770	3,268,886
Bank al Etihad	3,000,018	3,000,018
Capital Bank	2,345,351	2,346,228
Cairo Amman Bank	2,056,719	1,056,719
	<u>22,706,117</u>	<u>21,262,263</u>
<b>Outside Jordan</b>	<b>March 31,2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Societe Generale – Lebanon	1,023,567	1,023,567
	<u>1,023,567</u>	<u>1,023,567</u>

The following is a summary of the movement in the provision for expected credit losses for the balance of deposits with banks:

	<b>March 31,2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Balance at the beginning of the period	738,541	738,541
Provision during the period	-	-
<b>Balance at the end of the period</b>	<u>738,541</u>	<u>738,541</u>

**7- Financial Assets at Fair Value through Profit or Loss Statement**

	<b>March 31,2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
<b>Inside Jordan</b>		
Shares listed on the Amman Stock Exchange	1,726,093	2,048,980
<b>Total</b>	<u>1,726,093</u>	<u>2,048,980</u>

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**8- Financial Assets at Amortized Cost**

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
<b><u>Inside Jordan</u></b>		
Arab Corp loan bonds	300,000	300,000
Bank al Etihad bonds	340,800	340,800
Less: expected credit losses provision	(300,000)	(300,000)
<b>Sub-total</b>	<b>340,800</b>	<b>340,800</b>
<b><u>Outside Jordan</u></b>		
New York foreign treasury bonds - usd	5,290,044	4,581,464
Foreign government bonds	1,178,458	1,178,458
Arab Bank Bonds - External Trading	1,420,000	1,420,000
<b>Sub-total</b>	<b>7,888,502</b>	<b>7,179,922</b>
<b>Total</b>	<b>8,229,302</b>	<b>7,520,722</b>

The following is a summary of the movement in the provision for expected credit losses for the balance of financial assets at amortized cost:

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Balance at the beginning of the period/ year	300,000	300,000
additions	-	-
<b>Balance at the end of the period/ year</b>	<b>300,000</b>	<b>300,000</b>

**9- Investment Properties**

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Buildings	288,642	288,642
Less: accumulated depreciation	(51,770)	(45,997)
Less: depreciation for the year	(1,435)	(5,773)
Buildings, net	235,437	236,872
Land	987,360	987,360
	<b>1,222,797</b>	<b>1,224,232</b>

- Investment buildings are depreciated at 2 % annually and appears at net book value.

**10- Cash on Hand and at Banks**

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023(Audited)</b>
Cash on hand	243,425	49,023
Cash at banks	109,068	3,461,521
	<b>352,493</b>	<b>3,510,544</b>

**11 - Receivables Related to Insurance Operations\***

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
The total value of receivables related to insurance operations		
	<b>18,063,776</b>	13,538,152
Less: allowance for expected credit losses provision	<b>(1,307,980)</b>	(1,302,939)
<b>Net value of receivables related to insurance operations</b>	<b>16,755,796</b>	<b>12,235,213</b>

\* Details of receivables related to insurance operations, have been disclosed and taken into account in calculating the included assets/liabilities, are disclosed in note 13.

**Analysis of receivables according to their time period:**

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Payable during 0-30 days	<b>2,165,128</b>	3,859,254
Payable during 31-90 days	<b>8,119,075</b>	5,258,698
Payable during 91-180 days	<b>1,869,241</b>	1,704,217
Payable during 181-365 days	<b>3,859,128</b>	972,194
Due for payment more than one year ago	<b>2,051,204</b>	1,743,789
	<b>18,063,776</b>	<b>13,538,152</b>

**Cheques under collection\*:**

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
The total value of Cheques under collection related to insurance operations	<b>1,632,505</b>	1,846,160
Less: allowance for expected credit losses provision	<b>(22,983)</b>	(22,983)
<b>Net value of Cheques under collection related to insurance operations</b>	<b>1,609,522</b>	<b>1,823,177</b>

\* Details of cheques under collection related to insurance operations, which were taken into account in calculating the included assets/liabilities, are disclosed in note 13.

**Analysis of cheques under collection according to their time period:**

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Payable during 0-6 months	<b>1,417,953</b>	1,631,548
Payable during 6-12 months	<b>214,552</b>	214,612
Payable during for more than 12 months	-	-
<b>Total</b>	<b>1,632,505</b>	<b>1,846,160</b>

**11 - Receivables Related to Insurance Operations\*(continued)**

**Receivables Related to Insurance Operations (By Type)**

	<b>March 31,2024</b>	<b>December 31, 2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Receivables from insurance contract holders	<b>789,756</b>	315,629
Agents' receivables	<b>391,406</b>	345,155
Brokers' receivables	<b>1,488,976</b>	1,608,626
Corporate receivables	<b>14,161,299</b>	10,099,187
Case receivables	<b>1,103,152</b>	1,116,870
Other receivables*	<b>108,057</b>	52,685
<b>Total receivables</b>	<b>18,042,646</b>	13,538,152
Less: allowance for expected credit losses provision	<b>(1,307,980)</b>	(1,302,939)
	<b>16,734,666</b>	12,235,213

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**12- (Liabilities)/ Assets Insurance Contracts (Premium Allocation Approach)**

	Liabilities for remaining coverage				Liabilities for Incurred Claims					
	March 31, 2024 (Unaudited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)	December 31, 2023(Audited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)
	Except for the loss component		Except for the loss component		Present value of cash flows		Present value of cash flows		Risk adjustments	
	Loss component	Loss component	loss component	loss component	cash flows	cash flows	- Non-financial	- Non-financial	Risk adjustments	
									Total	Total
Insurance contracts liabilities-beginning	3,929,229	794,307	5,030,386	838,941	19,800,072	17,401,055	775,583	656,197	25,299,191	23,926,579
Insurance contracts assets-beginning	(350,660)	-	(821,007)	-	173,990	543,494	70,134	111,007	(106,536)	(166,506)
<b>Net insurance contracts liabilities/(Assets) – beginning</b>	<b>3,578,569</b>	<b>794,307</b>	<b>4,209,379</b>	<b>838,941</b>	<b>19,974,062</b>	<b>17,944,549</b>	<b>845,717</b>	<b>767,204</b>	<b>25,192,655</b>	<b>23,760,073</b>
<b>Insurance contracts revenues</b>	<b>(11,363,683)</b>	<b>-</b>	<b>(45,719,557)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,363,683)</b>	<b>(45,719,557)</b>
Comensation incurred	-	-	-	-	8,065,019	31,875,252	-	-	8,065,019	31,875,252
Acquisition cost	279,071	-	1,079,865	-	-	-	-	-	279,071	1,079,865
Employees cost	-	-	-	-	990,089	2,027,989	(5,806)	78,513	984,283	2,106,502
Administrative cost	-	-	-	-	-	798,332	-	-	-	798,332
Changes related to previous service-Adjustments on LFC	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	923,836	-	-	-	923,836
Losses resulting from contracts expected to be lost and refund of these losses	-	-	-	(44,634)	-	-	-	-	-	(44,634)
<b>Insurance contract expenses</b>	<b>279,071</b>	<b>-</b>	<b>1,079,865</b>	<b>(44,634)</b>	<b>9,055,108</b>	<b>35,625,409</b>	<b>(5,806)</b>	<b>78,513</b>	<b>9,328,573</b>	<b>36,739,154</b>
<b>Insurance service results</b>	<b>(11,084,612)</b>	<b>-</b>	<b>(44,639,692)</b>	<b>(44,634)</b>	<b>9,055,108</b>	<b>35,625,409</b>	<b>(5,806)</b>	<b>78,513</b>	<b>(2,035,310)</b>	<b>36,739,154</b>
Finance costs - from insurance contracts	-	-	-	-	(20,999)	(50,998)	-	-	(20,999)	(50,998)
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Investment Components	-	-	-	-	-	-	-	-	-	-
<b>Net Change - Other Comprehensive Income</b>	<b>(11,084,612)</b>	<b>-</b>	<b>(44,639,692)</b>	<b>(44,634)</b>	<b>9,034,109</b>	<b>35,574,412</b>	<b>(5,806)</b>	<b>78,513</b>	<b>(2,056,309)</b>	<b>36,688,156</b>
Cash received from written contracts	10,653,127	-	45,131,739	(8,673,587)	-	-	-	-	1,979,540	45,131,739
Compensation incurred	-	-	(1,122,857)	-	-	(33,544,898)	-	-	-	(33,544,898)
Paid from acquisition costs	(294,219)	-	-	-	-	-	-	-	(294,219)	(1,122,857)
Other expenses	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Flow</b>	<b>10,358,908</b>	<b>-</b>	<b>44,008,882</b>	<b>-</b>	<b>(8,673,587)</b>	<b>(33,544,898)</b>	<b>-</b>	<b>-</b>	<b>1,685,321</b>	<b>10,463,984</b>
<b>Insurance contracts liabilities-Ending</b>	<b>2,852,866</b>	<b>794,307</b>	<b>3,929,229</b>	<b>794,307</b>	<b>20,334,585</b>	<b>19,800,072</b>	<b>839,911</b>	<b>775,583</b>	<b>24,821,669</b>	<b>25,299,191</b>
<b>Insurance contracts assets-Ending</b>	<b>-</b>	<b>-</b>	<b>(350,660)</b>	<b>-</b>	<b>-</b>	<b>173,990</b>	<b>-</b>	<b>70,134</b>	<b>-</b>	<b>(106,535)</b>
<b>Net insurance contracts (liabilities)/(Assets) – Ending</b>	<b>2,852,866</b>	<b>794,307</b>	<b>3,578,569</b>	<b>794,307</b>	<b>20,334,585</b>	<b>19,974,062</b>	<b>839,911</b>	<b>845,717</b>	<b>24,821,669</b>	<b>25,192,656</b>

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**13- (Liabilities)/Assets Reinsurance Contracts Held (Premium Allocation Approach)**

	Assets for remaining coverage				Assets for Incurred Claims					
	March 31, 2024 (Unaudited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)	December 31, 2023(Audited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)
Reinsurance contracts liabilities- beginning										
Reinsurance contracts assets- beginning										
<b>Net reinsurance contracts liabilities/(Assets) – beginning</b>	(943,539)	-	(148,226)	-	171,795	-	35,673	-	(736,072)	(148,226)
Reinsurance payments	420,388	-	(6,675)	-	2,050,849	3,164,069	131,626	192,487	2,602,863	3,349,880
Reinsurance recoveries	(523,151)	-	(154,901)	-	2,222,644	3,164,069	167,299	192,487	1,866,792	3,201,654
Administrative cost	(2,521,479)	-	(9,963,815)	-	590,899	2,103,632	-	-	(2,521,479)	(9,963,815)
<b>Reinsurance contracts revenues results</b>	187,498	-	642,660	-	(82,200)	(311,012)	(11,590)	(25,188)	187,498	642,660
Reinsurance service contracts results	187,498	-	642,660	-	508,699	1,792,620	(11,590)	(25,188)	684,607	2,410,093
Expenses/ revenue - from financing reinsurance contracts	(2,333,981)	-	(9,321,155)	-	508,699	1,792,620	(11,590)	(25,188)	(1,836,872)	(7,553,722)
The effect of movements in exchange rates	-	-	-	-	3,543	(34,872)	-	-	3,543	34,872
Other changes	-	-	-	-	-	-	-	-	-	-
<b>Net change - other comprehensive income</b>	(2,333,981)	-	9,321,155	-	512,242	(1,827,492)	(11,590)	(25,188)	(1,833,329)	7,518,850
Cash received from written contracts paid to reinsurers	-	-	8,952,905	-	-	-	-	-	-	8,952,905
Compensation incurred from reinsurer	3,590,354	-	-	-	(752,069)	(2,768,917)	-	-	2,838,285	(2,768,917)
Other recovered amounts	-	-	-	-	-	-	-	-	-	-
Recovered profit commission from reinsurers	-	-	-	-	-	-	-	-	-	-
<b>Total cashflows</b>	3,590,354	-	8,952,905	-	(752,069)	(2,768,917)	-	-	2,838,285	6,183,988
<b>Reinsurance contracts liabilities-Ending</b>	(482,025)	-	(943,539)	-	152,995	171,795	31,849	35,673	(297,181)	(736,072)
<b>Reinsurance contracts assets-Ending</b>	1,215,247	-	420,388	-	1,829,822	2,050,849	23,860	131,626	3,168,929	2,602,863
<b>Net reinsurance contracts liabilities/(Assets) - Ending</b>	733,222	-	(523,151)	-	1,982,817	2,222,644	155,709	167,299	2,871,748	1,866,792



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**14- Income Tax**

**A- Provision for Income Tax:**

The movement on the income tax provision is as follows:

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Balance at beginning of the period/ year	<b>440,086</b>	390,709
Income tax paid	<b>(99,420)</b>	(531,232)
Income tax expense for the period/ year	<b>148,663</b>	651,963
Bank interest tax	-	(71,354)
National contribution fees	-	-
National contribution tax on bank interest	-	-
<b>Balance at the end of the year</b>	<b>489,329</b>	<b>440,086</b>

**B- In terms of the income tax presented in the statement of profit or loss, it includes the following:**

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Accrued income tax for profit of the period/ year	<b>148,663</b>	651,963
Amortization of assets/ Deferred tax liabilities	<b>33,848</b>	(109,905)
<b>Balance at the end of the period/ year</b>	<b>182,511</b>	<b>542,058</b>

- A final settlement was reached with the Income Tax Department for the year 2019.
- The self-assessment statement for the years 2020, 2021 and 2022 was submitted to the Income and Sales Tax Department within the specified period and is still under review.

**C - Summary of reconciliation of accounting profit with tax profit:**

	<b>March 31,2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Accounting profit	<b>804,652</b>	2,413,674
Non-taxable profits	<b>(2,949,790)</b>	(3,134,614)
Tax- unacceptable expenses	<b>2,715,618</b>	3,291,358
Tax profit	<b>570,480</b>	2,570,418
<b>Actual income tax rate</b>	<b>23%</b>	%22
<b>Statutory income tax rate</b>	<b>24%</b>	%24

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**14- Income Tax (continued)**

**B- Differed Tax Assets/ Liabilities**

	March 31, 2024 (Unaudited)				December 31, 2023(Audited)	
	Balance at the beginning of the year	Released Amounts	Added amounts	Year-end balance	Deferred tax	Deferred tax
<b><u>Deferred tax assets:</u></b>						
Expected credit loss provision	1,857,550	-	-	1,857,550	482,963	482,963
Provision for end of service benefits	38,977	-	-	38,977	10,134	10,134
Losses on financial assets at fair value through the income statement	331,327	-	38,814	370,141	96,236	86,145
Allowance for impairment of financial assets at amortized cost	300,000	-	-	300,000	78,000	78,000
Provision for unreported outstanding	2,742,315	-	-	2,573,315	669,062	713,002
Provision for other liabilities	14,530	169,000	-	14,530	3,778	3,778
Provision for allowance premium	90,000	-	-	90,000	23,400	23,400
Deficit in premium applying IFRS 9 on bank deposits and cheques under collection	761,524	-	-	761,524	197,995	197,995
	<u>6,136,223</u>	<u>169,000</u>	<u>38,814</u>	<u>6,006,037</u>	<u>1,561,568</u>	<u>1,595,416</u>
<b><u>Deferred tax liabilities:</u></b>						
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets valuation reserve	-	-	-	-	-	-
	<u>6,136,223</u>	<u>169,000</u>	<u>38,814</u>	<u>6,006,037</u>	<u>1,561,568</u>	<u>1,595,416</u>

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**14- Income Tax (continued)**

**B- Differed Tax Assets/Liabilities (continued)**

Movement on deferred tax assets and liabilities is as follows:

	Assets		Liabilities	
	March 31, 2024 (Unaudited)	December 31, 2023(Audited)	March 31, 2024 (Unaudited)	December 31, 2023(Audited)
Balance at the beginning of the period/ year			-	-
	1,595,416	1,485,511		
Additions	10,092	119,032	-	-
Disposals	(43,940)	(9,127)	-	-
<b>Balance at the end of the period/ year</b>	<b>1,561,568</b>	<b>1,595,416</b>	<b>-</b>	<b>-</b>

**15- Property and Equipment**

	land	buildings	Building improvements and decoration	Motor Vehicles	Equipment, devices, and furniture	Total
<b>Cost:</b>						
Balance as of December 31, 2023(Audited)	1,385,800	1,525,142	449,377	435,066	384,745	4,180,130
Additions	-	-	-	12,150	11,158	23,308
Disposals	-	-	-	-	-	-
<b>Balance as at March 31,2024 (unaudited)</b>	<b>1,385,800</b>	<b>1,525,142</b>	<b>449,377</b>	<b>447,216</b>	<b>395,903</b>	<b>4,203,438</b>
<b>Less:</b>						
<b>Accumulated depreciation:</b>						
Balance as of December 31, 2023(Audited)	-	(395,674)	(441,109)	(247,373)	(321,009)	(1,405,165)
Period depreciation	-	(8,234)	(861)	(10,995)	(4,747)	(24,837)
Disposals	-	-	-	-	-	-
<b>Balance as at March 31,2024 (unaudited)</b>	<b>-</b>	<b>(403,908)</b>	<b>(441,970)</b>	<b>(258,368)</b>	<b>(325,756)</b>	<b>(1,430,002)</b>
<b>Net Book Value:</b>						
<b>Balance as at March 31,2024 (unaudited)</b>	<b>1,385,800</b>	<b>1,121,234</b>	<b>7,407</b>	<b>188,848</b>	<b>70,147</b>	<b>2,773,436</b>
Balance as at December 31, 2023(audited)	1,385,800	1,129,468	8,268	187,693	63,736	2,774,965

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**16- Intangible Assets**

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
<b><u>Cost</u></b>		
Balance at the beginning of the period/ year	212,810	205,610
Additions	-	7,200
Balance at the end of the period/ year	212,810	212,810
<b><u>Accumulated amortization</u></b>		
Balance at the beginning of the period/ year	(180,593)	(171,102)
Additions	(2,598)	(9,491)
Balance at the end of the period/year	(183,191)	(180,593)
<b>Net</b>	<b>29,619</b>	<b>32,217</b>

**17- Other Assets**

**A- Other Assets**

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Bank interest receivable	766,208	523,015
Prepaid income tax	36,992	22,213
Prepaid expenses	60,464	37,354
Insurance recoveries	3,043	7,005
Employees' deposits	21,796	13,922
Receivables outside insurance business	44,428	16,995
<b>Total</b>	<b>932,931</b>	<b>620,504</b>

**B- Receivables not related to insurance operations**

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Insurance contract holder's receivables	-	-
Agents' receivables	-	-
brokers' receivables	-	-
Employee receivables	-	-
Other receivables	54,787	32,395
Total accounts receivable	54,787	32,395
Less: Allowance for expected credit losses*	(10,359)	(15,400)
	<b>44,428</b>	<b>16,995</b>

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

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Balance at the beginning of the period/ year	15,400	142,407
Addition	-	-
Disposal	(5,041)	(127,007)
<b>Balance at the end of the period/ year</b>	<b>10,359</b>	<b>15,400</b>

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**18- Different Provisions**

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31</b> <b>2023 (Audited)</b>
Provision for end of service benefits	38,977	38,977
Provision lawsuits	14,530	14,530
<b>Total</b>	<b>53,507</b>	<b>53,507</b>

The following table shows the movement in the other provisions:

	<b>Beginning balance</b>	<b>Incurred during the period</b>	<b>Used during the period</b>	<b>Returned revenues</b>	<b>Ending balance</b>
Provision for end of service benefits	38,977	-	-	-	38,977
Provision lawsuits	14,530	-	-	-	14,530
	53,507	-	-	-	53,507

**19- Other Liabilities**

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
ales Tax Deposits	60,617	147,168
ational Contribution	18,444	42,461
ncome Tax Deposits	20,311	29,365
ocial Security Deposits	33,466	26,267
load Victims Fund Deposits	9,751	25,136
tamp Duty Deposits	25,585	13,600
hareholders' Deposits	9,450	9,450
'repaid Rent Revenue	18,338	7,935
others	367,595	304,437
otal	<b>563,557</b>	<b>605,819</b>

**20- Share Capital**

The Authorized and paid- up share capital amounts to JD 9,000,000, divided into 9,000,000 shares, with a nominal value of one dinar per share as at March 31,2024 (unaudited) and December 31, 2023(audited).

**21- Accounts Receivable\* (Reinsurance Contracts Held)**

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Assets reinsurance contracts held (Internal)	863,849	811,296
Assets reinsurance contracts held (External)	242,384	473,467
<b>Total accounts receivable value related to insurance operations</b>	<b>1,106,233</b>	<b>1,284,763</b>
Less: Expected credit losses provision	(539,211)	(539,211)
<b>Net accounts receivable value related to insurance operations</b>	<b>567,022</b>	<b>745,552</b>

Analysis of receivables according to their time period:

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Payable during 0-30 days	165,772	626,898
Payable during 31-90 days	95,601	126,969
Payable during 91-180 days	280,178	39,249
Payable during 181-365 days	88,807	31,125
Payable during for more than one year	475,875	460,522
<b>Total</b>	<b>1,106,233</b>	<b>1,284,763</b>

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**22- Accounts Payable\* (Reinsurance Contracts Held)**

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31, 2023</b> <b>(Audited)</b>
Assets reinsurance contracts held (Internal)	239,348	512,291
Assets reinsurance contracts held (External)	2,602,469	3,244,319
<b>Total accounts payable value related to insurance operations</b>	<b>2,841,817</b>	<b>3,756,610</b>

**23- Retained earning**

	<b>March 31, 2024</b> <b>(Unaudited)</b>	<b>December 31 2023</b> <b>(Audited)</b>
Balance at the beginning of the period/ year	2,403,268	1,912,950
Net profit for the period	517,903	1,771,961
Transferred to statutory reserve	-	(281,643)
Dividends (bonus shares)	-	(1,000,000)
<b>Balance at the end of the period/ year</b>	<b>2,921,171</b>	<b>2,403,268</b>

**24- Related Parties Transactions**

During the year, the company conducted transactions with the above-mentioned related parties within the company's normal activities using insurance rates and normal commissions. All receivables required from related parties are considered working, and no provisions were taken.

	<b>March 31, 2024</b> <b>(Unaudited)</b>			<b>December 31</b> <b>2023 (Audited)</b>
	<b>Major</b>	<b>Members of the</b>		
	<b>shareholders</b>	<b>Board of</b>	<b>Total</b>	<b>Total</b>
		<b>Directors</b>		
<b><u>Items of financial position statement</u></b>				
Insurance contract assets		4,969	4,969	-
Insurance contract liabilities		11,400	11,400	7,944
	<b>March 31, 2024</b> <b>(Unaudited)</b>			<b>March 31,</b> <b>2023(Unaudited)</b>
	<b>Major</b>	<b>Members of the</b>		
	<b>shareholders</b>	<b>Board of</b>	<b>Total</b>	<b>Total</b>
		<b>Directors</b>		
<b><u>Items of profit or loss statement</u></b>				
Insurance revenues	-	-	-	-
	-	-	-	-



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**25- Insurance Contracts Revenue**

March 31, 2024 (Unaudited)	Motor-	Motor- Third	Motor -	Motor - bids	Medical	Travel	Life-grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine-ship hulls	Maritime- cargo	Total
	Comprehensive	party	complexes											
Insurance contracts revenue	2,054,613	2,532,321	50,206	56,208	7,572,745	19,296	720,154	9,961	876,775	9,337	251,646	13,790	244,164	14,411,216
Change in insurance contract liabilities agents remaining coverage	203,989	266,999	15,001	(3,607)	(4,208,511)	5,562	(376)	-	121,288	1,644	120,848	(12,186)	(86,270)	(3,575,619)
Insurance contract insurance fees	96,094	-	-	-	303,202	-	12,860	10	14,922	255	8,503	141	3,051	439,038
Other income	89,048	-	-	-	-	-	-	-	-	-	-	-	-	89,048
<b>Total insurance contract revenue</b>	<b>2,443,744</b>	<b>2,799,320</b>	<b>65,207</b>	<b>52,601</b>	<b>3,667,436</b>	<b>24,858</b>	<b>732,638</b>	<b>9,971</b>	<b>1,012,985</b>	<b>11,236</b>	<b>380,997</b>	<b>1,745</b>	<b>160,945</b>	<b>11,363,683</b>
March 31, 20232 (Unaudited)	Motor-	Motor- Third	Motor -	Motor - bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine-ship hulls	Maritime- cargo	Total
Insurance contracts revenue	Comprehensive	party	complexes											
Change in insurance contract liabilities agents remaining coverage	1,924,937	2,277,135	47,911	48,101	6,722,672	22,413	872,968	9,832	716,495	11,269	269,529	-	261,650	13,184,912
Insurance contract insurance fees	10,734	227,066	12,260	(659)	(3,133,597)	(843)	196,587	(2,313)	204,530	(672)	62,868	2,564	(106,784)	(2,528,259)
Other income	89,006	-	-	-	235,708	-	15,526	-	8,787	297	8,713	-	2,905	360,942
	73,020	2,002	-	-	5,347	-	-	-	4,869	-	180	-	-	85,418
<b>Total insurance contract rev</b>	<b>2,097,697</b>	<b>2,506,203</b>	<b>60,171</b>	<b>47,441</b>	<b>3,830,131</b>	<b>21,570</b>	<b>1,085,081</b>	<b>7,519</b>	<b>934,681</b>	<b>10,894</b>	<b>341,291</b>	<b>2,564</b>	<b>157,771</b>	<b>11,103,013</b>

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**26- Insurance Contracts Expenses**

March 31, 2024 (Unaudited)	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor – bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Maritime- hulls	Marine cargo	Total
Insurance claims incurred	(1,438,225)	(2,615,808)	(250,908)	(25,916)	(3,126,144)	-	(331,887)	(8,486)	(112,471)	-	(41,559)	(0)	(106,438)	(8,057,842)
Amortization of acquisition	(7,963)	11,085	-	-	5,320	(217)	(459)	(19)	3,081	(511)	(1,777)	(39)	6,646	15,148
Employee 's expenses	(90,893)	(124,754)	-	-	(298,012)	-	(2,085)	(16)	(3,013)	(38)	(9,937)	-	-	(528,749)
Administrative expenses	(5,961)	(7,691)	(149)	(143)	(90,265)	(230)	(13,051)	(63)	(679)	(12,396)	-	(1,522)	(329,190)	(461,341)
Losses of contracts expected to be lost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non - financial Risk adjustment	(10,004)	(9,409)	(6,919)	-	19,989	-	170	-	7,589	-	(863)	154	5,098	5,806
Undistributed expenses	(6,824)	(8,333)	(4,300)	-	10,382	-	99	-	1,140	-	(130)	23	766	(7,177)
Recoveries from undistributed expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred from acquisition costs / acquisition cost	(166,433)	(70,635)	-	-	(25,623)	-	(38)	-	(11,519)	(311)	(6,022)	-	(13,638)	(294,219)
<b>Total insurance contracts expenses</b>	<b>(1,726,303)</b>	<b>(2,825,544)</b>	<b>(262,276)</b>	<b>(26,059)</b>	<b>(3,504,353)</b>	<b>(447)</b>	<b>(347,251)</b>	<b>(8,584)</b>	<b>(115,873)</b>	<b>(13,256)</b>	<b>(60,288)</b>	<b>(1,384)</b>	<b>(436,756)</b>	<b>(9,328,374)</b>
<b>March 31, 2023 (Unaudited)</b>	<b>Motor- Comprehensive</b>	<b>Motor- Third party liability</b>	<b>Motor - complexes</b>	<b>Motor – bids</b>	<b>Medical</b>	<b>Travel</b>	<b>Life-grouping</b>	<b>Life-individual</b>	<b>Fire and general insurance</b>	<b>Engineering</b>	<b>Other insurances</b>	<b>Maritime- hulls</b>	<b>Marine cargo</b>	<b>Total</b>
Insurance claims incurred	(1,344,653)	(2,162,223)	(54,203)	(21,129)	(3,445,048)	(1,527)	(183,812)	-	(2,525)	1,264	(38,025)	(1,241)	(73,640)	(7,326,761)
Amortization of acquisition	9,238	(6,091)	-	-	7,283	37	(566)	(53)	4,779	(160)	(1,109)	-	1,004	14,362
Employee 's expenses	(58,788)	(72,477)	-	-	(203,273)	-	(30,935)	-	(33,409)	(525)	(12,566)	-	(15,265)	(427,238)
Administrative expenses	(31,354)	(38,655)	-	-	(109,866)	-	(14,379)	-	(11,671)	(184)	(4,390)	-	(4,262)	(214,761)
Losses of contracts expected to be lost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non - financial Risk adjustment	(8,429)	(9,632)	1,155	-	(12,152)	(18)	21,037	-	541	252	(4,801)	(224)	2,302	(9,970)
Undistributed expenses	(3,540)	(8,530)	(1,534)	-	(6,311)	(3)	12,154	-	81	38	(721)	(34)	346	(8,054)
Recoveries from undistributed expenses	(47,726)	(41,661)	-	-	(97,374)	-	(12,906)	-	(13,908)	(197)	(22,982)	-	(10,991)	(247,745)
Transferred from acquisition costs / acquisition cost	(147,611)	(63,211)	-	-	(31,135)	-	(10)	-	(16,929)	(184)	(4,424)	-	(16,325)	(279,829)
<b>Total insurance contracts expenses</b>	<b>(1,632,864)</b>	<b>(2,402,479)</b>	<b>(54,583)</b>	<b>(21,129)</b>	<b>(3,897,877)</b>	<b>(1,511)</b>	<b>(209,417)</b>	<b>(53)</b>	<b>(73,041)</b>	<b>305</b>	<b>(89,018)</b>	<b>(1,499)</b>	<b>(116,830)</b>	<b>(8,499,995)</b>

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**27- Reinsurance Contracts Revenue**

March 31, 2024 (Unaudited)	Motor- Comprehensive	Motor- Third party liability	Motor- complexes	Motor- bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Maritime- ship hulls	Marine- cargo	Total
Reinsurance contract premiums	(201,035)	(214,070)	-	-	(804,120)	(18,005)	(487,941)	(1,218)	(747,704)	(7,751)	(165,227)	(216,120)	(12,937)	(2,876,128)
Change in reinsurance contract liabilities against remaining coverage	(48,185)	(48,014)	-	-	604,022	(2,468)	-	-	(142,754)	(1,459)	(134,943)	11,613	116,838	354,649
<b>Total reinsurance contracts revenue</b>	<b>(249,220)</b>	<b>(262,084)</b>	<b>-</b>	<b>-</b>	<b>(200,098)</b>	<b>(20,473)</b>	<b>(487,941)</b>	<b>(1,218)</b>	<b>(890,458)</b>	<b>(9,210)</b>	<b>(300,170)</b>	<b>(204,507)</b>	<b>103,901</b>	<b>(2,521,479)</b>
<b>March 31, 2023 (Unaudited)</b>	<b>Motor- Comprehensive</b>	<b>Motor- Third party liability</b>	<b>Motor- complexes</b>	<b>Motor- bids</b>	<b>Medical</b>	<b>Travel</b>	<b>Life- grouping</b>	<b>Life- individual</b>	<b>Fire and general insurance</b>	<b>Engineering</b>	<b>Other insurances</b>	<b>Maritime- ship hulls</b>	<b>Marine- cargo</b>	<b>Total</b>
Reinsurance contract premiums	(110,666)	(217,088)	-	-	(768,430)	(17,678)	(597,119)	(1,299)	(689,098)	(9,414)	(190,918)	(218,322)		(2,820,032)
Change in reinsurance contract liabilities against remaining coverage	(52,264)	(59,160)	-	-	580,328	2,135	717	(717)	(121,991)	1,903	(73,846)	89,168	(1,766)	364,507
<b>Total reinsurance contracts revenue</b>	<b>(162,930)</b>	<b>(276,248)</b>	<b>-</b>	<b>-</b>	<b>(188,102)</b>	<b>(15,543)</b>	<b>(596,402)</b>	<b>(2,016)</b>	<b>(811,089)</b>	<b>(7,511)</b>	<b>(264,764)</b>	<b>(129,154)</b>	<b>(1,766)</b>	<b>(2,455,525)</b>

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**28- Reinsurance Contracts Expenses**

March 31, 2024 (Unaudited)	Motor- Third party Comprehensive	Motor - complexes	Motor - bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Maritime- ship hulls	Marine cargo	Total
Reinsurance claims incurred	54,846	-	-	76,015	-	249,285	-	104,342	-	26,582	-	79,828	590,899
Commissions received	56	-	-	24,682	-	-	-	90,075	2,480	26,986	-	56,288	200,567
Reinsurers' share non-financial risk adjustments	-	-	-	-	-	(477)	-	(7,289)	-	-	-	(3,823)	(11,590)
Excess of loss	(22,450)	(22,450)	-	-	-	-	-	(14,900)	(14,900)	-	-	(7,500)	(82,200)
Transferred from reinsurers' share of acquisition costs/acquisition costs	(38)	-	-	(11,782)	581	-	45	7,103	275	15,596	47	(24,898)	(13,069)
Total reinsurance contracts expenses	32,414	(22,450)	-	88,916	581	248,808	45	179,331	(12,145)	69,165	47	99,894	684,607

March 31, 2023 (Unaudited)	Motor- Third party Comprehensive	Motor - liability	Motor - complexes	Motor - bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Maritime- ship hulls	Marine cargo	Total
Reinsurance claims incurred	(628)	(4,680)	-	-	7,387	1,256	71,827	-	2,272	(1,140)	29,306	-	55,753	161,353
Commissions received	-	-	-	-	7,721	-	-	-	59,356	3,012	26,783	-	52,681	149,553
Reinsurers' share non-financial risk adjustments	(40)	(159)	-	-	-	-	(22,171)	-	(361)	(228)	4,628	-	(1,627)	(19,957)
Excess of loss	(20,905)	(20,905)	-	-	-	-	-	-	(12,481)	(8,938)	-	-	(6,750)	(69,979)
Transferred from reinsurers' share of acquisition costs/acquisition costs	53	-	-	-	-	(823)	-	23	(7,113)	(612)	9,420	84	(11,964)	(10,932)
Total reinsurance contracts expenses	(21,520)	(25,744)	-	-	15,108	433	49,656	23	41,673	(7,906)	70,137	84	88,093	210,038

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**29- Earnings Per Share**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net profit for the period	<b>517,903</b>	386,230
Weighted average for share	<b>9,000,000</b>	9,000,000
Earnings per share for the period	<b>0.058</b>	0.048

**30- Lawsuits**

-There are lawsuits brought against the company, the value of which according to the regulations of lawsuits and lawsuits in which non-conclusive rulings were issued amounted to an amount of 4,248,520 Jordanian dinars (4,026,385 dinars for the period: December 31, 2023), and there is a corresponding provision for claims under settlement, and according to the expectations and opinion of the company's legal advisor, the provision for claims is under settlement. Adequate,

**31 - Obligations That May Arise**

As of the date of the financial statements, the company has potential obligations against bank guarantees in the amount of 2,547,771 Jordanian dinars as of March 31, 2024.

**32- Subsequent Events**

There are no subsequent events at the date of the financial statements or after the preparation of the interim financial statements.

**33 - Comparative figures**

Some comparative numbers for the previous year have been reclassified to match the classification numbers for the current year.

**34 - Approval of the financial statements**

The interim financial statements were approved by the Board of Directors on June 30, 2024.