GIG
مجموعة الخليج للتأمين JORDAN
GULF INSURANCE GROUP

Date:13/05/2024
Ref:إ /128/05/2024

Messers / Jordan Securities Commission

Amman – Jordan

Subject: Financial Statements as of 31/12/2023 (English Version)

With reference to the aforementioned subject and following to our letter dated 15/02/2024, (REF:2024/02/61/إ), we hereby enclose The Final Financial Statements as of 31/12/2023 for **Gulf Insurance Group/ Jordan**, noting that the referenced final financial statements are subject to the approval of the Central Bank of Jordan.

Yours sincerely,

Gulf Insurance Group/ Jordan

Dr. Ali Al Wazaney

Chief Executive Office

Copy to the Central Bank Jordan

TEL +962 6560 9888
FAX +962 6565 4551
WWW.GIG.COM.JO
ص.ب 213590 عمان 11121 الأردن. جبل عمان - شارع عبدالمنعم رياض. العبدلي - الدوار الثامن - مجمع الملك حسين للأعمال - شارع مكة - العبدلي مول - جاليريا مول - ماركا - إربد - العقبة
Jabal Amman - Abd Al Minem Ryadh St., PO Box 213590 Amman 11121 Jordan. Branches: Alabdali - 8 Circle - King Hussein Business Park - Mecca St. - Abdali Mall - Galleria Mall - Marka - Irbid - Aqaba

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A.D A.UA

GULF INSURANCE GROUP/ JORDAN

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

Ernst & Young Jordan
P.O. Box 1140
300 King Abdulla Street
Amman 11118
Jordan
Tel:00962 6 580 0777 /00962 6552 6111
Fax:00962 6 5538 300
www.ey.com

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Gulf Insurance Group/ Jordan public shareholding company and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the [consolidated] Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

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

<table>
<tr><th>1. Adoption of International Financial Reporting Standard No. (17) “Insurance Contracts”</th><th>How the key audit matter was addressed in the audit</th></tr>
<tr><td>
IFRS 17 replaces IFRS 4 for annual periods beginning on or after 1 January 2023.
The Group applied International Financial Reporting Standard No. (17) “Insurance Contracts” by restating the comparative figures for the year 2022 while applying the transitional provisions of International Financial Reporting Standard No. (17) by adopting the full retrospective approach method.
The impact of applying International Financial Reporting Standard No. (17) on retained earnings as of 1 January 2022 is JD 5,515,127 and disclosed in Note (3) to the consolidated financial statements.
The adoption of the standard resulted in changes in the measurement of insurance contracts using updated estimates and assumptions that reflect the timing of cash flows, discount rate measurement, risk adjustment and other requirements.
IFRS 17 requires management to apply significant judgments when applying it to the Group's insurance contracts. The Group issues a wide range of insurance contracts and accordingly a significant number of judgments and estimates are applied and implemented respectively.
The implementation of IFRS 17 has also had a consequential change in processes, systems and controls. Due to the complexity, and significant judgments applied and estimates made in determining the impact of IFRS 17, this is considered to be a key audit matter.
The Group applies the Premium Allocation Approach (PAA) to all insurance contracts it issues and holds with a coverage period of less than one year. For other contracts issued and held where the coverage period is more than one year, the Group performs a premium allocation approach eligibility test to confirm whether the premium allocation approach can be applied. Subject to passing the eligibility test for the premium allocation approach, the Group applied the premium allocation approach to the contracts issued and reinsurance contracts that passed the test. According to the recent test conducted, the General Measurement Model (GMM) was applied to the life portfolio for individuals.
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In relation to the application and impact of adoption of IFRS 17, with the assistance of the actuarial specialist, our audit procedures included:

We obtained an understanding of the impact of the Group’s adoption of International Financial Reporting Standard No. (17) and identified internal controls, including entity level controls, adopted by the Group for the accounting process and system in accordance with the standard.
Reviewing the impact of applying International Financial Reporting Standard No. (17), including the impact of the measurement and disclosure transition as of 1 January 2022 and 31 December 2022.
We evaluated the competence and objectivity of the actuary appointed by the management. We also utilized our actuary to review whether the calculation methods and the model used were appropriate or not and to evaluate the main assumptions and methodology followed.
We evaluated if the estimates applied in the current and prior year were consistent.
We assessed the key technical accounting decisions, judgments, assumptions and accounting policy elections made in applying the requirements of IFRS 17 to determine if they were in compliance with the requirements of this standard.
We reperformed the mathematical accuracy of the supporting calculations and adjustments used to determine the impact on the Group's equity opening balance as at 1 January 2022 and agreed the results of those calculations to the amounts reported in the consolidated financial statements.
We tested the completeness of insurance contract data by testing the reconciliations of the Group’s insurance contract assets and liabilities to insurance contracts disclosed in the 2022 consolidated financial statements. We also assessed the adequacy of the disclosures in the consolidated financial statements regarding this matter in accordance with IFRS.

The disclosures related to the impact of adoption of International Financial Reporting Standard No. (17) is disclosed in Note (3) to consolidated financial statements.
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2. Recognition of insurance contracts revenue	How the key audit matter was addressed in the audit
Revenue is an important determinant of the Group's profitability. In addition, there is a risk of improper revenue recognition, particularly with regard to the procedures for recognizing revenues in the correct period. The total insurance contracts revenues amounted to JD 110,059,304 for the year ended 31 December 2023.	Our audit procedures included: - Evaluating the accounting policies used to recognize the Group's revenues and evaluate whether the policies followed are in accordance with International Financial Reporting Standard No. (17). - We examined the Group's controls over revenue recognition, in addition to the main controls for these revenues. - We selected and reviewed a sample of insurance contracts before and after the date of the consolidated financial statements to ensure that revenues were recognized in the correct periods. - We performed analytical procedures on revenues accounts based on business activities. - We recalculated revenues for each business activity using data extracted from the Group's systems and acquisition costs based on the earning pattern of contracts. We also examined a sample of transactions and linked them with relevant policies to assess the accuracy of the extracted data. In addition, we tested and reviewed a sample of the entries recorded on the closing date of the consolidated financial statements. The disclosures related to accounting policies for revenue recognition and disclosure related to insurance contracts revenues are disclosed in note (3) and note (25) to the consolidated financial statement.

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3. Measurement and completeness of insurance contracts liabilities in accordance with International Financial Reporting Standard No. (17)

The Group's insurance contracts liabilities amounted to JD 64,773,537 representing 91% of the total liabilities as at 31 December 2023.

Measuring the amount of insurance contracts liabilities involves assumptions and management's use of estimates to calculate and measure Insurance and reinsurance contracts liabilities through measuring the present value of cash flows, risk adjustments, measuring onerous contracts and measuring the discount rate and contract service margin.

Based on all of the above, the measurement and completeness of insurance contracts liabilities was considered a key audit matter.

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How the key audit matter was addressed in the audit

Our audit procedures included, amongst others:

- We obtained an understanding of the Group's procedures related to measuring insurance contracts liabilities, including entity-level controls, which the Group has adopted for the accounting process under the standard.
- Evaluating the Group's methodology for calculating insurance contracts liabilities and evaluating the policies in accordance with International Financial Reporting Standard 17.
- We tested the accuracy and completeness of the historical data used to measure insurance contracts liabilities by tracking a sample of data for the contracts and reconciling the data to previous accounting records.
- Testing samples from the claims reserves by comparing the estimated reserve amount of the case with the appropriate documentation and the amounts paid in subsequent periods.
- We performed analytical procedures on liabilities accounts based on business activity, and recalculated the unearned premium reserve and issuance costs that constitute the liability for remaining coverage for each business activity using data extracted from the Group's systems.
- We evaluated the competence and objectivity of the actuary appointed by the management.
- We assessed the adequacy of the disclosures of the consolidated financial statement regarding these liabilities.
- We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

- In addition, with the assistance of our internal actuarial, we performed the following:

• Determined if the calculation methods and the model used were appropriate.
• Assessed the following key assumptions:
- Loss ratios
- Claims development factors
- Discount rates
• Determined if the estimates applied in the current and prior year were consistent.

The disclosures related to accounting policies for insurance contracts liabilities and disclosure related to insurance contracts liabilities are disclosed in note (3) and note (10) to the consolidated financial statement.

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Other information included in the Group's 2023 annual report

Other information consists of the information included in the Group's 2023 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Osama Fayez Shakhatreh; license number 1079.

Amman – Jordan
15 February 2024

ERNST & YOUNG
Amman - Jordan

GULF INSURANCE GROUP/ JORDAN PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023	2022	1 January 2022
		JD	JD (Restated)	JD (Restated)
Assets				
Investments-				
Bank deposits	4	21,272,263	66,922,562	58,928,609
Financial assets at fair value through other comprehensive income	5	5,682,672	5,560,183	5,331,673
Financial assets at fair value through profit or loss	6	5,179,512	-	-
Financial assets at amortized cost	7	57,755,525	11,580,213	11,896,795
Investment property	8	170,464	170,464	170,464
Right of use assets	14	203,491	401,387	262,602
Total Investments		90,263,927	84,634,809	76,590,143
Cash and cash equivalents	9	1,155,421	802,963	1,973,783
Re-insurance contracts assets	10	6,176,683	7,991,916	8,808,250
Deferred tax assets	11	4,274,201	4,136,940	4,377,563
Property and equipment	12	7,425,908	7,258,450	6,567,059
Intangible assets	13	5,488,992	5,732,264	5,721,735
Other assets	15	5,048,642	3,790,696	3,683,244
Discontinued operations' assets	35	788,955	773,434	750,766
Total Assets		120,622,729	115,121,472	108,472,543
Liabilities and Equity				
Liabilities –				
Insurance contracts liabilities:				
Insurance contracts liabilities	10	64,773,537	63,564,886	58,105,501
Total Insurance contract liabilities		64,773,537	63,564,886	58,105,501
Accrued expenses	30	1,846,267	1,789,318	1,309,256
Re-insurance contracts liabilities	10	358,857	758,756	1,749,919
Lease contracts liabilities	16	232,848	394,287	235,371
Other provisions	17	2,887,598	2,225,993	2,634,977
Bank overdraft		-	-	1,199,828
Income tax provision	11	212,697	216,755	2,483,394
Other liabilities	18	723,373	969,845	1,251,014
Liabilities related to discontinued operations' assets	35	244,216	266,558	550,324
Total Liabilities		71,279,393	70,186,398	69,519,584
Equity -				
Authorized and paid-in capital	19	26,000,000	26,000,000	25,438,252
Statutory reserve	20	6,500,000	6,500,000	6,359,563
Special reserve		-	-	40,221
Fair value reserve	21	(1,629,165)	(1,684,308)	(967,052)
Retained earnings	22	18,472,501	12,619,382	5,081,975
Total Equity		49,343,336	43,435,074	35,952,959
Subordinated loan	23	-	1,500,000	3,000,000
		49,343,336	44,935,074	38,952,959
Total Liabilities and Equity		120,622,729	115,121,472	108,472,543

GULF INSURANCE GROUP/ JORDAN PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
		JD	JD
Continuing operations -			(Restated)
Revenues –			
Insurance contracts revenues	25	110,059,304	101,324,633
Less: Insurance contracts expenses	26	85,594,055	83,598,418
Insurance contracts services results		24,465,249	17,726,215
Re-insurance contracts results		(47,338,624)	(40,466,000)
Re-insurance contracts recoveries		33,537,529	28,805,096
Re-insurance contracts services results		(13,801,095)	(11,660,904)
Net insurance and re-insurance contracts results		10,664,154	6,065,311
Finance (expense) income – insurance contracts	27	(3,446,278)	446,210
Finance income (expense) – re-insurance contracts	28	777,896	(8,377)
Net insurance and re-insurance contracts results		7,995,772	6,503,144
Interest income	24	4,331,926	3,375,387
(Loss) Gain from financial assets and investments	33	(419,562)	431,768
Other revenues	31	-	2,007
Total revenues		11,908,136	10,312,306
Unallocated general and administrative expenses	29	1,922,005	1,723,554
Unallocated depreciation and amortization	13,12	83,533	74,496
Provision for expected credit losses for financial assets at amortized cost	7	200,000	-
(Gains) losses from sale of property and equipment	32	(24,237)	62,084
Total expenses		2,181,301	1,860,134
Profit for the year from continuing operations before income tax		9,726,835	8,452,172
Less: income tax expense	11	199,943	556,712
Profit for the year from continuing operations		9,526,892	7,895,460
Discontinued operations -			
Loss for the year after tax from discontinued operations		(38,237)	(66,864)
Profit for the year		9,488,655	7,828,596

	Notes	2023	2022
		JD/Fils	JD/Fils
Basic and diluted earnings per share from the profit attributable to the Company's shareholders	34	0/365	0/301
Basic and diluted earnings per share for the year from continuing operations	34	0/366	0/304

The attached notes 1 to 50 form part of these consolidated financial statements

GULF INSURANCE GROUP/ JORDAN PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	JD	JD
Profit for the year	9,488,655	7,828,596
Add: Other comprehensive income not to be reclassified to consolidated statement of income in subsequent periods		
Change in fair value of financial assets through other comprehensive income	439,607	925,432
Actuarial losses resulted from changes in assumptions	(120,000)	-
Total comprehensive income for the year	9,808,262	8,754,028

The attached notes 1 to 50 form part of these consolidated financial statements

GULF INSURANCE GROUP/ JORDAN PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Authorized and paid-in capital	Statutory reserve	Special reserve	Fair value reserve	Retained earnings *			Total equity
					Realised	Unrealised	Total retained earnings	
	JD	JD	JD	JD	JD	JD	JD	JD
2023-								
Balance as at 1 January 2023	26,000,000	6,500,000	-	(1,684,308)	12,619,382	-	12,619,382	43,435,074
Total comprehensive income for the year	-	-	-	319,607	10,235,454	(746,799)	9,488,655	9,808,262
Gain from sale of financial assets through other comprehensive income	-	-	-	(264,464)	264,464	-	264,464	-
Dividends distribution (note 22)	-	-	-	-	(3,900,000)	-	(3,900,000)	(3,900,000)
Balance at 31 December 2023	26,000,000	6,500,000	-	(1,629,165)	19,219,300	(746,799)	18,472,501	49,343,336
2022-								
Balance at 1 January 2022	25,438,252	6,359,563	40,221	(967,052)	10,597,102	-	10,597,102	41,468,086
The effect of IFRS 17 adoption	-	-	-	-	(5,515,127)	-	(5,515,127)	(5,515,127)
Balance as at 1 January 2022 (Restated)	25,438,252	6,359,563	40,221	(967,052)	5,081,975	-	5,081,975	35,952,959
Total comprehensive income for the year	-	-	-	925,432	7,828,596	-	7,828,596	8,754,028
Gain from sale of financial assets through other comprehensive income	-	-	-	(1,642,688)	1,642,688	-	1,642,688	-
Dividends distribution (note 22)	-	-	-	-	(1,271,913)	-	(1,271,913)	(1,271,913)
Capital increase (note 19)	561,748	-	(40,221)	-	(521,527)	-	(521,527)	-
Transfer to statutory reserve	-	140,437	-	-	(140,437)	-	(140,437)	-
Balance at 31 December 2022	26,000,000	6,500,000	-	(1,684,308)	12,619,382	-	12,619,382	43,435,074

* Retained earnings include an amount of JD 4,274,201 as at 31 December 2023 (31 December 2022: JD 4,136,940) representing deferred tax assets that is restricted from use in accordance with the Jordan Securities Commission instructions. Furthermore, an amount of JD 1,629,165 as at 31 December 2023 (31 December 2022: JD 1,684,308) of the retained earnings is restricted from use which represents the negative balance of the fair value reserve, and an amount of JD 746,799 as at 31 December 2023 is restricted from use which represents the unrealized losses from financial assets at fair value through profit or loss.

GULF INSURANCE GROUP/ JORDAN PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
		JD	JD (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year from continuing operations before tax		9,726,835	8,452,172
Loss from discontinued operations before tax		(38,237)	(66,864)
Adjustments:			
Interest income		(4,331,926)	(3,375,387)
Depreciation and amortization	13,12	645,455	631,333
Impairment loss on intangible assets	13	400,000	-
Depreciation on right of use assets		220,880	252,686
Interest on lease contracts liabilities		23,256	30,870
Unrealised losses for financial assets at fair value through profit or loss	33	746,799	-
Provision for expected credit losses on financial assets at amortized cost		200,000	100,000
Provision for expected credit losses	10	150,002	91,381
Gain from sale of financial assets at amortized cost		-	(197,380)
(Gain) loss from sale of property and equipment	32	(24,237)	62,084
End-of-service indemnity provision	17	722,877	433,331
Cash flows from operating activities before changes in working capital		8,441,704	6,414,226
Re-insurance contracts assets		1,715,231	816,334
Insurance contracts liabilities		1,158,651	5,268,004
Re-insurance contracts liabilities		(399,899)	(991,163)
Other assets		(710,765)	(106,867)
Accrued expenses		56,949	480,062
Other provisions		69,085	(365,743)
Other liabilities		(268,814)	(564,935)
Paid from end-of-service provision	17	(250,357)	(226,833)
Income tax paid	11	(341,262)	(2,756,615)
Net cash flows from operating activities		9,470,523	7,966,470
CASH FLOW FROM INVESTING ACTIVITIES			
Deposits at banks maturing after three months		45,650,299	(8,408,303)
Interest received		2,914,242	3,376,109
Purchase of property and equipment	12	(614,946)	(1,130,882)
Proceeds from sale of property and equipment		26,594	44,454
Purchase of financial assets at fair value through profit or loss		(5,926,311)	-
Purchase of financial assets at amortized cost		(45,505,166)	(2,523,750)
Purchase of intangible assets	13	(357,052)	(308,909)
Purchase of financial assets at fair value through other comprehensive income		(802,272)	(1,569,726)
Proceeds from sale of financial assets through other comprehensive income		1,119,390	2,277,591
Proceeds from sale of financial assets at amortized cost		-	2,950,195
Net cash flows used in investing activities		(3,495,222)	(5,293,221)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated loan	23	(1,500,000)	(1,500,000)
Paid distributed dividends	22	(3,900,000)	(1,271,913)
Lease payments	16	(207,679)	(263,425)
Net cash flow used in financing activities		(5,607,679)	(3,035,338)
Net increase (decrease) in cash and cash equivalent		367,622	(362,089)
Cash and cash equivalents at the beginning of the year		1,556,701	1,918,790
Cash and cash equivalents at the end of the year	9	1,924,323	1,556,701

The attached notes 1 to 50 form part of these consolidated financial statements

(1) GENERAL

Gulf Insurance Group Company/Jordan Public Shareholding Company was established in 1996 and registered under No. (309), with a paid in capital of JD 2,000,000 divided into 2,000,000 shares with a par value of JD 1 each. The paid in capital increased several times; the last of which was during 2022, the authorized and paid in capital became JD 26,000,000 divided into 26,000,000 shares with a par value of JD 1 each.

The Group is engaged in insurance business against fire, accidents, marine and transportation and motor insurance, liability, aviation, medical insurance and life insurance through its main branch located at Jabal Amman 3rd circle in Amman, and other branches at Marca “licensing services center”, Mecca Street, 8th Circle, Business Park, Abdali in Amman city, Aqaba branch in Aqaba City and in Irbid branch in Irbid city.

The General Assembly decided in its meeting held on 31 May 2022 to change the legal name of the company from (Arab Orient Insurance Company) to (Gulf Insurance Group Company / Jordan). Legal procedures were completed during the third quarter of 2022.

Gulf Insurance Group Company/ Jordan Public Shareholding Company is 89.91% owned by Gulf Insurance Company (parent Company) as at 31 December 2023. The Company's financial statements are consolidated with the parent Company.

The consolidated financial statements were approved by the Board of Directors in its meeting held on 15 February 2024.

(2) BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of Gulf Insurance Group/ Jordan ("the Company") and its following subsidiaries (referred to as "the Group") as of 31 December 2023.

Name of Company	Legal Status	Country	Ownership percentage
Badeyet al Khaleej First Company for Management Consulting *	Limited liability	Jordan	100%
The Arabian Gulf Horizons Company for Management Consulting **	Limited liability	Jordan	100%

* Badeyet Al Khaleej First Company for Management Consulting, a limited liability Company, was established and registered at the Ministry of Industry and Trade on 29 December 2020 with a paid in capital of JD 1,000 and is fully owned by the Gulf Insurance Group/ Jordan (Public Shareholding Company). The Company's main objectives are to acquire, sell and mortgage movable and immovable assets to achieve the Company's objectives.

** The Arabian Gulf Horizons Company for Management Consulting, a limited liability Company, was established and registered at the Ministry of Industry and Trade on 29 December 2020, with a paid in capital of JD 1,000 and is fully owned by the Gulf Insurance Group/ Jordan (Public Shareholding Company). The Company's main objectives are to acquire, sell and mortgage movable and immovable assets to achieve the Company's objectives.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

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

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

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

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

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

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

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts
IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023.

The Group has restated comparative figures for 2022 applying the transitional provisions in IFRS 17 adopting the full retrospective approach. The nature of the changes in accounting policies can be summarized, as follows:

Changes to classification and measurement:
IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

The key principles of IFRS 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards
- Divides the insurance and reinsurance contracts into groups it will recognise and measure
- Recognises and measures groups of insurance contracts at:
- A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information

Plus
- An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM)

- Recognises profit from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately.
- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Under IFRS 17, the Group’s insurance contracts issued, and reinsurance contracts held are eligible to be measured by applying the Premium Allocation Approach (PAA) or Variable fee approach (VFA). The PAA simplifies the measurement of insurance contracts in comparison with the General Model (GM) in IFRS 17.

The measurement principles of the PAA differ from the ‘earned premium approach’ used by the Group under IFRS 4 in the following key areas:

– The liability for remaining coverage (LRC) reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.

– For GMM and VFA measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these have formed part of the unexpired risk reserve provision).

– Measurement of the liability for incurred claims (LIC) (previously outstanding claims and incurred-but-not-reported (IBNR) reserves) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Group’s obligation to pay other incurred insurance expenses.

– Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

The Group has determined that the majority of its insurance contracts qualify for the simplified approach. As a result, the Group has established its policy choice to account for its insurance contracts under the Premium Allocation Approach, where eligible.

The application of the PAA model is optional. This means that if the eligibility criteria are fulfilled for a certain group of insurance contracts, an entity can choose between measuring this group of contracts under the General Model (GM) or under the PAA.

The Group has determined that contracts are eligible for the PAA if they have a coverage period of one year or less (Criteria 1) or the liability for remaining coverage would not differ materially from the liability for remaining coverage under the GM in any of the given reporting periods (Criteria 2) or if the volatility in historical expectations was low, i.e. when expectations were stable over time (Criteria 3).

Variable Fee Approach (VFA) will be applied to all those life contracts where an underlying item can be identified.

Changes to presentation and disclosure

For presentation in the consolidated statement of financial position, the Group aggregates insurance and re-insurance contracts issued and re-insurance contracts held, respectively and presents separately:
* Portfolios of insurance and re-insurance contracts issued that are assets.
* Portfolios of insurance and re-insurance contracts issued that are liabilities.
* Portfolios of re-insurance contracts held that are assets.
* Portfolios of re-insurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line-item descriptions in the consolidated statement of income have been changed significantly compared with last year.

Transition to IFRS 17

On transition date, 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied.
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. At transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in retained earnings.

Full retrospective approach

On transition to IFRS 17, the Group has applied the full retrospective approach unless impractical. The Group has applied the full retrospective approach on transition to all contracts issued on or after 1 January 2022.

The impact of the adoption of IFRS 17 was as follows:

Items presented for primary insurance contracts and Re-insurance contracts	**Impact on retained earnings as of 1 January 2022**
	JD
Change in best estimate	**(3,612,501)**
Loss component impact	**(575,494)**
Risk adjustment	**(2,299,002)**
Deferred acquisition cost	**(1,188,095)**
Discounting impact	**2,945,575**
Issuance costs	**(1,461,822)**
Deferred tax assets	**638,069**
Others	**38,143**
	(5,515,127)

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments were applied from January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Early application is allowed as long as it is disclosed.

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments were applied from January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Early application is allowed as long as it is disclosed.

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

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

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD’s BEPS Pillar Two rules and include:

• A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

• Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The amendments had no impact on the Group’s consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/year.

Material accounting polices
The following are the major material accounting policies applied:

Business Sector
The business sector represents a set of assets and operations that jointly provide products and service subject to risks and returns different from those of other business sector which is measured based on the reports used by the chief operating decision maker.
The geographic sector relates to providing products and services in a defined economic environment subject to risks and returns different from those of other economic environments.

Date of Recognition of Financial Assets
Purchases and sales of financial assets are recognized on the trade date (that being the date at which the sale or purchase takes place).

IFRS 17 Insurance Contracts
Insurance Contract Definition
The definition of an insurance contract in IFRS 17 is 'a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder, Groups of insurance contracts issued are initially recognized from the earliest of the following:
• the beginning of the coverage period;
• the date of the first payment
• the date when the contract is considered onerous.

As for insurance contracts that contain the direct participation feature and that have economic characteristics similar to the insurance contract (long coverage period, recurring premiums and the amount or timing of the return at the discretion of the issuer) and are linked to the same assets or participation in the performance of insurance contracts, contracts that contain that feature at the beginning of the contracts is as follows:
- Participation of the insured/beneficiaries with a share of the insurance contract portfolio.
- The possibility that the company will pay the insureds/beneficiaries a significant share of the fair value proceeds of the investments associated with the group of insurance contracts.
- There is a high possibility that the amounts paid to the insured/beneficiaries will change by changing the fair value of the investments associated with the group of insurance contracts.

As for contracts that are not classified as an insurance contract, they are, for example, the following:
- Investment contracts that have a legal form similar to an insurance contract, but they do not transfer material insurance risks to the insurance company and include financial risks such as implicit derivatives, change in the fair value of a financial instrument, change in interest rates, change in currency exchange rates, or credit rating, so that they are classified as investment contracts in accordance with IFRS 9.
- Investment contracts that contain the optional participation feature, which are investment contracts with a legal form similar to an insurance contract, except that they do not transfer substantial insurance risks to the issuer and do not meet the definition of an insurance contract, but are classified according to IFRS 17.
- Self-insurance (i.e. maintaining the risks that could have been covered by the insurance contract within the company, i.e. there is no other party to the contract), such as the company issuing an insurance contract in the name of the company, a subsidiary or an associate company, classified in accordance with IFRS 15.

Insurance Contract Liabilities

Insurance contract liabilities are recognized when the Company has liabilities at the date of the consolidated financial statements arising from past events related to insurance contracts, and repayment of obligations is probable and reliably measurable.

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

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

Retained reinsurance contracts

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

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

Liabilities for remaining coverage
The amount that the company must monitor upon recognition of insurance contracts, which pertains to subsequent financial periods as a result of valid insurance contracts.

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

Contractual Service Margin
It is the unearned profit from the remaining coverage that is expected to be profitable, which is recognized in conjunction with the provision of insurance contract services.

Initial Recognition of Insurance Contracts / General Measurement Model

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

1. Cash flows to meet obligations arising from contracts which include:
- Estimates of future cash flows
- Adjustments to the time value of money and financial risks associated with future cash flows by not including such financial risks in future cash flow estimates.
- Non-financial risk adjustments
2. Contractual Service Margin

Post-measurement of insurance contracts / General measurement model

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

1. Liabilities for remaining coverage, which includes the net value of cash inflows and outflows after applying the discount rate plus adjustments for non-financial risks and contractual service margin.
2. Liabilities for incurred claims, which is calculated according to the best estimate of future cash flows for payment of claims plus adjustments for non-financial risks, taking into account the application of the discount rate on claims expected to be paid after more than one year.

Initial recognition of insurance contracts / Premiums allocation approach

The group of insurance contracts at initial recognition is measured according to the following:
- Insurance premiums received upon initial recognition.
- minus any costs paid for the acquisition of insurance contracts on that date.
- Plus or minus any amount arising from cash flows related to the costs of acquiring insurance contracts.

Subsequent measurement / Premium allocation approach

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

2. Liabilities for incurred claims, which is calculated according to the best estimate of future cash flows for the payment of claims plus adjustments for non-financial risks, taking into account the application of the discount rate on claims.

Amendment of insurance contracts

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

De-recognition of insurance contracts

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

- Termination of the contract (expiry, fulfillment or cancellation of the obligation specified in the insurance contract)
- In the event that the insurance contract is amended and this amendment does not meet the conditions of the amendment according to the requirements of the standard, the company cancels the contract and recognizes a new contract.

Insurance contracts expected to be lost

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

Summary of Measurement Approach

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

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

Level of Aggregation

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

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

The group adopted the method of full retrospective application of the transition to IFRS 17 under the approach of premium allocation. Portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, the portfolios of contracts during each year of issue are divided into three groups, as follows:

- Any onerous contracts upon initial recognition.
- Any contracts that, upon initial recognition, do not have a substantial probability of becoming onerous later؛
- Any remaining contracts in the portfolio.

The level of profitability

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

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

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

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

Recognition

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

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

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

- The beginning of the coverage period of the group of re-insurance contracts held. (However, the Group delays the recognition of a group of re-insurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of re-insurance contracts held.

- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related re-insurance contract held in the group of re-insurance contracts held at or before that date.

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

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

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

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

Unit of account

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

• contracts that are onerous at initial recognition

• contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or

• a Group of remaining contracts. These Groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Such Groups are not subsequently reconsidered.

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

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

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

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

• contracts for which there is a net gain at initial recognition, if any;

• contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and

• remaining contracts in the portfolio, if any.

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

Fulfilment cash flows within contract boundary

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

The estimates of future cash flows:

(a) are based on a probability weighted mean of the full range of possible outcomes.

(b) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and

(c) reflect conditions existing at the measurement date.

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

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

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

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

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

Contract boundary

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

a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
b) both of the following criteria are satisfied:
i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
ii. the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

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

Measurement Model Application

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

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

Initial measurement – Groups of contracts not measured under the PAA -contractual service margin (CSM)

The CSM is a component of the carrying amount of the asset or liability for a Group of insurance contracts issued representing the unearned profit that the Group will recognize as it provides coverage in the future.

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

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

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

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

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

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

No contracts acquired were assessed as onerous at initial recognition.

Subsequent measurement – Groups of contracts not measured under the PAA

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

a) the LRC, comprising:
i. the FCF related to future service allocated to the Group at that date; and
ii. the CSM of the Group at that date; and
b) the LIC, comprising the FCF related to past service allocated to the Group at the reporting date.

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

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

Changes in fulfilment cash flows

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

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

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

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

a) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
b) changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
d) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments a, b and c above are measured using the locked-in discount rates as described in the section Interest accretion on the CSM below.

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

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

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

Onerous contracts – Loss component on GMM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are adjusted for the time value of money since motor insurance contracts issued by the Group and measured under the PAA typically have a settlement period of over one year.

Onerous contracts – Loss component on PAA

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

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

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

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

Insurance acquisition costs

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

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

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

The acquisition costs are generally capitalized and recognized in the consolidated statement of income over the life of the contracts. However, for contracts under PAA approach, there is an option to recognize any insurance acquisition cash flows as an expense when the Group incurs those costs. The Group has elected not to choose the option except for ----- insurance contracts and has capitalized the costs which would then be recognized over the life of contracts. No separate asset is recognized for deferred acquisition costs. Instead, qualifying insurance acquisition cash flows are subsumed into the insurance liability for remaining coverage.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

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

Insurance revenue

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

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

• Amounts relating to the changes in the LRC:

a. insurance claims and expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:

i. amounts related to the loss component;

ii. repayments of investment components;

iii. amounts of transaction-based taxes collected in a fiduciary capacity; and

iv. insurance acquisition expenses;

b. changes in the risk adjustment for non-financial risk, excluding:

i. changes included in insurance finance income (expenses);

ii. changes that relate to future coverage (which adjust the CSM); and

iii. amounts allocated to the loss component;

c. amounts of the CSM recognized in statement of income for the services provided in the period; and

d. experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.

• Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

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

Insurance service expenses

Insurance service expenses include the following:

a) incurred claims and benefits excluding investment components;

b) other incurred directly attributable insurance service expenses;

c) Insurance acquisitions costs incurred and amortization of insurance acquisition cash flows;

d) changes that relate to past service (i.e. changes in the FCF relating to the LIC); and

e) changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

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

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

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

Net income (expenses) from reinsurance contracts held

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

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

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

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

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

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

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

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a) the effect of the time value of money and changes in the time value of money; and
b) the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a) interest accreted on the FCF and the CSM;
b) the effect of changes in interest rates and other financial assumptions; and
c) foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

a) changes in the fair value of underlying items;
b) interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
c) the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a) interest accreted on the LIC; and
b) the effect of changes in interest rates and other financial assumptions.

Discount rates

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

Risk adjustments

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

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

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

Derivation of the risk adjustment

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

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

The Group will a set confidence level in the range of the 60th to 75th percentile, on a diversified basis. The Group applies judgment to determine the appropriate Risk Adjustment based on the non-financial risks associated with their portfolios of insurance contracts to determine the desired Risk Adjustment.

Fair Value

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

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

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

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

A- Financial assets at amortized cost

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

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

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

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

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

B- Financial assets at fair value through other comprehensive income

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

C- Financial assets at fair value through profit or loss

These assets represent investments in shares of companies for trading purposes and that their purpose is to generate profits from short-term market price fluctuations or trading profit margin.

These assets are recognized at fair value upon purchase (acquisition expenses are charged to the Consolidated Statement of income and expenses upon purchase) and subsequently revalued at fair value. The change in fair value is reflected in the Consolidated Statement of income and expenses, including the change in fair value resulting from the differences in the conversion of items of non-cash assets in foreign currencies. in the event of the sale of these assets or part of them, the resulting profit or loss is taken into account in the Consolidated Statement of income.

Dividends or accrued interest are recorded in the consolidated statement of income.

Impairment in Financial Assets Value

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, the recoverable value is estimated in order to determine impairment loss.

Impairment amounts are determined by the following:

- Impairment in financial assets recorded at amortized cost is determined on the basis of the present value of the expected cash flows discounted at the original interest rate.

Impairment loss is recognized in the statement of income. Any recoveries in the future resulting from previously recognized impairment is credited to the consolidated statement of income.

Investment Properties

Investment properties are stated at cost less accumulated depreciation and are depreciated (excluding lands). The impairment loss is recorded in the statement of income, Operating revenues and expenses related to these investments are recorded in the consolidated statement of income.

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

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

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

	%
Building	2
Computers	20
Decorations	15-20
Tools and equipment	15
Furniture	10
Vehicles	15

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

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

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

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

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

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

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i,e,, the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Pledged financial assets

Represent those financial assets pledged to other parties with the existence of the right of use for the other party (sale, repledge), A periodic review is performed for those properties as per the applicable accounting policies to evaluate each based on their respective class.

Intangible assets

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

Intangible assets are classified based on either its estimated usual economic lives or indefinite useful lives. Intangible assets, with finite lives, are amortized over the useful economic lives and is in the income statement while intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired, and any impairment is taken to the consolidated statement of income.

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

Intangible assets include computer software and software licenses. These intangible assets are amortized on a straight-line basis at 20% amortization rate.

Lease contract liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Provisions

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

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

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

Provision for expected credit losses

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

End of service provision

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

Past service costs are recognized in profit or loss on the earlier of the date of plan amendment or the date that the company recognizes related costs. Actuarial gains or losses are recognized in OCI in the period in which they occur. Gain or loss is realized from amendment or payment of the benefits when it occurs. The end of service obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

Liability adequacy test

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

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

Income Tax

Income tax represents accrued and deferred tax.

A- Accrued Income Tax

The accrued income tax expense is calculated based on taxable income, The taxable income differs from the actual income in the statement of income because the accounting income contains expenditures and revenues that are not tax deductible in the current year but in the preceding years or the accepted accumulated losses or any other not deductibles for tax purposes.

The taxes are calculated based on enacted tax percentages which are stated by laws and regulation in the Hashemite Kingdom of Jordan.

B- Deferred Tax

Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the time value of the assets or liabilities in the financial statements and the value that is calculated on the basis of taxable profit.

Deferred tax is provided using the liability method on temporary differences at the liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to allow all or part of deferred tax asset to be utilized.

Offsetting

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

Dividend and interest revenues

The Dividends revenues are realized when the shareholders have the right to receive the payment once declared by the General Assembly of Shareholders.

Interest revenues are recorded using the accrual basis based on the accrual periods, principle amount and interest rate.

Expenses recognition

Expenses are recognized using the accrual basis.

Foreign currencies

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

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

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

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

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

Use of Estimates

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

- A provision for expected credit losses is estimated by the management based on their principles and assumptions according to International Financial Reporting Standards.

- The financial year is charged with its related income tax in accordance with laws and regulations.

- The management periodically reviews tangible and intangible assets useful life in order to calculate the depreciation and amortization amount depending on the status of these assets and future benefit, The impairment loss (if any) appears on the consolidated statement of income.

- A provision on lawsuit against the Group is made based on the Group's lawyers' studies in which contingent risk is determined, review of such study is performed periodically.

- The management periodically reviews whether a financial asset or group of financial assets is impaired, if so, this impairment is taken to the consolidated statement of income for the year.

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

Insurance and reinsurance contracts

A. PAA Eligibility Assessment

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

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

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

B. Liability for incurred claims

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

C. Onerousity determination

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

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

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

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

D. Expense attribution

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

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

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

(4) BANK DEPOSITS

	2023				2022
	Deposits maturing in 1 month	Deposits maturing in 1 month to 3 months	Deposits maturing in 3 months to one year	Total	Total
	JD	JD	JD	JD	JD
Inside Jordan	-	-	21,272,263	21,272,263	66,922,562

Interest rates on bank deposits balances range between 6% to 6.8% during 2023 compared to 3.75% to 6.25% during 2022.

Deposits pledged in favor of the Central Bank of Jordan Governor amounted to JD 814,140 as at 31 December 2023 (31 December 2022: JD 800,000).

There are no restricted balances except for restricted balances which represent pledged deposits in favor of the Central Bank of Jordan Governor.

Below is the distribution of the Group's banks deposits:

	2023	2022
	JD	JD
Jordan Kuwait Bank	3,218,563	21,655,916
Cairo Amman Bank	2,642,124	11,436,460
Capital Bank of Jordan	3,228,072	10,338,288
Housing Bank	3,085,068	-
Jordan Commercial Bank	-	5,984,929
Egyptian Arab Land Bank	-	5,232,422
Etihad Bank	3,100,000	3,670,950
Arab Banking Corporation Bank	2,848,436	3,187,457
Jordan Ahli Bank	-	1,673,192
Bank of Jordan	-	674,739
Invest Bank	3,250,000	3,168,209
	21,372,263	67,022,562
Less: Provision for expected credit losses*	(100,000)	(100,000)
	21,272,263	66,922,562

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

	2023	2022
	JD	JD
Balance at the beginning of the year	100,000	-
Transferred from provision for expected credit losses for trade receivable	-	100,000
Balance at the end of the year	100,000	100,000

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

	2023	2022	2023	2022
	Number of shares	Number of shares	JD	JD
Inside Jordan:				
Listed shares:				
Afaq for Energy	724,937	1,140,147	1,362,881	2,097,871
Afaq for Investment and Real Estate Development	1,541,500	1,541,500	816,995	1,464,425
Cairo Amman Bank	113,000	113,000	153,680	151,420
Jordan Kuwait Bank	1,009,530	588,234	2,594,492	970,586
			4,928,048	4,684,302
Unlisted shares:				
Saraya Aqaba Real Estate Development Company	500,000	500,000	154,880	154,880
Al-Motarabetah Investment Company	29,851	29,851	9,579	9,579
			164,459	164,459
Outside Jordan:				
Listed shares:				
Gulf Warehousing Company	685,000	685,000	414,555	534,999
SafaBank/ Palestine owned by Cairo Amman Bank	9,562	9,562	4,610	5,423
			419,165	540,422
Unlisted shares:				
Iraq International Insurance Company	548,136,473	482,195,655	171,000	171,000
			590,165	711,422
Financial assets at fair value through other comprehensive income			5,682,672	5,560,183

(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022	2023	2022
	Number of shares	Number of shares	JD	JD
Inside Jordan:				
Listed shares:				
Jordan Phosphate Mining Company	162,000	-	1,731,780	-
Arab Potash Company	57,100	-	1,492,024	-
National Petroleum Refinery Company	167,000	-	784,900	-
			4,008,704	-
Outside Jordan:				
Listed shares:				
Riyad Bank	102,400	-	551,425	-
Saudi National Bank	84,814	-	619,383	-
			1,170,808	-
Total financial assets at fair value through profit or loss			5,179,512	-

(7) FINANCIAL ASSETS AT AMORTIZED COST

	2023	2022	2023	2022
	Number of bonds	Number of bonds	JD	JD
Inside Jordan -				
Unlisted Bonds in financial market				
Arab Real Estate Development Company*	120	120	1,200,000	1,200,000
Listed bonds in financial markets				
Treasury Bond/ the Hashemite Kingdom of Jordan**	32,630	12,830	23,201,475	9,133,668
Total financial assets at amortized cost inside Jordan			24,401,475	10,333,668
Outside Jordan -				
Treasury bonds/ Kingdom of Saudi Arabia****	28,000	-	19,613,653	-
Treasury bonds/ United Arab Emirates***	8,000	-	5,697,391	-
Treasury bonds/ Egypt*****	4,000	4,000	2,745,080	2,545,545
Ooredoo bonds/Qatar******	3,500	-	2,370,157	-
Abu Dhabi Commercial Bank bonds*******	2,800	-	1,961,862	-
First Abu Dhabi Bank********	2,500	-	1,771,315	-
The Abu Dhabi National Energy Company bonds*********	1,000	-	693,592	-
Total financial assets at amortized cost outside Jordan			34,853,050	2,545,545
			59,254,525	12,879,213
Provision for impairment of financial assets at amortized cost*			(1,499,000)	(1,299,000)
			57,755,525	11,580,213

* Following the decision of the General Assembly of the Bonds owners in its meeting held on 26 October 2011 the Housing Bank for Trade and Finance, as the trustee, initiated legal proceedings against Arab Real Estate Development Company (Arab Corp) and filed a lawsuit under number (3460/2011) at the First Instance Court of Amman to demand the rights of the Bonds owners, therefore Arab Real Estate Development Company Bonds are stated at cost less impairment loss for an amount of JD 1,199,000 during previous years.

** Maturity dates of Treasury Bonds / the Hashemite Kingdom of Jordan range between 29 January 2026 to 13 January 2029, bear interest rate between 5.75% to 7.75% and are repayable in equal semi - annual installments.

*** Maturity date of Treasury bonds/ United Arab Emirates is on 7 November 2028 and bear interest rate of 4.5% and are repayable in equal semi – annual installments.

**** Maturity date of Treasury bonds/ Kingdom of Saudi Arabia range between 17 June 2026 to 27 September 2028 and bear interest rate between 1.6% to 5% and are repayable in equal semi – annual installments.

***** Maturity date of Treasury bonds/ Egypt is on 29 May 2024 and bear interest rate of 5.75% and are repayable in equal semi – annual installments.

****** Maturity date of Ooredoo bonds/Qatar is on 31 January 2024 and bear interest rate of 3.875% and are repayable in equal semi – annual installments.

******* Maturity date of Abu Dhabi Commercial Bank bonds is on 18 July 2028 and bear interest rate of 5.375% and are repayable in equal semi – annual installments.

******** Maturity date of First Abu Dhabi Bank is on 22 January 2026 and bear interest rate of 4.375% and are repayable in equal semi – annual installments.

********* Maturity date of The Abu Dhabi National Energy Company bonds is on 22 June 2026 and bear interest rate of 4.375% and are repayable in equal semi – annual installments.

The movement on the provision for impairment on financial assets at amortized cost provision is as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	1,299,000	1,199,000
Provision for expected credit losses	200,000	-
Transferred from provision for expected credit losses for trade receivables related to insurance operations	-	100,000
Balance at the end of the year	1,499,000	1,299,000

(8) INVESTMENT PROPERTY

This item consists of land which was acquired in exchange of a receivable balance from a client who was not able to make payment. The land was valued and recorded at its fair value in exchange for a portion of the receivable balance. There are no material differences between the book value and the fair value as at 31 December 2023 and 2022.

(9) CASH AND CASH EQUIVALENTS

	2023	2022
	JD	JD
Cash on hand	21,935	24,004
Bank balances	1,133,486	778,959
	1,155,421	802,963

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

	2023	2022
	JD	JD
Cash on hand and at banks	1,155,421	802,963
Add: Deposits at banks	21,272,263	66,922,562
Less: Deposits at banks with original maturity date more than three months	20,458,123	66,122,562
Less: Restricted deposits to the favor of the Governor of the Central Bank of Jordan	814,140	800,000
Add: Cash related to discontinued operations' assets	768,902	753,738
Net cash and cash equivalents at the end of the year	1,924,323	1,556,701

(10) INSURANCE CONTRACTS ASSETS/LIABILITIES

Insurance contracts liabilities

	2023			2022			1 January 2022		
	Premium allocation approach (10-A)	General approach (10-B)	Total	Premium allocation approach (10-A)	General approach (10-B)	Total	Premium allocation approach (10-A)	General approach (10-B)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	11,898,747	-	11,898,747	14,623,163	-	14,623,163	6,515,168	-	6,515,168
Liability of incurred claims	52,273,989	-	52,273,989	48,430,314	-	48,430,314	51,119,982	-	51,119,982
Present value of future cash flows	-	520,844	520,844	-	501,463	501,463	-	435,374	435,374
Risk adjustment - non-financial	-	15,431	15,431	-	9,946	9,946	-	34,977	34,977
CSM	-	64,526	64,526	-	-	-	-	-	-
Total	64,172,736	600,801	64,773,537	63,053,477	511,409	63,564,886	57,635,150	470,351	58,105,501

Re-insurance contracts liabilities

	2023			2022			1 January 2022		
	Premium allocation approach (10-C)	General approach (10-C)	Total	Premium allocation approach (10-C)	General approach (10-C)	Total	Premium allocation approach (10-C)	General approach (10-C)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	(395,666)	-	(395,666)	(1,404,596)	-	(1,404,596)	(10,294,093)	-	(10,294,093)
Liability of incurred claims	46,411	-	46,411	761,293	-	761,293	8,544,174	-	8,544,174
Present value of future cash flows	-	(3)	(3)	-	295,812	295,812	-	-	-
CSM	-	(9,599)	(9,599)	-	(411,265)	(411,265)	-	-	-
Total	(349,255)	(9,602)	(358,857)	(643,303)	(115,453)	(758,756)	(1,749,919)	-	(1,749,919)

Re-insurance contracts assets

	2023			2022			1 January 2022		
	Premium allocation approach (10-C)	General approach (10-C)	Total	Premium allocation approach (10-C)	General approach (10-C)	Total	Premium allocation approach (10-C)	General approach (10-C)	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Liability of remaining coverage	(14,527,352)	-	(14,527,352)	(10,773,795)	-	(10,773,795)	(2,195,300)	-	(2,195,300)
Liability of incurred claims	20,704,035	-	20,704,035	18,765,711	-	18,765,711	11,003,550	-	11,003,550
Total	6,176,683	-	6,176,683	7,991,916	-	7,991,916	8,808,250	-	8,808,250

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

2023	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
	JD	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2023	12,094,163	2,529,000	44,979,874	3,450,440	63,053,477
Insurance contracts assets at 1 January 2023	-	-	-	-	-
Insurance contracts liabilities as at 1 January 2023	12,094,163	2,529,000	44,979,874	3,450,440	63,053,477
Insurance revenue	(110,041,472)	-	-	-	(110,041,472)
Incurred claims and other directly attributable expenses	-	2,515,593	88,389,510	1,272,694	92,177,797
Changes that relate to past service-changes in FCF relating to LIC	-	-	(7,927,782)	(2,409,794)	(10,337,576)
Losses on onerous contracts	-	(3,042,593)	-	-	(3,042,593)
Insurance acquisition cash flows assets impairment	6,742,471	-	-	-	6,742,471
Insurance services expenses	6,742,471	(527,000)	80,461,728	(1,137,100)	85,540,099
Insurance services results	(103,299,001)	(527,000)	80,461,728	(1,137,100)	(24,501,373)
Finance expenses from insurance contracts issued	-	-	2,958,442	413,667	3,372,109
Total amounts recognised in the statement of income	(103,299,001)	(527,000)	83,420,170	(723,433)	(21,129,264)
Cash flows:					
Premiums received	107,697,156	-	-	-	107,697,156
Claims and other directly attributable expenses paid	-	-	(78,853,062)	-	(78,853,062)
Insurance contracts acquisition cash flows	(6,595,571)	-	-	-	(6,595,571)
Total cash flows	101,101,585	-	(78,853,062)	-	22,248,523
Insurance contracts liabilities as at 31 December 2023	9,896,747	2,002,000	49,546,982	2,727,007	64,172,736
Insurance contracts assets as at 31 December 2023	-	-	-	-	-
Insurance contracts liabilities as at 31 December 2023	9,896,747	2,002,000	49,546,982	2,727,007	64,172,736

INSURANCE CONTRACTS ASSETS/LIABILITIES – PREMIUM ALLOCATION APPROACH

2022	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
	JD	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2022	5,255,674	1,259,494	47,799,297	3,320,685	57,635,150
Insurance contracts assets at 1 January 2022	-	-	-	-	-
Insurance contracts liabilities as at 1 January 2022	5,255,674	1,259,494	47,799,297	3,320,685	57,635,150
Insurance revenue	(101,082,839)	-	-	-	(101,082,839)
Incurred claims and other directly attributable expenses	-	1,244,495	86,125,577	1,490,041	88,860,113
Changes that relate to past service-changes in FCF relating to LIC	-	-	(11,010,126)	(1,410,838)	(12,420,964)
Losses on onerous contracts	-	25,011	-	-	25,011
Insurance acquisition cash flows assets impairment	6,730,448	-	-	-	6,730,448
Insurance services expenses	6,730,448	1,269,506	75,115,451	79,203	83,194,608
Insurance services results	(94,352,391)	1,269,506	75,115,451	79,203	(17,888,231)
Finance expenses from insurance contracts issued	-	-	(342,034)	50,552	(291,482)
Total amounts recognised in the statement of income	(94,352,391)	1,269,506	74,773,417	129,755	(18,179,713)
Cash Flows:					
Premiums received	107,750,312	-	-	-	107,750,312
Claims and other directly attributable expenses paid	-	-	(77,592,840)	-	(77,592,840)
Insurance contracts acquisition cash flows	(6,559,432)	-	-	-	(6,559,432)
Total cash flows	101,190,880	-	(77,592,840)	-	23,598,040
Insurance contracts liabilities as at 31 December 2022	12,094,163	2,529,000	44,979,874	3,450,440	63,053,477
Insurance contracts assets as at 31 December 2022	-	-	-	-	-
Insurance contracts liabilities as at 31 December 2022	12,094,163	2,529,000	44,979,874	3,450,440	63,053,477

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

2023	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2023	501,463	9,946	-	511,409
Insurance contracts assets as at 1 January 2023	-	-	-	-
Insurance contracts liabilities as at 1 January 2023	501,463	9,946	-	511,409
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	6,011	-	6,011
Experience adjustments-relating to insurance services expenses	75,873	-	-	75,873
Changes related to future service:				
Changes in estimates that adjust the CSM	80,973	(64,626)	(311)	16,036
Changes in estimate that results in onerous contract losses or reversal of such losses	(125,079)	63,283	-	(61,796)
Experience adjustments-arising from premiums received in the period that relate to future service	(60,238)	-	60,238	-
Insurance services results	(28,471)	4,668	59,927	36,124
Finance expenses from insurance contracts issued	68,753	817	4,599	74,169
Total amounts recognised in the statement of income	40,282	5,485	64,526	110,293
Cash flows:				
Premiums received	74,315	-	-	74,315
Claims and other directly attributable expenses paid	(95,216)	-	-	(95,216)
Total cash flows	(20,901)	-	-	(20,901)
Insurance contracts liabilities as at 31 December 2023	520,844	15,431	64,526	600,801
Insurance contracts assets as at 31 December 2023	-	-	-	-
Insurance contracts liabilities as at 31 December 2023	520,844	15,431	64,526	600,801

INSURANCE CONTRACTS ASSETS/LIABILITIES – GENERAL APPROACH

2022	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Insurance contracts liabilities as at 1 January 2022	435,374	34,977	-	470,351
Insurance contracts assets as at 1 January 2022	-	-	-	-
Insurance contracts liabilities as at 1 January 2022	435,374	34,977	-	470,351
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	(18,851)	-	(18,851)
Experience adjustments-relating to insurance services expenses	(222,926)	-	-	(222,926)
Changes related to future service:				
Changes in estimates that adjust the CSM	16,685	(5,583)	(11,102)	-
Changes in estimate that results in onerous contract losses or reversal of such losses	339,392	85	-	339,477
Contracts initially recognised in the period	64,316	-	-	64,316
Experience adjustments-arising from premiums received in the period that relate to future service	(11,102)	-	11,102	-
Insurance services results	186,365	(24,349)	-	162,016
Finance expenses from insurance contracts issued	(154,046)	(682)	-	(154,728)
Total amounts recognised in the statement of income	32,319	(25,031)	-	7,288
Cash flows:				
Total premiums received	90,297	-	-	90,297
Claims and other directly attributable expenses paid	(56,527)	-	-	(56,527)
Total cash flows	33,770	-	-	33,770
Insurance contracts liabilities as at 31 December 2022	501,463	9,946	-	511,409
Insurance contracts assets as at 31 December 2022	-	-	-	-
Insurance contracts liabilities as at 31 December 2022	501,463	9,946	-	511,409

CHECKS UNDER COLLECTION RELATED TO INSURANCE OPERATIONS

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

	2023 JD	2022 JD
Checks under collection due within six months	5,481,895	4,242,287
Checks under collection due within more than six months up to one year	720,408	741,007
	6,202,303	4,983,294
Less: Provision for expected credit losses*	(504,469)	(504,469)
	5,697,834	4,478,825

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

	2023 JD	2022 JD
Balance at the beginning of the year	504,469	513,000
Transferred to provision for doubtful re-insurance receivables	-	(8,531)
Balance at the end of the year	504,469	504,469

ACCOUNTS RECEIVABLE RELATED TO INSURANCE OPERATIONS

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

	2023 JD	2022 JD
Policyholders *	35,905,464	32,462,164
Brokers receivables	2,290,264	2,464,365
Employees' receivables	142,899	98,564
Other receivables	634,253	1,022,380
	38,972,880	36,047,473
Less: Provision for expected credit losses **	(9,303,341)	(9,271,339)
	29,669,539	26,776,134

The details of the aging of receivables are as follows:

	Undue receivables JD	0-90 days JD	91-180 days JD	181-365 days JD	More than 365 days	Total JD
2023	20,504,684	6,027,248	2,032,850	906,016	198,741	29,669,539
2022	17,760,881	6,023,144	1,933,865	870,304	187,940	26,776,134

* Policy holders receivables includes scheduled payments in the amount of JD 20,504,684 as at 31 December 2023 (JD 17,760,881 as at 31 December 2022).

** Movement on the provision for expected credit losses during the year were as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	9,271,339	10,005,284
Provision for expected credit losses for the year	50,000	191,381
Receivables written off	-	(469,023)
Transferred to provision for doubtful debts of reinsurance receivables	(17,998)	(256,303)
Transferred to provision for impairment on financial assets at amortized cost	-	(100,000)
Transferred to provision for expected credit loss for deposits at banks	-	(100,000)
Balance at the end of the year	9,303,341	9,271,339

LIFE POLICYHOLDERS' LOANS RELATED TO INSURANCE OPERATIONS

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

This item consists of the following:

	2023	2022
	JD	JD
Loans to life policyholders which do not exceed the surrender value	-	11,757

The maturity date for loans to life policyholders consists the following:

	From 1 month to 3 months	From 3 months to 6 months	From 6 months to a year	More than a year	Total
	JD	JD	JD	JD	JD
2023-	-	-	-	-	-
2022-	-	-	-	11,757	11,757

ACCOUNT PAYABLES RELATED TO INSURANCE OPERATIONS

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

	2023	2022
	JD	JD
Trade and Companies' payables	3,798,030	3,862,219
Medical network payables	2,264,277	2,155,471
Agents' payables	729,179	584,221
Garages' payables and vehicle's parts	456,299	476,241
Employees' payables	32,855	37,180
	7,280,640	7,115,332

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

2023	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
	JD	JD	JD	JD	JD
Re-insurance contracts liabilities as at 1 January 2023	(1,404,596)	-	674,646	86,647	(643,303)
Re-insurance contracts assets as at 1 January 2023	(10,773,795)	-	17,691,933	1,073,778	7,991,916
Re-insurance contracts assets as at 1 January 2023	(12,178,391)	-	18,366,579	1,160,425	7,348,613
Re-insurance expenses	(47,329,411)	-	-	-	(47,329,411)
Incurred claims recovery	-	-	44,047,196	540,690	44,587,886
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(10,038,790)	(798,437)	(10,837,227)
Effect of changes in risk of non-performance by issuer of re-insurance contracts held	-	-	(234,137)	-	(234,137)
Re-insurance services results	(47,329,411)	-	33,774,269	(257,747)	(13,812,889)
Finance income from re-insurance contracts held	-	-	533,020	129,810	662,830
Total amounts recognised in the statement of income	(47,329,411)	-	34,307,289	(127,937)	(13,150,059)
Cash flows:					
Total premiums paid net of ceding commissions and other directly attributable expenses	44,584,784	-	-	-	44,584,784
Recoveries from re-insurance	-	-	(32,955,910)	-	(32,955,910)
Total cash flows	44,584,784	-	(32,955,910)	-	11,628,874
Re-insurance contracts liabilities as at 31 December 2023	(395,666)	-	44,679	1,732	(349,255)
Re-insurance contracts assets as at 31 December 2023	(14,527,352)	-	19,673,279	1,030,756	6,176,683
Re-insurance contracts net assets as at 31 December 2023	(14,923,018)	-	19,717,958	1,032,488	5,827,428

RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – PREMIUM ALLOCATION APPROACH

2022	Liability for remaining coverage		Liability for incurred claims		
	Non-onerous contracts	Onerous contracts	Present value of future cash flows	Risk adjustment - non-financial	Total
	JD	JD	JD	JD	JD
Re-insurance contracts liabilities as at 1 January 2022	(10,294,093)	-	8,328,473	215,701	(1,749,919)
Re-insurance contracts assets as at 1 January 2022	(2,195,300)	-	9,960,326	1,043,224	8,808,250
Re-insurance contracts liabilities as at 1 January 2022	(12,489,393)	-	18,288,799	1,258,925	7,058,331
Re-insurance expenses	(40,466,000)	-	-	-	(40,466,000)
Incurred claims recovery	-	-	39,136,293	604,144	39,740,437
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(9,953,667)	(732,899)	(10,686,566)
Effect of changes in risk of non-performance by issuer of re-insurance contracts held	-	-	(248,781)	-	(248,781)
Insurance services results	(40,466,000)	-	28,933,845	(128,755)	(11,660,910)
Finance income from re-insurance contracts held	-	-	76,821	30,255	107,076
Total amounts recognised in the statement of income	(40,466,000)	-	29,010,666	(98,500)	(11,553,834)
Cash flows:					
Total premiums paid net of ceding commissions and other directly attributable expenses	40,777,002	-	-	-	40,777,002
Recoveries from re-insurance	-	-	(28,932,886)	-	(28,932,886)
Total cash flows	40,777,002	-	(28,932,886)	-	11,844,116
Re-insurance contracts liabilities as at 31 December 2022	(1,404,596)	-	674,646	86,647	(643,303)
Re-insurance contracts assets as at 31 December 2022	(10,773,795)	-	17,691,933	1,073,778	7,991,916
Re-insurance contracts (liabilities) assets as at 31 December 2022	(12,178,391)	-	18,366,579	1,160,425	7,348,613

RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – GENERAL APPROACH

2023	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Re-insurance contracts liabilities as at 1 January 2023	295,812	-	(411,265)	(115,453)
Re-insurance contracts assets as at 1 January 2023	-	-	-	-
Re-insurance contracts (liabilities) assets as at 1 January 2023	295,812	-	(411,265)	(115,453)
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	6,247	-	-	6,247
Experience adjustments-relating to insurance services expenses	-	5,547	-	5,547
Changes related to future service:				
Changes in estimates that adjust the CSM	(413,894)	(5,547)	419,441	-
Contracts initially recognised in period	8,415	-	(8,415)	-
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	8,258	-	(8,258)	-
Re-insurance services results	(390,974)	-	402,768	11,794
Finance expenses from insurance contracts issued	116,168	-	(1,102)	115,066
Total amounts recognised in the statement of income	(274,806)	-	401,666	126,860
Cash flows:				
Premiums received	-	-	-	-
Claims and other directly attributable expenses paid	(21,009)	-	-	(21,009)
Insurance contracts acquisition cash flows	-	-	-	-
Total cash flows	(21,009)	-	-	(21,009)
Re-insurance contracts liabilities as at 31 December 2023	(3)	-	(9,599)	(9,602)
Re-insurance contracts assets as at 31 December 2023	-	-	-	-
Re-insurance contracts (liabilities) assets as at 31 December 2023	(3)	-	(9,599)	(9,602)

RE-INSURANCE CONTRACTS ASSETS/ LIABILITIES – GENERAL APPROACH

2022	Present value of future cash flows	Risk adjustment - non-financial	CSM	Total
	JD	JD	JD	JD
Re-insurance contracts liabilities as at 1 January 2022	-	-	-	-
Re-insurance contracts assets as at 1 January 2022	-	-	-	-
Re-insurance contracts liabilities as at 1 January 2022	-	-	-	-
Changes related to current service:				
Changes in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments-relating to insurance service expenses	6	-	-	6
Changes related to future service:				
Changes in estimates that adjust the CSM	411,265	-	(411,265)	-
Changes in estimate that results in onerous contract losses or reversal of such losses	-	-	-	-
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	-	-	-	-
Insurance services results	411,271	-	(411,265)	6
Finance expenses from insurance contracts issued	(115,453)	-	-	(115,453)
Total amounts recognised in the statement of income	295,818	-	(411,265)	(115,447)
Cash flows:				
Premiums received	-	-	-	-
Claims and other directly attributable expenses paid	(6)	-	-	(6)
Insurance contracts acquisition cash flows	-	-	-	-
Total cash flows	(6)	-	-	(6)
Re-insurance contracts liabilities as at 31 December 2022	295,812	-	(411,265)	(115,453)
Re-insurance contracts assets as at 31 December 2022	-	-	-	-
Re-insurance contracts assets (liabilities) as at 31 December 2022	295,812	-	(411,265)	(115,453)

ACCOUNTS RECEIVABLE RELATED TO RE-INSURANCE OPERATIONS

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

	2023	2022
	JD	JD
Re-insurance contract assets (local)	2,078,243	2,007,976
Re-insurance contract assets (foreign)	485,599	794,826
	2,563,842	2,802,802
Less: Provision for expected credit losses *	(1,269,004)	(1,151,004)
	1,294,838	1,651,798

* Movements on provision for expected credit losses during the year:

	2023	2022
	JD	JD
Balance at the beginning of the year	1,151,004	886,170
Provision for expected credit losses for the year	100,002	-
Transferred from allowance for expected credit losses for checks under collection	-	8,531
Transferred to provision for expected credit losses on accounts receivable	17,998	256,303
Balance at end of the year	1,269,004	1,151,004

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

	Undue receivables	0-90 days	91-180 days	181-365 days	More than 365 days	Total
	JD	JD	JD	JD		JD
2023	19,118	513,301	164,759	597,760	-	1,294,838
2022	-	1,010,779	275,315	340,729	24,975	1,651,798

ACCOUNT PAYABLES RELATED TO RE-INSURANCE OPERATIONS

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

	2023	2022
	JD	JD
Foreign reinsurance Companies	27,005,017	22,386,285
Local insurance Companies	234,096	357,947
	27,239,113	22,744,232

(11) INCOME TAX

A- Income tax provision

Movements on the income tax provision were as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	216,755	2,483,394
National contribution tax	216,895	169,769
Taxes on the investments outside Jordan	120,309	49,196
Income tax paid	(341,262)	(2,756,615)
Income tax on bank interests	-	271,011
Balance at the end of the year	212,697	216,755

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

	2023	2022
	JD	JD (Restated)
Taxes on the investments outside Jordan	120,309	49,196
National contribution tax	216,895	169,769
Income tax for previous years	-	97,124
Deferred tax assets	(137,261)	240,623
	199,943	556,712

A summary of the reconciliation between accounting profit and taxable profit is as follows:

	2023	2022
	JD	JD (Restated)
Accounting profit	9,726,835	8,452,172
Non-taxable profits	(1,437,489)	(2,251,888)
Non-deductible expenses	2,436,062	931,922
Gain on sale of financial assets through other comprehensive income	119,346	1,356,628
Taxable profit	10,844,754	8,488,834
Income tax expense	-	-
National contribution tax	216,895	169,769
Effective income tax and national contribution rate	2%	2%
Statutory income tax tax rate	2%	2%

Gulf Insurance Group / Jordan became exempt from income tax starting from 17 November 2021 for a period of three years due to its merger with Arab Life and Accident Insurance Company, in accordance with the decision of the prime ministry No. (12583) dated 19 November 2015 in accordance with Article (8/B) of Investment Law No. 30 of 2014.

Final settlement for income tax was reached with the Income and Sales Tax Department until the end of the year 2019. Income tax return was submitted for the years 2022, 2021, and 2020. The Income and Sales Tax Department have reviewed the tax returns but have not issued its final decision as at the date of the consolidated financial statements. In the opinion of the management and the Company's tax advisor, the income tax provision is sufficient to meet any tax obligations.

B- Deferred tax assets

	2023					2022	1 January 2022
	Balance at the beginning of the year	Additions	Released Amounts	Balance at the end of the year	Deferred Tax	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD (Restated)	JD (Restated)
Deferred tax assets:							
Provision for expected credit losses on accounts receivable and provision for doubtful debt for re-insurance receivable	3,321,298	-	-	3,321,298	863,537	863,537	863,537
Provision for employees' incentives	-	-	-	-	-	-	156,000
Impairment loss on financial liabilities	1,199,000	-	-	1,199,000	311,740	311,740	311,740
Insurance contracts liabilities	8,973,486	-	93,778	8,879,708	2,308,724	2,333,106	2,521,115
Provision for end of service indemnity	2,417,525	722,877	101,171	3,039,231	790,200	628,557	525,171
	15,911,309	722,877	194,949	16,439,237	4,274,201	4,136,940	4,377,563

Movements on deferred tax assets were as follows:

	2023	2022	1 January 2022
	JD	JD (Restated)	JD (Restated)
Balance at the beginning of the year	4,136,940	4,377,563	3,739,493
Addition (released), net	137,261	(240,623)	638,070
Balance at the end of the year	4,274,201	4,136,940	4,377,563

(12) PROPERTY AND EQUIPMENT

	Land	Building	Computers	Decorations	Tools, equipment and furniture	Vehicles	Projects under progress*	Total
2023-	JD	JD	JD	JD	JD	JD	JD	JD
Cost:								
Balance at the beginning of the year	3,532,896	3,716,205	1,668,805	1,835,051	2,216,924	329,104	-	13,298,985
Additions	-	-	147,095	84,100	68,168	105,000	210,583	614,946
Disposals	-	-	(17,318)	(3,401)	(28,038)	(50,000)	-	(98,757)
Balance at the end of the year	3,532,896	3,716,205	1,798,582	1,915,750	2,257,054	384,104	210,583	13,815,174
Accumulated depreciation:								
Balance at the beginning of the year	-	1,091,997	1,320,926	1,514,194	1,883,408	230,010	-	6,040,535
Depreciation for the year**	-	74,324	150,864	109,337	77,007	33,599	-	445,131
Disposals	-	-	(16,606)	(2,879)	(26,916)	(49,999)	-	(96,400)
Balance at the end of the year	-	1,166,321	1,455,184	1,620,652	1,933,499	213,610	-	6,389,266
Net book value at the end of the year	3,532,896	2,549,884	343,398	295,098	323,555	170,494	210,583	7,425,908
2022-								
Cost:								
Balance at the beginning of the year	2,757,000	3,716,205	1,607,126	1,754,083	2,183,196	381,828	-	12,399,438
Additions	775,896	-	77,657	101,719	76,484	99,126	-	1,130,882
Disposals	-	-	(15,978)	(20,751)	(42,756)	(151,850)	-	(231,335)
Balance at the end of the year	3,532,896	3,716,205	1,668,805	1,835,051	2,216,924	329,104	-	13,298,985
Accumulated depreciation:								
Balance at the beginning of the year	-	1,017,673	1,203,343	1,432,225	1,831,980	347,158	-	5,832,379
Depreciation for the year**	-	74,324	133,007	100,428	92,061	34,702	-	434,522
Disposals	-	-	(15,424)	(18,459)	(40,633)	(151,850)	-	(226,366)
Balance at the end of the year	-	1,091,997	1,320,926	1,514,194	1,883,408	230,010	-	6,040,535
Net book value at the end of the year	3,532,896	2,624,208	347,879	320,857	333,516	99,094	-	7,258,450

Property and equipment includes fully depreciated assets of JD 4,358,889 as at 31 December 2023 compared to JD 2,931,892 as at 31 December 2022 and is still in use to date.

* This item represents the cost incurred for the expansion and improvement of the second floor of the company's main building, in addition to the costs incurred to purchase computers, and the project is expected to be completed during the first quarter of 2024 at a total cost of JD 339,824.

**Depreciation expense was allocated as follows:

	2023	2022
	JD	JD
Depreciation and amortization under insurance contract expenses (note 26)	264,196	261,430
Acquisition costs under insurance contract expenses (note 26)	113,428	114,340
Undistributed depreciation and amortization	67,507	58,752
	445,131	434,522

(13) INTANGIBLE ASSETS

	Life insurance license	Programs and computer systems	Projects under progress*	Total
2023	JD	JD	JD	JD
Cost:				
Balance at the beginning of the year	5,199,149	2,543,230	-	7,742,379
Additions	-	331,959	25,093	357,052
Disposals	-	(1,600)	-	(1,600)
Balance at the end of the year	5,199,149	2,873,589	25,093	8,097,831
Accumulated Amortization:				
Balance at the beginning of the year	-	2,010,115	-	2,010,115
Amortization for the year**	-	200,324	-	200,324
Disposals	-	(1,600)	-	(1,600)
Balance at the end of the year	-	2,208,839	-	2,208,839
Less: impairment provision for the year***	(400,000)	-	-	(400,000)
Net book value at the end of the year	4,799,149	664,750	25,093	5,488,992
2022				
Cost:				
Balance at the beginning of the year	5,199,149	2,524,707	-	7,723,856
Additions	-	308,909	-	308,909
Disposals	-	(290,386)	-	(290,386)
Balance at the end of the year	5,199,149	2,543,230	-	7,742,379
Accumulated Amortization:				
Balance at the beginning of the year	-	2,002,121	-	2,002,121
Amortization for the year**	-	196,811	-	196,811
Disposals	-	(188,817)	-	(188,817)
Balance at the end of the year	-	2,010,115	-	2,010,115
Net book value at the end of the year	5,199,149	533,115	-	5,732,264

* This item represents the cost incurred life insurance system project. The project is expected to be completed during the first quarter of 2024 at a total cost of JD 83,643.

** Amortization expense was allocated as follows:

	2023	2022
	JD	JD
Depreciation and amortization under insurance contract expenses (note 26)	128,207	125,958
Undistributed depreciation and amortization	16,026	15,744
Acquisition costs under insurance contract expenses (note 26)	56,091	55,109
	200,324	196,811

***Movements on the impairment provision were as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	-	-
Impairment provision for the year	(400,000)	-
	(400,000)	-

(14) RIGHT OF USE ASSETS

This item represents the right to use assets for leases for offices and branches.
The table shown below shows the book value for right of use assets along with the movement during the year:

	2023	2022
	JD	JD
Balance at the beginning of the year	401,387	262,602
Additions	22,984	391,471
Depreciation on right of use assets	(220,880)	(252,686)
Balance at the end of the year	203,491	401,387

(15) OTHER ASSETS

	2023	2022	1 January 2022
	JD	JD (Restated)	JD (Restated)
Accrued interest revenues	1,770,805	1,223,267	1,136,472
Tax receivable	2,100,406	1,571,850	1,653,171
Refundable deposits	466,802	464,437	507,431
Income tax paid on interest income	440,842	174,700	43,652
Prepaid expenses	262,645	163,582	290,993
Advance payments for income tax	-	31,360	51,525
Insurance guarantees	-	1,877	-
Income tax deposits	4,342	123,733	-
Others	2,800	35,890	-
	5,048,642	3,790,696	3,683,244

(16) LEASE CONTRACTS LIABILITIES

The table below shows the book value for lease contract liabilities and the movement during the year ended:

	2023	2022
	JD	JD
Balance at the beginning of the year	394,287	235,371
Additions	22,984	391,471
Interest on lease contracts liabilities	23,256	30,870
Paid during the year	(207,679)	(263,425)
Balance at the end of the year	232,848	394,287

* Lease contracts liabilities details are as follows:

2023			2022		
Short term	Long term	Total	Short term	Long term	Total
JD	JD	JD	JD	JD	JD
137,038	95,810	232,848	221,024	173,263	394,287

(17) OTHER PROVISIONS

	2023	2022
	JD	JD
End of service provision *	2,632,713	2,040,193
Contingent liabilities provision **	249,884	180,425
Others	5,001	5,375
	2,887,598	2,225,993

*Movements on end of service provision during the year were as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	2,040,193	1,833,695
Provision for the year (note 30)	722,877	433,331
Paid during the year	(250,357)	(226,833)
Actuarial losses resulted from changes in assumptions	120,000	-
Balance at the end of the year	2,632,713	2,040,193

The actuarial assumptions used in determining the value of employees' end of service provision are as follows:

	2023	2022
Discount rate	5٪	5٪
Mortality rate	0.060٪	0.020٪
Annual salaries increments rate	1٪	0.5٪
Resignation rate	7.4٪	7.5٪

**Movements on contingent liability provision during the year were as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	180,425	796,125
Provision for the year	69,459	-
Paid during the year	-	(615,700)
Balance at the end of the year	249,884	180,425

(18) OTHER LIABILITIES

	2023	2022	1 January 2022
	JD	JD (Restated)	JD (Restated)
Social security deposits and governmental fees	330,112	321,103	356,256
Income tax withholdings	122,725	110,282	428.006
Stamps	140,552	136,364	143.123
Accrued expenses	-	110,040	122.557
Sales tax withholdings	43,453	109,288	82.650
Due to shareholders – subscription refunds	56,918	57,712	57.797
Due to customers	-	122,410	-
Others	29,613	2,646	60,625
	723,373	969,845	1,251,014

(19) AUTHORIZED AND PAID IN CAPITAL

The general assembly decided in its meeting held on 31 May 2022 to increase the authorized and paid-in capital from 25,438,252 divided into 25,438,252 shares with a par value of JD 1 each to become JD 26,000,000 through distributing of free shares to the Company's shareholders, from the special reserve balance within the shareholders' equity with an amount of JD 40,221 and from retained earnings balance with an amount of JD 521,527 as of 31 December 2021. Legal procedures have been completed during the third quarter of 2022.

The authorized and paid in capital is JD 26,000,000 divided into 26,000,000 shares at par value of JD 1 each as at 31 December 2023.

(20) LEGAL RESERVES

Statutory reserve

This amount represents appropriations at 10% of net income before income tax during this year and prior years, this reserve is not available for distribution to shareholders. The transfer of the statutory reserve should not be stopped before its balance reaches 25% of the authorized capital. However, with the approval of the company's general assembly, the transfer may continue until the balance of the statutory reserve reaches 100% of the Company's authorized capital.

(21) FAIR VALUE RESERVE

Movements on the fair value reserve were as follows:

	2023 JD	2022 JD
Balance at the beginning of the year	(1,684,308)	(967,052)
Change in fair value of financial assets through other comprehensive income	439,609	925,432
Realized gains from sale of financial assets at fair value through other comprehensive income	(264,464)	(1,642,688)
Actuarial losses resulting from a change in assumptions	(120,000)	-
Balance at the end of the year	(1,629,165)	(1,684,308)

(22) RETAINED EARNINGS

Movements on retained earnings during the year were as follows:

	2023 JD	2022 JD (Restated)
Balances at the beginning of the year	12,619,382	10,597,102
Effect of the implementation of IFRS 17	-	(5,515,127)
Adjusted Balance	12,619,382	5,081,975
Profit for the year	9,488,655	7,828,596
Less:		
Change in non-controlling interest	-	-
Capital increase	-	(521,527)
Retained earnings*	(3,900,000)	(1,271,913)
Gain (losses) on sale of financial assets through other comprehensive income	264,464	1,642,688
Transfer to statutory reserve	-	(140,437)
Balance at the end of the year	18,472,501	12,619,382

* The General Assembly of the Company decided in its extraordinary meeting held on 27 April 2023 to distribute 15% of the capital as cash dividends to the shareholders equivalent to JD 3,900,000.

  The General Assembly of the Company decided in its extraordinary meeting held on 28 April 2022 to distribute 5% of the capital as cash dividends to the shareholders equivalent to JD 1,271,913.

Dividend suggested to be distributed
The Board of Directors will submit in its meeting to be held during 2024 the recommendation to the General Assembly of the Group to distribute cash dividends of JD 3,900,000 to shareholders, which equals to 15% of the company's capital as at 31 December 2023.

(23) SUBORDINATED LOAN

On 15 November 2017, the Company borrowed from Gulf Insurance Group an amount of (USD 16,361,071) equivalent to JD 11,600,000 as a subordinated loan to increase the Company solvency margin in line with the Insurance Administration Instruction No.3 of 2002 and the decisions issued there under. This loan bears no interest and no repayment schedule. During 2019, the Company paid an amount of (USD 3,667,137) equivalent to JD 2,600,000 and during 2020, the Company paid an amount of (USD 4,231,312) equivalent to JD 3,000,000. During 2021, the Company paid an amount of (USD 4,231,312) equivalent to JD 3,000,000. During 2022, the Company paid an amount of (USD 2,118,644) equivalent to JD 1,500,000. During the first quarter of 2023, the Company paid the balance of the subordinated loan in the amount of (USD 2,118,644) equivalent to JD 1,500,000.

(24) INTEREST INCOME

	2023	2022
	JD	JD
Interest on bank deposits	1,975,951	2,556,410
Interest on financial assets at amortized cost	2,355,975	818,977
	4,331,926	3,375,387

(25) INSURANCE CONTRACTS REVENUES

2023 -	Motor	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	27,825,611	10,663,992	633,765	1,518,469	1,757,835	58,174,047	3,434,503	2,601,323	106,609,545
Insurance contract issuance fees	318,041	158,550	25,884	21,119	57,580	2,553,193	237,437	60,123	3,431,927
Expected incurred claims	-	-	-	-	-	-	-	17,251	17,251
Allocation of a portion of the premiums related to the recovery of cash flows for the acquisition of insurance	-	-	-	-	-	-	-	4,500	4,500
Expected incurred expenses	-	-	-	-	-	-	-	2,092	2,092
Change in risk adjustments - non-financial	-	-	-	-	-	-	-	(6,011)	(6,011)
	28,143,652	10,822,542	659,649	1,539,588	1,815,415	60,727,240	3,671,940	2,679,278	110,059,304

2022 -	Motor	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Insurance contracts revenues	24,792,452	10,363,141	595,824	1,376,986	2,005,058	53,861,944	3,880,958	663,282	97,539,645
Insurance contract issuance fees	368,594	160,108	15,943	19,640	79,757	2,670,895	200,248	28,009	3,543,194
Expected incurred claims	-	-	-	-	-	-	-	219,251	219,251
Change in risk adjustments - non-financial	-	-	-	-	-	-	-	18,851	18,851
Expected incurred expenses	-	-	-	-	-	-	-	3,692	3,692
	25,161,046	10,523,249	611,767	1,396,626	2,084,815	56,532,839	4,081,206	933,085	101,324,633

(26) INSURANCE CONTRACTS EXPENSES

2023 –

	Motor	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	18,556,416	1,434,986	402,713	507,021	522,142	44,631,677	392,256	1,653,614	68,100,825
Amortization of acquisition costs	1,653,328	632,973	55,511	109,569	107,087	3,536,730	426,624	220,650	6,742,472
Depreciation and amortization (note 12,13)	98,650	34,078	3,231	5,244	5,641	208,606	9,953	27,000	392,403
Administrative expenses (note 29)	2,426,902	838,427	66,398	129,038	138,768	5,132,169	257,932	664,287	9,653,921
Loss from onerous contracts	2,515,593	-	-	-	-	-	-	(45,761)	2,469,832
Recovered from loss from onerous contracts	(3,042,593)	-	-	-	-	-	-	-	(3,042,593)
Risk adjustments - non-financial	467,441	141,888	21,463	21,429	33,935	506,839	21,019	58,681	1,272,695
Transferred from amortization costs	-	-	-	-	-	-	-	4,500	4,500
	22,675,737	3,082,352	549,316	772,301	807,573	54,016,021	1,107,784	2,582,971	85,594,055

2022 -

	Motor	Fire	Engineering	Social liability	Marine	Medical	General accidents	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Incurred insurance claims	18,711,291	2,465,301	341,163	311,566	619,154	42,187,260	(334,524)	287,292	64,588,503
Amortization of acquisition costs	1,807,642	666,988	56,589	122,674	102,632	3,424,814	468,721	80,389	6,730,449
Depreciation and amortization (note 12,13)	98,319	36,628	3,257	4,660	6,562	215,410	10,935	11,617	387,388
Administrative expenses (note 29)	2,215,353	825,308	46,957	105,001	147,874	4,853,661	272,818	261,750	8,728,722
Loss from onerous contracts	1,244,495	-	-	-	-	-	-	403,810	1,648,305
Recovered from loss from onerous contracts	25,011	-	-	-	-	-	-	-	25,011
Risk adjustments - non-financial	868,862	143,209	6,992	27,874	38,151	380,022	14,647	10,283	1,490,040
	24,970,973	4,137,434	454,958	571,775	914,373	51,061,167	432,597	1,055,141	83,598,418

(27) FINANCE (EXPENSE) INCOME – INSURANCE CONTRACTS

	2023	2022
	JD	JD
Finance (expense) income	(3,446,278)	446,210
	(3,446,278)	446,210

The Group used discount rates that ranged between 10.43% and 11.26% as at 31 December 2023 (31 December 2022: 11.29% and 13.09%).

(28) FINANCE INCOME (EXPENSE) – RE-INSURANCE CONTRACTS

	2023	2022
	JD	JD
Finance income	777,896	(8,377)
	777,896	(8,377)

The Group used discount rates that ranged between 10.43% and 11.26% as at 31 December 2023 (31 December 2022: 11.29% and 13.09%).

(29) GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
	JD	JD
Salaries and bonuses	5,810,446	6,092,811
Group's share of social security	632,125	591,393
End-of-service provision expense	547,557	311,518
Travel and transportation	116,819	109,470
Medical expenses	400,600	411,769
Staff training and development	21,935	18,281
Insurance federation fees	62,012	114,886
Lawyer fees and expenses	717,944	658,272
Impairment provision for intangible assets	400,000	-
Depreciation on right of use assets	177,504	188,475
Advertisements	319,136	306,445
Technical consulting fees	466,151	281,390
Postage telecommunications and stamps	151,916	148,378
Stationery and printing	156,719	163,762
Government and other fees	266,142	256,026
Maintenance	181,935	141,786
Donations	136,408	1,330
Water, electricity and heating	76,405	86,595
Board members transportation fees	95,340	112,280
Cleaning expenses	54,518	53,351
Subscriptions	117,544	68,267
Interest on lease contracts liabilities	15,787	22,484
Rent	53,137	41,279
Professional fees	106,156	39,099
Hospitality	59,082	42,061
Insurance expenses	63,320	19,230
Building management fees	11,887	10,487
Vehicles expenses	6,994	10,005
Board Members Committee Fees	9,380	3,220
Other expenses	341,027	147,926
	11,575,926	10,452,276
Allocated general and administrative expenses to the insurance contracts expenses (note 26)	9,653,921	8,728,722
Unallocated general and administrative expenses to the insurance contracts expenses	1,922,005	1,723,554

(30) ACCRUED EXPENSES

	2023	2022
	JD	JD
Accrued executive management performance results	463,050	460,640
Accrued expenses	583,217	328,678
Employees incentive bonus allowance	800,000	1,000,000
	1,846,267	1,789,318

(31) OTHER REVENUES

This item consists of the following:

	2023	2022
	JD	JD
Closing Abdali branch rent contract	-	4,949
Others	-	(2,982)
	-	2,007

(32) (GAIN) LOSS FROM SALE OF PROPERTY PLANT AND EQUIPMENT

This item consists of the following:

	2023	2022
	JD	JD
(Gain) loss from sale of property, plant and equipment	(24,237)	62,084
	(24,237)	62,084

(33) NET (LOSS) GAIN FROM FINANCIAL ASSETS AND INVESTMENTS

This item consists of the following:

	2023	2022
	JD	JD
Dividends income from financial assets at fair value through other comprehensive income	327,237	234,388
Gain from sale of financial assets at amortized cost	-	197,380
Unrealized gains on financial assets at fair value through profit or loss	(746,799)	-
	(419,562)	431,768

(34) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT FOR THE YEAR

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

	2023	2022
Profit for the year (JD)	9,488,655	7,828,596
Weighted average number of shares (shares)	26,000,000	26,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share for the year	0/365	0/301
Basic and diluted earnings per share for the year from continuing operations	0/366	0/304

(35) DISCONTINUED OPERATIONS

The Board of Directors of Arab Life and Accidents Insurance Company (the merged Company) decided on a previous date, to close Palestine’s branches and, therefore, Palestine’s branches’ assets were classified as discontinued operations’ assets and its obligations as liabilities related to discontinued operations’ assets as at 31 December 2023. In additions, the results of these branches were presented in the consolidated statement of income within discontinued operations for the year ended 31 December 2023.

(36) RELATED PARTY TRANSACTIONS AND BALANCES

The Group entered into transactions with major shareholders, board members and directors within the normal activities of the Company using insurance premium and commercial commission. All related parties' balances are considered performing and no provision has been taken against them as at 31 December 2023.

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

	Related parties			Total	Total	Total
	Jordan Kuwait Bank (Shareholder-Subsidiary of the ultimate parent Company)	Gulf Insurance Group (Parent Company)	Top Executive Management	2023	2022	1 January 2022
	JD	JD	JD	JD	JD (Restated)	JD (Restated)
Consolidated statement of financial position items:						
Time deposits	3,218,563	-	-	3,218,563	21,655,916	18,890,121
Debit current accounts	168,992	-	-	168,992	152,128	457,494
Current accounts	242,845	-	-	242,845	216,540	505,906
Letters of guarantee deposits	393,278	-	-	393,278	400,659	443,127
Insurance contracts liabilities	100,237	-	-	100,237	1,801,808	1,753,746
Overdraft account	-	-	-	-	-	1,199,828
Subordinated loan	-	-	-	-	1,500,000	3,000,000
Financial assets at fair value through other comprehensive income	2,594,492	-	-		970,586	-
Accrued expenses	-	-	463,050	463,050	460,640	192,000
Off-statement of interim consolidated statement of financial position Items:						
Letters of guarantee	3,932,780	-	-	3,932,780	4,006,590	4,431,270

	Related parties		Total	Total
	Jordan Kuwait Bank (Shareholder-Subsidiary of the ultimate parent Company)	Top Executive Management	2023	2022
	JD	JD	JD	JD
Consolidated Statement of comprehensive income Items:				
Bank interest income	423,530	-	423,530	672.795
Insurance revenues	3,214,900	-	3,214,900	2,192,873
Bank expenses and interest	248,859	-	248,859	118.596
Salaries	-	1,056,982	1,056,982	1.011.404
Bonuses	-	354,923	354,923	402.865
Transportation for members of the Board of Directors	-	136,200	136,200	125,400
Bonuses for members of the Board of Directors	-	45,000	45,000	35,000
Board of Directors committees' bonuses	-	13,400	13,400	4,600

During 2011, it was agreed with Gulf Insurance Group (Parent Company) to settle all treaty reinsurance accounts through Gulf Insurance Company, where the Group's credit balance amounts to JD 274,405 at the end of the year 2023 (2022: JD 458,408).

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

	2023	2022
	JD	JD
Salaries and bonuses	1,411,905	1,414,269
Travel expenses	8,800	8,700
	1,420,705	1,422,969

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

There are no material differences between the book value and fair value of the financial assets and financial liabilities at the end of 2023 and 2022.

(38) RISK MANAGEMENT

Explanatory Disclosures:

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

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

Second: Legal risks resulting from legal claims or any risks arising from the laws and regulations issued by the Insurance Commission and the related non-compliance.

Third: Risks arising from financial matters such as (interest rate, credit risk, foreign currencies risks, and market risk).

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

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

Risk Management Policy

First: Planning and Preparation

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

Second: Identification of Risks

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

Third: Risk Treatment Method

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

- Transfer: This represents the process of transferring the risk to another party through contracts or financial protection.

- Avoidance: This is an active process to ward off risk through avoiding works that lead to risks. Avoidance is the best preventive method against risk. This may deprive the Group from conducting certain activities profitable for the Group.

- Reduction: This is the process of decreasing the loss arising from the occurrence of risk.

- Acceptance: There should be a policy to accept unavoidable risks as acceptance of small risks is an effective strategy.

Fourth: Plan

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

Fifth: Execution

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

Sixth: Plan Review and Evaluation

The Risks Department follows up on the Group's development and constantly and continuously develops and upgrades the plan in effect.

Risk Management Arrangements

Determinants

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

Risks Management Responsibilities

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

Risk Treatment Strategy

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

Second: Quantitative Disclosures:

A - Insurance Risk

1. Insurance Risk

Risks of any insurance policy represent the probability of occurrence of the insured accident and the uncertainty of the related claim amount due to the nature of the insurance policy whereby the risks are volatile and unexpected in connection with insurance policies of a certain insurance class. As regards the application of the probability theory on pricing and the reserve, the primary risks facing the Group are that incurred claims and the related payments may exceed the book value of the insurance obligations. This may happen if the probability and risk of claims are greater than expected. As insurance accidents are unstable and vary from one year to another, estimates may differ from the related statistics.

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

The Group is engaged in insurance business against fire, accidents, marine and transportation, and motor insurance, public liability, aviation and medical insurance through its main branch located in Jabal Amman, 3rd circle in Amman and its branches in Marka "licensing services center",8th circle, Al Abdali and Abdali- Boulevard in Amman, Aqaba branch in Aqaba city and Irbid Branch in Irbid city.

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

Steps in Determining Assumptions

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

2. Claims Development

The schedules below show the actual claims (based on management's estimates at year- end) compared to the expectations for the past four years based on the year in which the vehicles insurance claims were reported and on the year in which underwriting of the other general insurance types was executed as follows:

Motor Insurance:

Gross :

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	98,578,324	14,878,117	19,549,760	18,944,804	27,168,024	179,119,029
After one year	116,233,292	18,150,725	20,666,459	21,871,351	-	176,921,827
After two years	126,291,722	19,056,400	22,936,169	-	-	168,284,291
After three years	131,136,993	20,030,581	-	-	-	151,167,574
After four years	133,573,356	-	-	-	-	133,573,356
After five years	107,963,691	-	-	-	-	107,963,691
After six years	82,699,587	-	-	-	-	82,699,587
After seven years	52,274,881	-	-	-	-	52,274,881
Total accumulated claims paid	124,114,368	17,238,948	18,221,382	15,667,392	12,419,302	187,661,392
Total liabilities	133,675,714	20,030,581	22,936,169	21,871,351	27,168,024	225,681,839
Liability for incurred claims	9,561,346	2,791,633	4,714,787	6,203,959	14,748,722	38,020,447
Discounting effect	-	-	-	-	-	3,850,466
Total liabilities for incurred claims	9,561,346	2,791,633	4,714,787	6,203,959	14,748,722	34,169,981

Net

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	95,100,022	13,938,170	18,523,093	17,790,551	25,710,605	171,062,441
After one year	112,791,251	17,165,020	19,672,261	20,603,930	-	170,232,462
After two years	122,266,114	18,040,744	21,802,387	-	-	162,109,245
After three years	126,764,955	18,892,019	-	-	-	145,656,974
After four years	128,663,784	-	-	-	-	128,663,784
After five years	103,992,189	-	-	-	-	103,992,189
After six years	79,348,720	-	-	-	-	79,348,720
After seven years	49,582,635	-	-	-	-	49,582,635
Total accumulated claims paid	119,739,917	16,288,256	17,448,717	14,836,007	12,072,835	180,385,732
Total liabilities	128,180,626	18,892,019	21,802,387	20,603,930	25,710,605	215,189,567
Liability for incurred claims	8,440,709	2,603,763	4,353,670	5,767,923	13,637,770	34,803,835
Discounting effect	-	-	-	-	-	3,468,029
Total liabilities for incurred claims	8,440,847	2,603,763	4,353,670	5,767,923	13,637,770	31,335,806

Marine:

Gross:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	1,822,806	359,380	250,092	587,357	813,163	3,832,798
After one year	2,092,620	398,501	309,261	590,038	-	3,390,420
After two years	2,091,364	392,887	309,264	-	-	2,793,515
After three years	2,090,734	393,979	-	-	-	2,484,713
After four years	2,176,989	-	-	-	-	2,176,989
After five years	1,174,114	-	-	-	-	1,174,114
After six years	1,002,750	-	-	-	-	1,002,750
After seven years	448,674	-	-	-	-	448,674
Total accumulated claims paid	1,422,054	385,887	309,243	569,140	530,217	3,216,541
Total liabilities	2,176,575	393,979	309,264	590,038	813,163	4,283,019
Liability for incurred claims	754,521	8,092	21	20,898	282,946	1,066,478
Discounting effect	-	-	-	-	-	30,710
Total liabilities for incurred claims	754,521	8,092	21	20,898	282,946	1,035,768

Net:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	438,701	153,520	134,350	245,154	323,711	1,295,436
After one year	607,869	171,700	167,722	285,188	-	1,232,479
After two years	613,816	171,007	167,724	-	-	952,547
After three years	613,501	171,728	-	-	-	785,229
After four years	647,716	-	-	-	-	647,716
After five years	497,847	-	-	-	-	497,847
After six years	427,009	-	-	-	-	427,009
After seven years	179,754	-	-	-	-	179,754
Total accumulated claims paid	528,247	167,507	167,713	272,499	210,966	1,346,932
Total liabilities	668,563	171,728	167,724	285,188	323,711	1,616,914
Liability for incurred claims	140,316	4,221	11	12,689	112,745	269,982
Discounting effect	-	-	-	-	-	8,368
Total liabilities for incurred claims	140,316	4,221	11	12,689	112,745	261,614

Fire:

Gross:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	20,142,336	4,309,684	980,350	3,175,216	2,012,495	30,620,081
After one year	17,106,108	3,813,311	958,547	3,358,567	-	25,236,533
After two years	17,427,969	3,454,392	978,226	-	-	21,860,587
After three years	17,424,444	3,352,145	-	-	-	20,776,589
After four years	17,620,373	-	-	-	-	17,620,373
After five years	13,697,668	-	-	-	-	13,697,668
After six years	12,134,565	-	-	-	-	12,134,565
After seven years	10,881,418	-	-	-	-	10,881,418
Total accumulated claims paid	16,343,595	3,269,772	745,417	3,214,825	764,086	24,337,695
Total liabilities	17,295,349	3,352,145	978,226	3,358,567	2,012,495	26,996,782
Liability for incurred claims	951,754	82,373	232,809	143,742	1,248,409	2,659,087
Discounting effect	-	-	-	-	-	150,941
Total liabilities for incurred claims	951,754	82,373	232,809	143,742	1,248,409	2,508,146

Net:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	2,157,507	1,508,419	315,389	911,839	331,356	5,224,510
After one year	1,882,936	1,059,932	319,447	980,423	-	4,242,738
After two years	1,903,744	701,943	329,733	-	-	2,935,420
After three years	1,894,956	684,876	-	-	-	2,579,832
After four years	2,080,447	-	-	-	-	2,080,447
After five years	1,705,249	-	-	-	-	1,705,249
After six years	1,309,031	-	-	-	-	1,309,031
After seven years	1,094,439	-	-	-	-	1,094,439
Total accumulated claims paid	1,888,995	660,834	258,109	916,507	226,650	3,951,095
Total liabilities	2,036,726	684,876	329,733	980,423	331,356	4,363,114
Liability for incurred claims	147,731	24,042	71,624	63,916	104,706	412,019
Discounting effect	-	-	-	-	-	(22,389)
Total liabilities for incurred claims	147,731	24,042	71,624	63,916	104,706	434,408

Social liability:

Gross:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	5,584,451	586,909	81,814	303,911	633,213	7,190,298
After one year	7,080,969	1,270,926	485,509	928,533	-	9,765,937
After two years	7,494,239	1,285,296	562,963	-	-	9,342,498
After three years	8,026,842	1,310,924	-	-	-	9,337,766
After four years	9,183,907	-	-	-	-	9,183,907
After five years	6,575,743	-	-	-	-	6,575,743
After six years	4,501,753	-	-	-	-	4,501,753
After seven years	3,438,302	-	-	-	-	3,438,302
Total accumulated claims paid	7,673,574	1,241,482	410,912	448,509	293,415	10,067,892
Total liabilities	9,702,420	1,310,924	562,963	928,533	633,213	13,138,053
Liability for incurred claims	2,028,846	69,442	152,051	480,024	339,798	3,070,161
Discounting effect	-	-	-	-	-	186,028
Total liabilities for incurred claims	2,028,846	69,442	152,051	480,024	339,798	2,884,133

Net:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	1,791,232	311,936	(42,863)	136,524	476,650	2,673,479
After one year	1,969,293	395,815	385,677	719,147	-	3,469,932
After two years	1,757,594	418,765	444,405	-	-	2,620,764
After three years	1,830,197	442,589	-	-	-	2,272,786
After four years	1,912,927	-	-	-	-	1,912,927
After five years	1,358,488	-	-	-	-	1,358,488
After six years	984,785	-	-	-	-	984,785
After seven years	857,942	-	-	-	-	857,942
Total accumulated claims paid	1,726,313	391,965	349,464	347,252	249,523	3,064,517
Total liabilities	2,392,048	442,589	444,405	719,147	476,650	4,474,839
Liability for incurred claims	665,735	50,624	94,941	371,895	227,127	1,410,322
Discounting effect	-	-	-	-	-	72,829
Total liabilities for incurred claims	665,735	50,624	94,941	371,895	227,127	1,337,493

Medical:

Gross:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	192,856,872	31,789,137	37,982,075	41,326,029	49,795,430	353,749,543
After one year	221,116,354	33,173,473	39,684,611	43,072,184	-	337,046,622
After two years	221,215,249	33,192,614	39,692,851	-	-	294,100,714
After three years	221,215,242	33,191,944	-	-	-	254,407,186
After four years	221,233,637	-	-	-	-	221,233,637
After five years	182,595,125	-	-	-	-	182,595,125
After six years	137,113,545	-	-	-	-	137,113,545
After seven years	75,830,219	-	-	-	-	75,830,219
Total accumulated claims paid	221,215,238	33,191,944	39,635,003	43,018,755	39,923,308	376,984,248
Total liabilities	221,235,205	33,191,944	39,692,851	43,072,184	49,795,430	386,987,614
Liability for incurred claims	19,967	-	57,848	53,429	9,872,122	10,003,366
Discounting effect	-	-	-	-	-	-
Total liabilities for incurred claims	19,967	-	57,848	53,429	9,872,122	10,003,366

Net:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	65,823,604	11,245,298	14,462,030	16,090,366	10,635,512	118,256,810
After one year	75,721,576	11,863,068	15,235,276	16,854,591	-	119,674,511
After two years	75,743,134	11,881,472	15,239,087	-	-	102,863,693
After three years	75,743,131	11,881,238	-	-	-	87,624,369
After four years	75,749,570	-	-	-	-	75,749,570
After five years	62,360,939	-	-	-	-	62,360,939
After six years	46,360,502	-	-	-	-	46,360,502
After seven years	23,592,649	-	-	-	-	23,592,649
Total accumulated claims paid	75,743,129	11,881,238	15,218,087	16,835,195	12,953,448	132,631,097
Total liabilities	75,750,378	11,881,238	15,239,087	16,854,591	10,635,512	130,360,806
Liability for incurred claims	7,249	-	21,000	19,396	(2,317,936)	(2,270,291)
Discounting effect	-	-	-	-	-	-
Total liabilities for incurred claims	7,249	-	21,000	19,396	(2,317,936)	(2,270,291)

Others:

Gross:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	4,116,493	1,857,035	369,000	251,958	370,770	6,965,256
After one year	4,359,986	1,205,941	395,827	320,885	-	6,282,639
After two years	4,190,867	1,204,403	414,549	-	-	5,809,819
After three years	4,003,835	1,204,794	-	-	-	5,208,629
After four years	4,037,919	-	-	-	-	4,037,919
After five years	3,888,672	-	-	-	-	3,888,672
After six years	3,450,855	-	-	-	-	3,450,855
After seven years	3,132,503	-	-	-	-	3,132,503
Total accumulated claims paid	3,789,621	1,201,903	275,846	189,480	189,273	5,646,123
Total liabilities	4,297,548	1,204,794	414,549	320,885	370,770	6,608,546
Liability for incurred claims	507,927	2,891	138,703	131,405	181,497	962,423
Discounting effect	-	-	-	-	-	46,964
Total liabilities for incurred claims	507,927	2,891	138,703	131,405	181,497	915,459

Net:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	634,148	557,689	57,329	92,479	153,406	1,495,051
After one year	572,736	576,083	79,041	128,004	-	1,355,864
After two years	506,441	575,628	90,131	-	-	1,172,200
After three years	533,117	575,811	-	-	-	1,108,928
After four years	538,334	-	-	-	-	538,334
After five years	582,732	-	-	-	-	582,732
After six years	515,818	-	-	-	-	515,818
After seven years	439,744	-	-	-	-	439,744
Total accumulated claims paid	549,350	575,070	30,996	76,147	94,062	1,325,625
Total liabilities	680,589	575,811	90,131	128,004	153,406	1,627,936
Liability for incurred claims	131,239	741	59,135	51,857	59,344	302,316
Discounting effect	-	-	-	-	-	16,969
Total liabilities for incurred claims	131,239	741	59,135	51,857	59,344	285,347

Life:

Gross:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	-	-	30,000	299,842	1,688,613	2,018,455
After one year	-	-	33,629	383,993	-	417,622
After two years	18,723	-	33,629	-	-	52,352
After three years	(491)	-	-	-	-	(491)
After four years	31,385	-	-	-	-	31,385
After five years	27,976	-	-	-	-	27,976
After six years	29,606	-	-	-	-	29,606
After seven years	11,786	-	-	-	-	11,786
Total accumulated claims paid	32,874	-	33,629	379,395	902,286	1,348,184
Total liabilities	52,015	-	33,629	383,993	1,688,613	2,158,250
Liability for incurred claims	19,141	-	-	4,598	786,327	810,066
Discounting effect	-	-	-	-	-	52,930
Total liabilities for incurred claims	19,141	-	-	4,598	786,327	757,136

Net:

The accident year	2019 and before	2020	2021	2022	2023	Total
	JD	JD	JD	JD	JD	JD
At the end of the year	-	-	11,392	104,628	346,710	462,730
After one year	-	-	11,573	193,731	-	205,304
After two years	1,872	-	11,573	-	-	13,445
After three years	(17,342)	-	-	-	-	(17,342)
After four years	(7,783)	-	-	-	-	(7,783)
After five years	9,731	-	-	-	-	9,731
After six years	10,409	-	-	-	-	10,409
After seven years	5,440	-	-	-	-	5,440
Total accumulated claims paid	6,461	-	11,573	189,132	262,609	469,775
Total liabilities	12,750	-	11,573	193,731	346,710	564,764
Liability for incurred claims	6,289	-	-	4,599	84,101	94,989
Discounting effect	-	-	-	-	-	26,181
Total liabilities for incurred claims	6,289	-	-	4,599	84,101	68,808

3. INSURANCE RISK CONCENTRATIONS

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

Insurance liabilities are concentrated based on insurance type as follows:

	2023		2022	
	Net	Gross	Net	Gross
Insurance types	JD	JD	JD	JD
Motor	29,477,602	32,236,283	28,118,267	30,234,384
Marine	273,353	955,096	307,836	1,201,329
Fire and properties	667,833	2,240,604	479,979	3,247,546
Social liability	926,977	1,325,630	480,073	960,337
Medical	2,028,778	5,840,991	2,098,974	5,166,438
Life	115,357	659,349	38,385	79,778
Others	608,306	2,381,820	413,932	2,164,645
Total	34,098,206	45,639,773	31,937,446	43,054,457

The Group covers all its activities by proportional and non- proportional reinsurance treaties, facultative and excess of loss treaties, in addition to treaties that cover the Group’s retention under the name of catastrophe risk treaties.

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

	2023			
	Assets	Liabilities	Re-insurance assets	Re-insurance liabilities
	JD	JD	JD	JD
A- According to geographical area				
Inside Jordan	90,738,588	51,663,237	4,646,417	260,099
Other Middle East Countries	27,535,480	2,903,262	1,409,999	14,617
Europe	111,607	15,501,560	5,715	78,043
Asia *	68,985	5,116	3,533	26
Africa *	2,168,069	44,218	111,019	223
United states of America	-	1,162,000	-	5,849
Total	120,622,729	71,279,393	6,176,683	358,857

	2022			
	Assets	Liabilities	Re-insurance assets	Re-insurance liabilities
	JD	JD	JD	JD
A- According to geographical area				
Inside Jordan	112,140,086	52,090,128	7,784,944	567,218
Other Middle East Countries	695,892	2,801,796	48,310	29,655
Europe	94,989	15,243,663	6,594	161,345
Asia *	64,915	5,545	4,506	59
Africa *	2,125,590	45,266	147,562	479
Total	115,121,472	70,186,398	7,991,916	758,756

* Excluding Middle East countries.

	2023			2022		
	Assets	Liabilities	Off-Consolidated Statement of Financial Position	Assets	Liabilities	Off-Consolidated Statement of Financial Position
	JD	JD	JD	JD	JD	JD
B- According to Sector						
Public sector	27,083,991	1,411,311	2,831,762	16,015,353	1,178,067	2,831,762
Private Sector:						
Companies and corporations	90,969,238	65,056,743	1,198,940	97,008,122	63,969,842	1,198,940
Individuals	2,569,500	4,811,339	-	2,097,997	5,038,489	-
Total	120,622,729	71,279,393	4,030,702	115,121,472	70,186,398	4,030,702

INSURANCE RISK SENSITIVITY

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

2023		CSM		Effect on the current year pre-tax profit		Effect on equity*	
	Change	Gross	Net	Gross	Net	Gross	Net
	%	JD	JD	JD	JD	JD	JD
Mortality rate	5	(3,226)	(2,746)	(5,515)	(829)	(5,404)	(812)
Longevity	5	(968)	(824)	(1,654)	(249)	(1,621)	(244)
Age expectancy	5	(645)	(549)	(1,103)	(166)	(1,081)	(162)
Expenses	5	(323)	(275)	(551)	(83)	(540)	(81)
Expiration rate	5	(484)	(412)	(827)	(124)	(811)	(122)

2022		CSM		Effect on the current year pre-tax profit		Effect on equity*	
	Change	Gross	Net	Gross	Net	Gross	Net
	%	JD	JD	JD	JD	JD	JD
Mortality rate	5	-	20,563	(364)	6,137	(357)	6,014
Longevity	5	-	6,169	(109)	1,841	(107)	1,804
Age expectancy	5	-	4,113	(73)	1,227	(71)	1,203
Expenses	5	-	2,056	(36)	614	(36)	601
Expiration rate	5	-	3,084	(55)	921	(54)	902

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

* Net after deducting income tax effect.

B- FINANCIAL RISKS

The risks that the group face revolve around the possibility of insufficient return on investments to fund the obligations arising from insurance contracts and investments.

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

The Group follows a hedging policy for each of its assets and liabilities when required, the hedging policy is related to future expected risks.

1- Market Risks

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

2- Interest Rate Risk

Interest rate risks relate to long term bank deposits, development bonds, and other deposits, Moreover, the Group always aims to mitigate these risks through monitoring the changes in interest rates in the market. Interest rate risks relate to fixed deposits at banks and overdraft accounts, as of 31 December 2022. The interest rate on bank deposits range between 6% to 6.8% annually on Jordanian Dinar deposits.

The following table illustrates the sensitivity of exposure to interest rate at the date of the financial statements, Moreover, the analysis below has been prepared assuming that the amount of deposits outstanding at the consolidated statement of financial position date was outstanding for the whole financial year, An increase / decrease of 0.5% (half percent) is used representing the Group's assessment of the probable and acceptable change of interest rates.

	+ 0.5%		- 0.5%	
	For the Year Ended 31 December			
	2023	2022	2023	2022
	JD	JD	JD	JD
Increase (decrease) in profit for the year	106,361	334,613	(106,361)	(334,613)
Shareholders' equity	106,361	334,613	(106,361)	(334,613)

The table below shows the sensitivity of exposure to interest rates on the sovereign bonds of Egypt, the Government of the Hashemite Kingdom of Jordan, Kingdom of Saudi Arabia, Qatar bonds, United Arab of Emirates bonds and other bonds as at 31 December 2023. Sovereign bonds of Egypt and the Government of the Hashemite Kingdom of Jordan as at 31 December 2022, Moreover, the analysis below has been prepared assuming that the amount of bonds outstanding of financial position date was outstanding for the whole financial year. An increase/ decrease of 0.5% (half percent) is used representing the Group's assessment of the probable and acceptable change of interest rates.

	+ 0,5%		- 0,5%	
	For the Year Ended 31 December			
	2023	2022	2023	2022
	JD	JD	JD	JD
Increase (decrease) in profit for the year	296,273	64,396	(296,273)	(64,396)
Shareholders' equity	296,273	64,396	(296,273)	(64,396)

The table below shows the sensitivity of exposure to interest rates related to insurance contract liabilities and reinsurance contract liabilities as at 31 December 2023. An increase or decrease of 0.5% (half a percent) is used which represents the Group's management's assessment of the potential and acceptable change in interest rates.

	+ 0,5%		- 0,5%	
	For the Year Ended 31 December			
	2023	2022	2023	2022
	JD	JD	JD	JD
Insurance contracts liabilities	249,789	245,495	(249,789)	(245,495)
Re-insurance contracts assets	58,074	55,481	(58,074)	(55,481)
Re-insurance contracts liabilities	3,374	5,267	(3,374)	(5,267)

3- Foreign Currencies Risks

Foreign currencies risks are the risks resulting from the fluctuations in the value of the financial instruments due to the changes in the exchange rates of foreign currencies. Most of the Group’s assets and liabilities are funded in Jordanian Dinar or US Dollar. The exchange rate of the US Dollar to Jordanian Dinar is fixed at 0.709 and the probability of this risk is very minimal, Consequently, the Group does not hedge for the foreign currencies risk due to the following reasons:

- The US Dollar exchange rate is fixed within a range from 0.708 to 0.710 selling and buying by the Central Bank of Jordan.
- All of the Group’s accounts with the various parties including reinsurers are in Jordanian Dinar.
- There are no other foreign currencies denominated accounts. However, the Group monitors the fluctuation in the foreign currency exchange rate continuously.

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

The Group’s management believes that the foreign currencies risks and their impact on the consolidated financial statements are immaterial.

4- Liquidity Risk

The Management applies a suitable system to manage its short- and long-term funding risk and maintains sufficient reserves through monitoring the expected cash flows and comparing the maturity of assets with the maturity of financial and technical liabilities on the other hand.

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

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

	Less than month	1 month to 3 months	3-6 months	6 months to 1 year	1-3 years	Without maturity	Total
	JD	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*
2023 -							
Liabilities							
Insurance contracts liabilities	8,258,626	19,270,127	16,517,252	11,011,501	7,772,824	1,943,207	64,773,537
Re-insurance contracts liabilities	8,074	18,840	16,149	10,766	244,023	61,005	358,857
Accrued expenses	206,222	1,263,050	142,597	-	-	234,398	1,846,267
Income tax provision	84,211	-	128,486	-	-	-	212,697
Lease contracts liabilities	60,998	17,747	23,941	34,352	95,810	-	232,848
Other provisions	349,814	-	-	-	-	2,537,784	2,887,598
Other liabilities	584,430	39,872	42,153	-	-	56,918	723,373
Liabilities related to discontinued operations' assets	-	-	-	-	-	244,216	244,216
Total	9,552,375	20,609,636	16,870,578	11,056,619	8,112,657	5,077,528	71,279,393
Total Assets	7,862,784	4,171,257	10,281,838	14,678,928	60,725,083	22,902,839	120,622,729
2022 -							
Liabilities							
Insurance contracts liabilities	8,104,523	18,910,553	16,209,046	10,806,031	7,627,786	1,906,947	63,564,886
Re-insurance contracts liabilities	17,072	39,835	34,144	22,763	515,954	128,988	758,756
Accrued expenses	119,229	1,550,640	119,449	-	-	-	1,789,318
Income tax provision	200,099	-	16,656	-	-	-	216,755
Lease contracts liabilities	123,001	9,441	16,001	72,581	173,263	-	394,287
Other provisions	1,337	5,120	77,728	125,227	-	2,016,581	2,225,993
Other liabilities	463,439	433,513	28,293	19,615	-	24,985	969,845
Liabilities related to discontinued operations' assets	-	-	-	-	-	266,558	266,558
Total	9,028,700	20,949,102	16,501,317	11,046,217	8,317,003	4,344,059	70,186,398
Total Assets	7,504,185	3,981,018	9,812,913	14,009,464	57,955,586	21,858,306	115,121,472

5- Share Price Risk

The following table shows the sensitivity of the consolidated statement of income (for financial assets at fair value through the profit or loss) and the cumulative change in fair value (for financial assets through other comprehensive income) as a result of reasonably possible changes in share prices, while remaining all other variables are fixed.

The change in the stock exchange index as at the consolidated financial statements date was +5% or -5%, The following is the impact of the change on the Group's shareholders' equity:

	Change in Index	Impact on Shareholders' equity	Impact on the consolidated statement of income
		JD	JD
2023-			
Stock Exchange	5% Increase	267,361	258,976
Stock Exchange	5% Decrease	(267,361)	(258,976)
2022-			
Stock Exchange	5% Increase	261,236	-
Stock Exchange	5% Decrease	(261,236)	-

6- Insurance Risk

This risk arises from the other parties' inability to meet their obligations. These risks arise from the following:

- Reinsurers.
- Policyholders.
- Insurance agents.

To mitigate insurance risks, the Group performs the following:

- Sets credit limits for agents and brokers.
- Controls accounts receivable.
- Sets reinsurance policies at other financially solvent parties.
- Maintains the Group's cash balances at local and international banks.

7- Reinsurance Risk

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

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

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

The Group applies the treaty and facultative reinsurance agreements terms upon underwriting for all types of insurance regardless of the size.

The Group completes the reinsurance coverage for each risk assigned to it before the issuance of the insurance policy in case of insurance policies exceeding the relative agreements limits.

If the Group decides to assign more than 30% of any insurance contract, it provides a facultative reinsurance cover by at least 60% of that of contract to a reinsurance Company that is classified as first and second class in accordance with the instructions of the solvency margin.

The Group reinsures on a facultative basis 100% of risks excluded from treaties to a reinsurance company (companies) classified as 1st or 2nd class according to the solvency margin instructions.

The Group follows up on the treaty and facultative reinsurance Companies monthly to ensure that the classification is not downgraded below 1st and 2nd class.

8- Operational Risks

Operational risks relate to systems downtime or may result from any intentional or unintentional human error. These risks may affect the Group's reputation as they may lead to financial losses. These risks may be avoided through segregating duties, setting the necessary procedures to obtain any information from the Group’s systems, and making aware and training the Group's personnel.

9- Legal Risks

These risks relate to the lawsuits against the Group. In order to avoid these risks, the Group set up an independent legal department to follow up on the Group's operations in a manner that complies with the Insurance Law and the Insurance Commission's Regulations.

(39) MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	Within 1 year	More than 1 year	Total
2023 -	JD	JD	JD
Assets-			
Banks deposits	21,272,263	-	21,272,263
Financial assets at fair value through other comprehensive income	-	5,682,672	5,682,672
Financial assets at fair value through profit or loss	5,179,512	-	5,179,512
Financial assets at amortized cost	4,516,395	53,239,130	57,755,525
Investment property	-	170,464	170,464
Cash and cash equivalents	1,155,421	-	1,155,421
Re-insurance assets	5,250,180	926,503	6,176,683
Deferred tax assets	-	4,274,201	4,274,201
Property and equipment	-	7,425,908	7,425,908
Intangible assets	-	5,488,992	5,488,992
Right of use assets	71,731	131,760	203,491
Other assets	5,048,642	-	5,048,642
Discontinued operations' assets	-	788,955	788,955
Total Assets	42,494,144	78,128,585	120,622,729
Liabilities-			
Insurance contracts liabilities	55,057,506	9,716,031	64,773,537
Accrued expenses	1,846,267	-	1,846,267
Re-insurance contracts liabilities	53,828	305,029	358,857
Lease contracts liabilities	137,038	95,810	232,848
Other provisions	2,887,598	-	2,887,598
Income tax provision	212,697	-	212,697
Other liabilities	723,373	-	723,373
Labilities related to discontinued operations' assets	-	244,216	244,216
Total Liabilities	60,918,307	10,361,086	71,279,393
Net	(18,424,163)	67,767,499	49,343,336

	Within 1 year	More than 1 year	Total
2022 -	JD	JD	JD
Assets-			
Banks deposits	66,922,562	-	66,922,562
Financial assets at fair value through other comprehensive income	-	5,560,183	5,560,183
Financial assets at amortized cost	-	11,580,213	11,580,213
Investment property	-	170,464	170,464
Cash and cash equivalents	802,963	-	802,963
Re-insurance assets	6,793,129	1,198,787	7,991,916
Deferred tax assets	-	4,136,940	4,136,940
Property and equipment	-	7,258,450	7,258,450
Intangible assets	-	5,732,264	5,732,264
Right of use assets	213,712	187,675	401,387
Other assets	3,790,696	-	3,790,696
Discontinued operations' assets	-	773,434	773,434
Total Assets	78,523,062	36,598,410	115,121,472
Liabilities-			
Insurance contracts liabilities	54,030,153	9,534,733	63,564,886
Accrued expenses	1,789,318	-	1,789,318
Re-insurance contracts liabilities	113,813	644,943	758,756
Lease contracts liabilities	221,024	173,263	394,287
Other provisions	209,412	2,016,581	2,225,993
Income tax provision	216,755	-	216,755
Other liabilities	969,845	-	969,845
Labilities related to discontinued operations' assets	-	266,558	266,558
Total Liabilities	57,550,320	12,636,078	70,186,398
Net	20,972,742	23,962,332	44,935,074

(40) ANALYSIS OF MAIN SECTORS

A- Background for the Group business sectors

For administrative purposes as explained in insurance contract revenues (note 25) and insurance contract expenses (note 26), the Group is organized to include the general insurance sector and includes (motor insurance, marine and transportation insurance, fire and other property damage insurance, liability insurance, medical insurance, life insurance, and others). This sector forms the basis used by the Group to show information related to key sectors. The above segment also includes investments and cash management for the company's own account. . Transactions between business sectors are carried out on the basis of estimated market prices and on the same terms as those dealing with third parties.

The following is the distribution of the assets and liabilities of the Group by product type:

	Motor		Marine		Fire and damages property		Social Liability		Medical		Others		Life		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Assets																
Insurance contracts assets	2,243,080	1,985,303	373,784	449,693	1,824,610	2,882,084	104,156	276,356	118,781	886,301	25,466	-	1,486,806	1,512,179	6,176,683	7,991,916
Accounts receivable	7,766,375	6,859,725	479,745	550,960	2,985,115	2,728,710	431,477	370,615	16,391,464	15,020,901	253,844	105,034	1,361,519	1,140,189	29,669,539	26,776,134
Financial assets	-	-	4,573,708	1,142,492	7,135,177	1,782,335	513,464	128,261	51,071,637	12,757,466	-	-	5,323,723	1,329,842	68,617,709	17,140,396
Investments property	170,464	170,464	-	-	-	-	-	-	-	-	-	-	-	-	170,464	170,464
Other assets	-	-	336,517	252,669	524,980	394,174	37,779	28,366	3,757,666	2,821,386	-	-	391,700	294,101	5,048,642	3,790,696
Total assets	10,179,919	9,015,492	5,763,754	2,395,814	12,469,882	7,787,303	1,086,876	803,598	71,339,548	31,486,054	279,310	105,034	8,563,748	4,276,311	109,683,037	55,869,606
Liabilities																
Insurance contracts liabilities	39,221,044	38,147,255	638,811	814,959	6,444,821	7,369,977	1,715,663	1,357,542	12,177,693	12,342,503	1,294,492	831,877	3,281,013	2,700,773	64,773,537	63,564,886
Re-insurance contracts Liabilities	-	-	328,293	314,876	-	-	-	-	-	-	30,564	422,325	-	21,555	358,857	758,756
Other provisions	-	-	192,473	148,373	300,265	231,469	21,608	16,657	2,149,217	1,656,790	-	-	224,035	172,704	2,887,598	2,225,993
Other liabilities	-	-	48,216	64,645	75,220	100,850	5,413	7,257	538,401	721,848	-	-	56,123	75,245	723,373	969,845
Total liabilities	39,221,044	38,147,255	1,207,793	1,342,853	6,820,306	7,702,296	1,742,684	1,381,456	14,865,311	14,721,141	1,325,056	1,254,202	3,561,171	2,970,277	68,743,365	67,519,480

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

	Motor		Marine		Fire and damages property		Social Liability		Medical		Life		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Continued operations -																
Revenues																
Insurance contracts revenues	28,143,652	25,161,046	1,815,415	2,084,815	10,822,542	10,523,249	1,539,588	1,396,626	60,727,240	56,532,839	2,679,278	933,085	4,331,589	4,692,973	110,059,304	101,324,633
Less: insurance contracts expenses	22,675,737	24,970,973	807,573	914,373	3,082,352	4,137,434	772,301	571,775	54,016,021	51,061,167	2,582,971	1,055,141	1,657,100	887,555	85,594,055	83,598,418
Insurance contracts services results	5,467,915	190,073	1,007,842	1,170,442	7,740,190	6,385,815	767,287	824,851	6,711,219	5,471,672	96,307	(122,056)	2,674,489	3,805,418	24,465,249	17,726,215
Re-insurance contracts results	(1,708,475)	(1,457,154)	(652,019)	(712,925)	(7,632,529)	(7,182,634)	(1,161,959)	(1,067,368)	(31,981,794)	(26,311,321)	(1,439,036)	(507,314)	(2,762,812)	(3,227,284)	(47,338,624)	(40,466,000)
Re-insurance contracts recoveries	989,290	257,593	237,084	320,310	815,031	2,244,858	(63,956)	(61,551)	30,204,703	25,740,208	1,147,456	181,273	207,921	122,405	33,537,529	28,805,096
Re-insurance contracts services results	(719,185)	(1,199,561)	(414,935)	(392,615)	(6,817,498)	(4,937,776)	(1,225,915)	(1,128,919)	(1,777,091)	(571,113)	(291,580)	(326,041)	(2,554,891)	(3,104,879)	(13,801,095)	(11,660,904)
Net insurance and re-insurance contracts results	4,748,730	(1,009,488)	592,907	777,827	922,692	1,448,039	(458,628)	(304,068)	4,934,128	4,900,559	(195,273)	(448,097)	119,598	700,539	10,664,154	6,065,311
Finance (expense) income – insurance contracts	(2,817,875)	411,052	(60,322)	(17,294)	(274,407)	(54,422)	(56,789)	(12,194)	-	-	(82,355)	153,598	(154,530)	(34,530)	(3,446,278)	446,210
Finance income (expense) – re-insurance contracts	181,841	(1,703)	40,751	14,774	226,262	44,377	29,783	9,398	-	-	121,141	(114,784)	178,118	39,561	777,896	(8,377)
Net insurance and re-insurance contracts results	2,112,696	(600,139)	573,336	775,307	874,547	1,437,994	(485,634)	(306,864)	4,934,128	4,900,559	(156,487)	(409,283)	143,186	705,570	7,995,772	6,503,144

B- Geographic concentration of risk

This disclosure illustrates the geographic distribution of the Group's operations, the Group mainly operates in Jordan, which represents domestic operations, Also, the Group exercises international activities through its allies in the Middle East, Europe, Asia, America and the Near East, which represent international business,

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

	Inside the Kingdom		Outside the Kingdom		Total	
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Total assets	90,738,586	112,140,086	29,884,143	2,981,386	120,622,729	115,121,472
Insurance contracts revenues	82,792,238	98,700,554	27,267,066	2,624,079	110,059,304	101,324,633
Capital expenditures	971,998	1,439,791	-	-	971,998	1,439,791

(41) CAPITAL MANAGEMENT

The Group's objectives as to the management of capital are as follows:

a. To adhere to the Group's minimum capital issued by the Insurance Law. Moreover, the Group's minimum capital prior to the enforcement of the law according to which it was licensed to practice general insurance in all of its branches, jointly and severally, is JD 4 million.

b. To secure the continuity of the Group, and consequently, the Group's ability to provide the shareholders with good returns on capital.

c. To make available the proper return to shareholders through pricing insurance policies in a manner compatible with the risks associated with those polices.

d. To comply with the Insurance Commission instructions associated with the solvency margin.

e. The below table shows the summary of the Group's capital and the minimum required capital:

	2023	2022
	JD	JD
Paid in Capital	26,000,000	26,000,000
Minimum Capital According to the Insurance Law	8,000,000	8,000,000

f. The following table shows the amount contributed to capital by the Group and the net solvency margin ratio as of 31 December 2023 and 2022:

	2023	2022
	JD	JD
Core capital:		
Paid-in capital	26,000,000	26,000,000
Statutory reserve	6,500,000	6,500,000
Special reserve	-	-
Profit for the year net of deductions	5,517,147	7,303,633
Retained earnings	17,609,546	10,305,913
Total core capital	55,626,693	50,109,546
Supplementary capital:		
Cumulative change in fair value	(1,629,165)	(1,684,308)
Subordinated loan – over 5 years	-	1,500,000
Total Supplementary Capital	(1,629,165)	(184,308)
Total regulatory capital (a)	53,997,528	49,925,238
Total required capital (b)	31,335,593	27,310,848
Solvency margin (a) / (b)	172.3٪	182.8٪

In the opinion of the Group's management, the regulatory capital is compatible with and adequate to the size of capital and nature of risks to which the Group is exposed.

(42) LAWSUITS AGAINST THE GROUP

The Group appears as defendant in a number of lawsuits, the Group booked a sufficient provision to meet any obligations towards these lawsuits, In the opinion of the Group’s management and its legal consultant, the provision for a total amount of JD 4,966,961 as at 31 December 2023 (31 December 2022: JD 5,726,043) is sufficient to meet any obligations towards these lawsuits, Total amount of the cases raised by the Group against others is JD 13,056,379 as at 31 December 2023 (31 December 2022: JD 8,245,310).

(43) CONTINGENT LIABILITIES

At 31 December 2023, the Group has letters of guarantees in the amount of JD 3,951,550 (2022: JD 4,030,702) against cash margins of JD 395,155 are recorded (2022: JD 402,536).

(44) FAIR VALUE HIERARCHY

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

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

	Level (1)	Level (2)	Level (3)	Total
	JD	JD	JD	JD
2023-				
Financial assets at fair value through other comprehensive income	5,347,213	-	335,459	5,682,672
Financial assets at fair value through profit or loss	5,179,512	-	-	5,179,512
	10,526,725	-	335,459	10,862,184
2022-				
Financial assets at fair value through other comprehensive income	5,224,724	-	335,459	5,560,183
	5,224,724	-	335,459	5,560,183

(45) WRITTEN PREMIUMS BY INSURANCE BRANCH

	Motor		Marine		Fire and damages property		Social Liability		Medical		Others		Life		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Written premiums																
Direct premiums	27,103,645	24,872,468	1,613,852	1,761,618	10,612,968	9,661,360	1,648,792	1,402,275	58,991,503	54,986,905	2,182,777	1,001,371	4,588,380	3,988,171	106,741,917	97,674,168
Indirect premiums	1,490,229	1,426,622	13,942	5,845	340,591	580,082	338	3,722	-	-	354,528	122,982	125,426	47,489	2,325,054	2,186,742
Total written premiums	28,593,874	26,299,090	1,627,794	1,767,463	10,953,559	10,241,442	1,649,130	1,405,997	58,991,503	54,986,905	2,537,305	1,124,353	4,713,806	4,035,660	109,066,971	99,860,910
Less:																
Re-insurance premiums - local	1,621,670	1,508,069	23,999	36,714	311,718	400,821	21,801	22,360	-	-	331,445	20,428	69,929	92,256	2,380,562	2,080,648
Re-insurance premiums - foreign	104,323	64,883	1,255,089	1,339,916	9,700,542	8,626,207	1,397,173	1,163,312	41,598,457	33,131,704	1,107,785	675,864	3,347,569	2,711,584	58,510,938	47,713,470
Net re-insurance premiums	26,867,881	24,726,138	348,706	390,833	941,299	1,214,414	230,156	220,325	17,393,046	21,855,201	1,098,075	428,061	1,296,308	1,231,820	48,175,471	50,066,792

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

2023	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
Expected years of CSM recognition				
One year	(68)	(68)	5,813	5,813
Two years	17,269	17,269	884	884
Three years	7,009	7,009	377	377
Four years	6,830	6,830	378	378
Five years	6,120	6,120	385	385
Six to ten years	23,960	23,960	1,750	1,750
More than ten years	3,406	3,406	12	12
Total	64,526	64,526	9,599	9,599

2022	Issued insurance contracts		Reinsurance contracts	
	Life	Total	Life	Total
	JD	JD	JD	JD
Expected years of CSM recognition				
One year	-	-	87,286	87,286
Two years	-	-	81,924	81,924
Three years	-	-	67,655	67,655
Four years	-	-	50,634	50,634
Five years	-	-	39,702	39,702
Six to ten years	-	-	82,746	82,746
More than ten years	-	-	1,318	1,318
Total	-	-	411,265	411,265

(48) AMORTIZATION OF ACQUISITION EXPENSES FOR INSURANCE CONTRACTS ASSETS

	2023							
	Motor	Marine	Fire and damages property	Social Liability	Medical	Others	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Expected years for the amortization of acquisition expenses for insurance contracts assets								
One year	647,612	258,227	60,841	8,142	1,188,453	18,790	226,549	2,408,614
Two years	-	-	-	-	-	-	8,165	8,165
Total	647,612	258,227	60,841	8,142	1,188,453	18,790	234,714	2,416,779

	2022							
	Motor	Marine	Fire and damages property	Social Liability	Medical	Others	Life	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Expected years for the amortization of acquisition expenses for insurance contracts assets								
One year	629,475	307,586	60,268	8,701	1,175,008	56,954	175,195	2,413,187
Two years	-	-	-	-	-	-	5,531	5,531
Total	629,475	307,586	60,268	8,701	1,175,008	56,954	180,726	2,418,718

(49) ANALYSIS OF ACCOUNTS RECEIVABLE

	2023			2022		
	Accounts receivable	Provision for expected credit losses	Total	Accounts receivable	Provision for expected credit losses	Total
	JD	JD	JD	JD	JD	JD
Motor	11,183,524	3,417,149	7,766,375	10,295,867	3,436,142	6,859,725
Liability	509,331	77,854	431,477	449,437	78,822	370,615
Marine	589,411	109,666	479,745	662,352	111,392	550,960
Engineering	353,092	92,950	260,142	235,464	93,790	141,674
Fire	3,644,363	659,248	2,985,115	3,399,106	670,396	2,728,710
Life	253,844	-	253,844	105,034	-	105,034
Medical	20,887,506	4,496,042	16,391,464	19,448,011	4,427,110	15,020,901
Others	1,551,809	450,432	1,101,377	1,452,202	453,687	998,515
	38,972,880	9,303,341	29,669,539	36,047,473	9,271,339	26,776,134

(50) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

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

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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