

الرقم: FIN /1602 /5/2024

التاريخ : ٢٠٢٤/٥/٣٠

السادة هيئة الاوراق المالية المحترمين

الموضوع: البيانات المالية كما في ٢٠٢٣/١٢/٣١

تحية و بعد

بالإشارة إلى الموضوع أعلاه ،نرفق لكم بطيه البيانات المالية باللغة الانجليزية كما في
٢٠٢٣/١٢/٣١ مدققة من المدقق الخارجي حسب الأصول.

علما بان البيانات المالية تخضع لموافقة البنك المركزي الاردني .

وتفضلوا بقبول فائق الاحترام

المدير العام

د. لانا بدر



Serve to Grow ... Grow to Serve

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Financial Statements and the Independent Auditor's
Report
For the Year Ended December 31, 2023

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Amman- The Hashemite kingdom of Jordan
Financial Statements and the Independent Auditor's Report
For the year ended December 31, 2023

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of **Euro Arab Insurance Group ("the Company")** which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit for the financial statements, 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.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS). Additionally, the management is responsible for implementing internal control systems that it deems necessary to prepare financial statements free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern and for making appropriate disclosures regarding matters related to going concern and the use of the going concern basis unless management intends to liquidate the company or cease its operations, or there is no realistic alternative to do so.

The governance bodies are responsible for overseeing the process of preparing the financial reports in the company.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, have received the greatest attention in our audit of the financial statements for the current year. These matters have been considered in the context of our audit of the financial statements as a whole, and when forming our opinion thereon, rather than for the purpose of expressing a separate opinion on these matters.

Independent Auditor's Report (Continued)

Key Audit Matters (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p>1. Adoption of International Financial Reporting Standard No. (17) "Insurance Contracts"</p> <p>IFRS 17 replaces IFRS 4 for annual periods beginning on or after 1 January 2023.</p> <p>The Company 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.</p> <p>The impact of applying International Financial Reporting Standard No. (17) on retained earnings as of 1 January 2022 is JD (1,109,524).</p> <p>The adoption of the International Financial Reporting Standard No. (17) 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.</p> <p>IFRS 17 requires management to apply significant judgments when applying it to the Company insurance contracts. The company issues a wide range of insurance contracts and accordingly a significant number of judgments and estimates are applied and implemented respectively.</p> <p>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.</p> <p>The Company 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 company 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 company applied the premium allocation approach to the contracts issued and reinsurance contracts that passed the test. According to the recent test conducted.</p>	<p>How the key audit matter was addressed in the audit</p> <p>In relation to the application and impact of adoption of IFRS 17, with the assistance of the actuarial specialist, our audit procedures included:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the procedures implemented by the company to assess the impact of adopting the standards, including understanding changes in accounting policies, systems, procedures, and internal controls. - Reviewing the impact of applying International Financial Reporting Standard No. (17), including the transition, measurement, and disclosure effects as of January 1, 2022, and December 31, 2022. - Assessing the competence and objectivity of the actuary appointed by the company by leveraging our own actuarial expert to verify whether the calculation methods and model used are appropriate, as well as evaluating the key assumptions and methodologies applied. - Evaluating management's procedures in identifying insurance contracts to determine the appropriate classification for such contracts and whether the use of the premium allocation approach under International Financial Reporting Standard (17) is appropriate. - Assessing the adequacy of disclosures regarding accounting policies and transitions related to International Financial Reporting Standard (17) in the financial statements. - Selecting the extent of completeness of insurance contract data by testing reconciliations of the company's insurance contract assets and liabilities with disclosed insurance contracts in the 2022 financial statements. - Disclosures related to the impact of applying International Financial Reporting Standard No. (17) are detailed in Note (3) of the financial statements.

Independent Auditor's Report (Continued)

Key Audit Matters (Continued)

Significant Audit Matter	Audit scope to meet the Significant audit matter
<p>2. Assessment of incurred liabilities and Loss component.</p> <p>The estimation of liabilities related to incurred claims and the loss component involves a high degree of judgment. This requires estimating the present value of future cash flows and adjusting for non-financial risks (which are part of the incurred claims liabilities) and the loss component (which is part of the remaining coverage liabilities). Non-financial risk adjustments are applied to the estimated present value of future cash flows and reflect the compensation required by the company for bearing uncertainty about the amount and timing of cash flows from non-financial risks when settling its obligations under insurance contracts. The present value of future cash flows depends on the best estimate of the ultimate cost of all incurred claims, whether reported or not settled as of the reporting date. The loss component is recognized at any time during the coverage period if facts and circumstances indicate that a group of contracts is onerous. This loss component is remeasured at each reporting date as the difference between the cash flow amounts at specified settlement under the general measurement model related to future service and the carrying amount of the remaining coverage liabilities excluding the loss component.</p> <p>The Company engages an external actuarial expert, the "appointed actuarial expert," to assist in estimating these liabilities. The expert uses a range of methodologies to determine these liabilities based on a number of explicit or implicit assumptions regarding the expected settlement amount and settlement patterns of claims.</p> <p>As of December 31, 2023, the estimated present value of future cash flows and the risk adjustment for non-financial risks amount to 20.8 million Jordanian Dinars, as disclosed in Note 13 of the financial statements.</p> <p>We have considered this a key audit matter due to the inherent uncertainty in the estimation and the subjective judgments involved in assessing the estimated present value of future cash flows and the risk adjustment for non-financial risks arising from insurance contracts.</p> <p>Refer to Note 5 for significant accounting policies, judgments, and estimates related to insurance contract liabilities.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - Understanding, evaluating, and testing key controls around claims processing operations and provisions determination. - Assessing the competence, capabilities, and objectivity of the appointed actuarial expert based on their professional qualifications, experience, and independence. - Conducting objective tests, on a sample basis, on recorded amounts of notified and paid claims, including comparing the outstanding claims amount with appropriate source documents to assess the adequacy of reserves. - Verifying the completeness of data used as inputs in actuarial assessments and testing, on a sample basis, the accuracy of core claims data used by the appointed actuarial expert in estimating the present value of future cash flows, adjusting non-financial risks, and assessing loss components by comparing them to accounting records and other records. - Engaging our own actuarial specialists to evaluate the company's actuarial practices, adequacy of reserves held, and obtaining confirmation regarding the report issued by the appointed actuarial expert. Our actuarial specialists performed the following: <ol style="list-style-type: none"> 1- Assessing whether the company's actuarial methodologies are generally consistent with accepted actuarial practices. 2- Evaluating the appropriateness of key actuarial accounting methods and assumptions used and conducting sensitivity analysis. 3- Providing independent forecasts of the present value of future cash flows, adjusting non-financial risks and loss components for significant lines of business for comparison with amounts recorded by management. 4- Assessing the adequacy and suitability of relevant disclosures in the financial statements.

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

Our objectives are to obtain reasonable assurance about whether the financial statements 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 guarantee that an audit conducted in accordance with the ISAs that are endorsed in the Hashemite Kingdom of Jordan will always detect a material misstatement when it exists.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements: (Continued)

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 based on those financial statements.

As part of an audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Hashemite Kingdom of Jordan, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management, 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 Management 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 bear on our independence, and where applicable, related safeguards.

We recommend the governing bodies to report those matters which were of significant importance during the audit of the financial statements for the current year, considering them as key audit matters. We elucidate these matters in our report unless regulations and laws prohibit public disclosure, or in extremely rare circumstances, we deem it inappropriate to report due to the negative implications of disclosure, which reasonably align with the public interest in such reporting.

Report on Other Legal and Regulatory Requirements:

Euro Arab Insurance Group Public Limited Shareholding Company has proper accounting records for the year ended December 31, 2023 which are, in all material aspects, consistent with the accompanying financial statements, accordingly, we recommend the general authority on approving these financial statements.

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

Date: 16 May 2024

Amman - Jordan



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Euro Arab Insurance Group
(Public Limited Shareholding Company)
Financial position
As of December 31, 2023
(Jordanian Dinars)

			31 December 2022	1 January 2022
	Note	31 December 2023	(Adjusted)	(Adjusted)
<u>Assets</u>				
Deposits at banks, net	6	21,547,289	20,225,150	15,111,919
Financial assets at fair value through profit or loss statement	7	2,048,980	1,413,781	1,155,362
Financial assets at fair value through other comprehensive income	8	-	-	1,078,312
Financial assets at amortized cost	9	7,520,722	5,759,922	5,759,922
Investment properties	10	1,224,232	873,240	871,063
Total investments		32,341,223	28,272,093	23,976,578
Cash on hand and at banks	11	3,510,544	2,053,799	189,584
Insurance contract assets, net	13	106,535	166,506	178,095
Reinsurance contract assets held	14	2,602,863	3,349,880	2,744,397
Deferred tax assets	15	1,595,416	1,485,511	1,420,162
Property and equipment, net	16	2,774,965	3,215,163	3,216,096
Intangible assets, net	17	32,216	34,508	25,763
Other assets	18	620,504	647,437	961,069
		11,243,043	10,952,804	8,735,166
Total Assets		43,584,266	39,224,897	32,711,744
<u>Liabilities and Shareholders' Equity</u>				
<u>Liabilities</u>				
Insurance contract liabilities	13	25,299,191	23,926,579	20,701,433
Reinsurance contract liabilities	14	736,072	148,226	2,752
Total insurance contract liabilities		26,035,263	24,074,805	20,704,185
Other provisions	19	53,507	45,186	205,835
Due to bank		2,803,316	2,288,613	345,072
Provision for income tax	15	440,086	390,709	204,760
Deferred tax liabilities	15	-	-	-
Other liabilities	20	605,819	551,270	419,831
		3,902,728	3,275,778	1,175,498
Total liabilities		29,937,991	27,350,583	21,879,683
<u>Shareholders' Equity</u>				
Authorized and paid-up share capital	21	9,000,000	8,000,000	8,000,000
Statutory reserve		2,227,331	1,945,688	1,750,410
Voluntary reserve		15,676	15,676	15,676
Reserve at fair value	24	-	-	(11,060)
Retained earnings	25	2,403,268	1,912,950	1,077,035
Total Shareholders' Equity		13,646,275	11,874,314	10,832,061
Total Liabilities and Shareholders' Equity		43,584,266	39,224,897	32,711,744

The accompanying notes from 1 to 49 are an integral part of these financial statements

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statements of Profit or Loss
For the year ended December 31, 2023
(Jordanian Dinars)

	Notes	2023	2022
Revenues:			
Insurance contract revenues	27	45,719,557	36,436,177
Insurance contract expenses	28	(36,739,154)	(30,458,006)
Insurance contract service result		8,980,403	5,978,171
Reinsurance contracts revenues	29	(9,963,815)	(8,879,205)
Reinsurance contracts expenses	30	2,410,093	3,486,391
Reinsurance contracts results		(7,553,722)	(5,392,814)
Net insurance operations results		1,426,680	585,357
Finance revenues/(expenses) - insurance contracts	31	50,998	67,592
Finance revenues/(expenses) – reinsurance contracts	32	34,872	(54,715)
Net financing results of insurance operations		85,870	12,877
Interest income	33	1,589,974	1,134,253
Profit from financial assets and investments	34	122,075	97,376
Other revenues	35	9,006	212,614
Net investment revenue		1,721,055	1,444,243
Net results of insurance and investment (Total revenues)		3,233,605	2,042,477
Undistributed employee expenses		(249,476)	(261,809)
Undistributed general and administrative expenses		(199,593)	(152,783)
Other expenses	36	(470,517)	(167,163)
Total expenses		(919,586)	(581,755)
Net profit for the year before income tax		2,314,019	1,460,722
Income tax expense and national contribution fees	15	(542,058)	(429,529)
Net profit for the year after income tax		1,771,961	1,031,193
Earnings per share from net profit for the year	37	0.20	0.13

The accompanying notes from 1 to 49 are integral part of these financial statements

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statement of Other Comprehensive Income
For the year ended December 31, 2023
(Jordanian Dinars)

	<u>2023</u>	<u>2022</u>
Net profit/ (loss) for the year	1,771,961	1,031,193
Add: Other comprehensive income items:		
Change in fair value reserve	-	-
Total comprehensive income/ (loss) for the year	<u><u>1,771,961</u></u>	<u><u>1,031,193</u></u>

The accompanying notes from 1 to 49 are an integral part of these financial statements

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statement of Changes in Shareholders' Equity
For the year ended December 31, 2023
(Jordanian Dinars)

	Share Capital	Statutory reserve	Voluntary reserve	Fair value reserve for financial assets through other comprehensive income	Retained earnings	Total
<u>2022</u>						
Balance as of December 31, 2021 - Before adjustment for the impact of the implementation of (IFRS 17)	8,000,000	1,750,410	15,676	(11,060)	2,186,559	11,941,585
The impact of the implementation of (IFRS 17)	-	-	-	-	(1,109,524)	(1,109,524)
The balance as of December 31, 2021 - After adjustment	8,000,000	1,750,410	15,676	(11,060)	1,077,035	10,832,061
Total comprehensive income for the year	-	-	-	11,060	1,031,193	1,042,253
Transferred to statutory reserves	-	195,278	-	-	(195,278)	-
<u>2023</u>						
The balance as of December 31, 2022	8,000,000	1,945,688	15,676	-	1,912,950	11,874,314
Net profit for the year	-	-	-	-	1,771,961	1,771,961
Transferred to statutory reserves	-	281,643	-	-	(281,643)	-
Dividends	1,000,000	-	-	-	(1,000,000)	-
Balance as of December 31, 2023	<u>9,000,000</u>	<u>2,227,331</u>	<u>15,676</u>	<u>-</u>	<u>2,403,268</u>	<u>13,646,275</u>

The accompanying notes from 49 are an integral part of these financial statements

Euro Arab Insurance Group
(Public Limited Shareholding Company)
Statement of Cash Flows
For the year ended December 31, 2023
(Jordanian Dinars)

	<u>2023</u>	<u>2022</u>
Cash flow from Operating Activities:		
Net profit for the year before income tax	2,314,019	1,460,722
Adjustments to reconcile net profit before income tax to net cash flow provided by operating activities:		
Depreciation and amortization	117,717	115,359
Net change in fair value of financial assets through profit or loss statement	63,284	65,588
Other provisions	8,321	(160,649)
Gain from sale of investment properties	-	(46,422)
Cash flows from operating activities before changes in working capital	2,503,341	1,434,598
Changes in working capital		
Insurance contract assets -net	59,971	11,589
Reinsurance contract assets -net	747,017	(605,483)
Other assets	26,943	313,633
Insurance contract liabilities	1,372,612	3,225,146
Reinsurance contract liabilities	587,846	145,474
Other liabilities	54,550	131,439
Income tax paid	(602,596)	(297,869)
Net cash flows provided by operating activities	4,749,684	4,358,527
<u>Cash flow from Investing Activities</u>		
Deposits at banks	(1,322,139)	(5,113,231)
Purchase property and equipment	(19,170)	(112,342)
Purchase intangible assets	(7,050)	(16,800)
Purchasing financial assets at amortized cost	(1,760,800)	-
Proceeds from the sale of financial assets at fair value through profit or loss	(698,483)	(324,007)
Proceeds from the sale of financial assets at fair value through the statement of comprehensive income	-	1,078,312
Purchasing financial assets	-	-
Proceeds from the sale of property and equipment	-	50,214
Net cash flows provided by/ (used in) investing activities	(3,807,642)	(4,437,854)
<u>Cash flow from financing activities</u>		
Due to banks	514,703	1,943,541
Cash flows provided by/ (used in) financing activities	514,703	1,943,541
 Net increase in cash and cash equivalent	 1,456,745	 1,864,214
Cash and cash equivalent at beginning of the year	2,053,799	189,585
Cash and cash equivalent at the end of the year	3,510,544	2,053,799
 Non-cash transactions:		
Distributions of dividends through bonus shares	1,000,000	-

The accompanying notes from 1 to 49 are an integral part of these financial statements

1. Legal Status and Activities

The Euro Arab Insurance Group was established under the Jordanian Corporate Law and its amendments under No. (304) as a Public Joint-Stock Limited Company. As a Several amendments were made to the capital, the latest was during 2023, so that the authorized and paid-up capital amounted to JD 9,000,000, divided into 9,000,000 shares, with a nominal value of JD 1 per share.

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

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

The financial statements were approved by the Board of Directors' decision held 16 May 2024 and it is subject to approval from the general assembly

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the standards issued by the International Accounting Standards Board ("IASB") and in accordance with the applicable local laws and according to the forms set by the Central Bank of Jordan ("CBJ").

The financial statements have been prepared according to the historical cost principle, except for financial assets at fair value through statement of profit or loss or other comprehensive income, details of which appear in their accounting policies.

The Jordanian Dinar is the currency of showing the financial statements, which represents the main currency of the Company.

The most important accounting policies used in the preparation of the financial statements, which are disclosed in Note (5), have been applied on a consistent basis for all the years presented, unless otherwise stated.

The preparation of the financial statements in accordance with International Financial Reporting Standards ("IFRS") requires the use of significant and specific accounting estimates, and requires management to use its own estimates in the process of applying the Company's accounting policies. Items in which significant estimates were used are disclosed in Note No. (4).

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

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

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

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) - Supersedes IFRS 4 Insurance Contracts.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Approach Rules.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

3. Application of international accounting standards for preparing new and amended financial reports (continued)

The impact of the implementation of IFRS 17 on the retained earnings as of January 1,2022:

<u>Statement name</u>	<u>Amount</u>
Issuance fees UPR	(332,196)
Loss component	(796,840)
Insurance Risk Adjustment	(747,669)
Insurance Present Value	600,376
Reinsurance Risk Adjustment	140,111
Reinsurance Present Value	(59,876)
Unearned Reinsurance commission	(211,431)
DAC	410,954
Modifications in methodology	309,410
ULAE	(422,363)
Net effect on retained earnings	(1,109,524)

B. New and revised IFRS Accounting Standards in issue but not yet effective:

Standard	Effective date
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Has not yet been determined, with early application permitted
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	On or after 1 January 2024, with early application permitted
Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants	On or after 1 January 2024, with early application permitted
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	On or after 1 January 2024, with early application permitted
Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback	On or after 1 January 2024, with early application permitted
IFRS S1 - General Requirements for Disclosure of Sustainability – related financial information	On or after 1 January 2024, with early application permitted
IFRS S2 - Climate Related Disclosures	On or after 1 January 2024, with early application permitted

4. Use of Estimates and Assumptions

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

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

Expected Credit Loss

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

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

Impairment in the value of financial assets

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

Income Tax

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

1- Accrued Tax

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

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

2- Deferred Tax

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

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

4. Use of Estimates and Assumptions (continued)

Property, equipment and intangible assets

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

The present value of future cash flows

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

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

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

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

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

Non-insurance Components

The Company discloses the following aspects:

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

Lawsuits

A. Lawsuits brought against the Company by others:

The value of the lawsuits filed by the company against third parties amounted to 3,300,669 Jordanian dinars as of December 31, 2023 (3,224,177 Jordanian dinars: 2022), represented by receivables due to the company and returned checks as a result of the company carrying out its normal activity.

B. Lawsuits brought against others by the Company:

There are cases brought against the company, the value of which, according to the regulations of claims and cases in which non-conclusive rulings were issued, amounted to an amount of 4,026,385 Jordanian dinars for the year 2023 (3,569,819 dinars for the year: 2022), and there is a provision for claims under settlement, and according to the expectations and opinion of the company's legal advisor, the provision for claims is under Settlement is sufficient.

4- Use of Estimates and Assumptions (continued)

Fair Value Levels

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

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

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

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

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

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

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

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

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

5-Significant Accounting Policies

A. Segments Information

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

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

5-

5. Significant Accounting Policies (continued)

B. Goodwill

The company does not record the value of goodwill.

C. Insurance contracts

Definition of insurance contract

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

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

Company's products

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

<u>Main Insurance Type</u>	<u>Sub-Insurance Type</u>	
Geometric	<ul style="list-style-type: none"> - Boiler explosion - Contractor machinery and equipment - Electronic equipment - Machinery damage 	<ul style="list-style-type: none"> - Contractors' risks - Damage to assets - Installation risks - Loss of profits/damage to machinery
General insurance	<ul style="list-style-type: none"> - Cash - theft - Workers' compensation - Civil liability 	<ul style="list-style-type: none"> - Dishonesty - Personal accidents - Broken glass panels - Professional responsibility
Motor	<ul style="list-style-type: none"> - Border centers - comprehensive - Third party liability - comprehensive buses 	<ul style="list-style-type: none"> - Orange card - Complementary - Buses
Life	<ul style="list-style-type: none"> - Borrowers insurance - Individual 	<ul style="list-style-type: none"> - Group - Individual decreasing
Fire	<ul style="list-style-type: none"> - Fire - All risks 	<ul style="list-style-type: none"> - Residential
Marine	<ul style="list-style-type: none"> - Marine direct open cover - Ship hulls 	<ul style="list-style-type: none"> - Direct marine goods
Medical	<ul style="list-style-type: none"> - Individual 	<ul style="list-style-type: none"> - Grouping
Travel	<ul style="list-style-type: none"> - Travel 	

5- Significate Accounting Policies (continued)

Direct participating feature

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

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

Types of direct participating feature

Investment contracts:

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

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

Self-insurance:

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

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

- Medical insurance contract for employees of the Euro Arab Insurance Group.
- Life insurance contract for employees of the Euro Arab Insurance Group.
- Vehicle insurance contracts owned by the Euro Arab Insurance Group.
- All-risk insurance contracts for buildings owned by the Euro Arab Insurance Group.

Separation of non-insurance components

The investment component

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

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

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

- 1- The Company was unable to measure one component without looking at the other. Therefore, if the value of one component varies according to the value of the other component, the Company must apply IFRS 17 to calculate the co-investment and insurance component.

5- Significate Accounting Policies (continued)

Separation of non-insurance components (continued)

The investment component (continued)

- 2- The policyholder cannot benefit from one of the components unless the other is also present. Therefore, if the lapse or maturity of one component of a contract causes the lapse or maturity of the other, the Company must apply IFRS 17 to account for the investment component and the combined insurance component.

The Company issues the following contracts, which are classified according to International Standard No. (15) as follows:

- Medical insurance contract for Company name employees.
- Life insurance contract for Company name employees.
- Vehicle insurance contracts owned by the Company name.
- All-risk insurance contracts for buildings owned by the Company name.

Components of services and goods

The Company shall September rate any undertaking to transfer distinct goods or services to the policyholder other than insurance contract services. And it must account for these commitments by applying International Financial Reporting Standard 15. Accordingly, it is:

- 1- Separate the cash inflows between the insurance component and any promises to provide distinct goods or services other than insurance contract services;
- 2- Separate the cash outflows between the insurance component and any promised goods or services other than insurance contract services, so that:
 - The cash outflows that relate directly to each component are attributable to that component; and
 - Any cash outflows are attributed on a systematic and logical basis, reflecting the cash outflows the entity expects to arise as if this component were a Separate contract.

A good or service other than the insurance contract promised to the policyholder is not distinctive if:

- A- The cash flows and risks associated with the good or service are closely related to the cash flows and risks associated with the insurance components of the contract; and
- B- The establishment provides an important service in linking the commodity or service with the components of the insurance.

The Company has the following service component that is not Separated from the insurance contract under item (a + b):

<u>Service/ commodity</u>	<u>Insurance contract that includes the service/ commodity</u>	<u>Related international standard</u>
Road assistance	Comprehensive/supplementary car insurance	IFRS 17
Transfer vehicle ownership	Motor vehicles	IFRS 17
Issuance fees service	All types	IFRS 17

5-Significate Accounting Policies (continued)

Acquisition cost

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

When applying the premium allocation approach, the entity:

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

Recognition of the insurance contract

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

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

When a group of contracts becomes burdensome, the Company adopts the contract registration date instead of the payment due date, as there is no data indicating that the payment due date precedes the contract registration date, which equals the beginning of the insurance coverage.

Amending Insurance Contracts

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

Derecognition of insurance contracts

The Company derecognizes insurance contracts in the following cases:

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

Liabilities versus remaining coverage

The amount that the Company must reserve when recognizing insurance contracts, which relates to subsequent financial years as a result of valid insurance contracts.

Liabilities versus claims incurred

It is the total value of the expected costs incurred by the Company as a result of risks covered by the insurance contract that occurred before the end of the fiscal year, and includes those reported and unreported claims, in addition to the expenses related to them.

Contractual service margin

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

5- Significate Accounting Policies (continued)

Initial recognition of insurance contracts / general measurement approach / variable cost approach

The Company of insurance contracts is measured upon initial recognition according to the following:

1. Cash flows to fulfill obligations arising from contracts, which include:
 - Estimates of future cash flows.
 - Adjustments for the time value of money and the financial risks associated with future cash flows by not including those financial risks in future cash flow estimates.
 - Non-financial risk adjustments.
2. Contractual service margin.

Contracts measurement approach

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

1- Premium allocation approach:

It applies to the group of insurance contracts shown below:

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

2- General approach:

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

3- Variable cost approach:

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

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

Measurement approaches

Premium allocation approach

1- Initial proof of insurance contracts:

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

2- Subsequent measurement/installment allocation approach:

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

- Add the insurance premiums received for the year.
- Subtract cash flows for the acquisition of insurance contracts.

5- Significate Accounting Policies (continued)

2- Subsequent measurement/installment allocation approach (continued):

- Add any amounts related to the exhaustion of cash flows to acquire established insurance contracts as an expense.
- Add emergency amendments to the financing component.
- Subtract the amount proven as insurance revenue for the coverage provided in that year.
- Subtract any paid or transferred investment component of the liability for claims incurred.

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

3 - Liabilities for claims incurred:

Which is calculated according to the best estimate of future cash flows to pay claims plus adjustments for non-financial risks, taking into account the application of the discount rate to claims.

The present value of future cash flows

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

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

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

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

5- Significate Accounting Policies (continued)

The present value of future cash flows (continued)

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

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

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

A- Risk-free yield curve:

The risk-free yield curve will be derived as follows:

- 1- European Insurance and Occupational Pensions Authority (eiopa) rates will be used for the purposes of determining the interest rate according to the required year.
- 2- An increase margin of (1.5%) will be added to the above interest rate for the purposes of equating the interest from the dollar to the dinar, since the Company's investments are in the Jordanian dinar.

B- Market risk premium for credit risk:

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

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

Non-financial risk adjustments

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

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

A confidence level of 75% is set and is expected to be in line with the run-off of the business and a diversification feature is included to reflect the diversity in contracts sold across geographies as this reflects the compensation required by the Company. The non-financial risk adjustments are re-evaluated annually by the actuary.

5- Significate Accounting Policies (continued)

Reinsurance contracts held

Definition of reinsurance contracts held

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

1- Proof of reinsurance contracts held:

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

2- Compilation of reinsurance contracts:

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

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

A) Determine the portfolios of reinsurance contracts held:

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

B) Proof of aggregation level (Cohort):

The Company details the reinsurance contract portfolios held according to the above-mentioned classifications by year of subscription on an annual basis as follows:

- 1- A group of contracts that are unlikely to generate net profit.
- 2- A group of contracts that are likely to become net profit.
- 3- A group of other contracts.

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

Reinsurance contract commissions

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

Reinsurance contract commissions

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

Reinsurance contract assets

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

Profitability level

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

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

5- Significate Accounting Policies (continued)

Financial assets

Financial assets are classified upon initial recognition into one of the categories as follows:

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

A- Financial assets at amortized cost:

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

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

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

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

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

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

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

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

5- Significate Accounting Policies (continued)

Financial assets (continued)

Reclassification

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

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

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

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

Real estate investments

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

Property and equipment

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

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

5- Significate Accounting Policies (continued)

Property and equipment (continued)

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

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

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

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

Intangible assets

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

Cash and its equivalent

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

Offsetting

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

Date of recognition of financial assets

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

5- Significate Accounting Policies (continued)

Fair value

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

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

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

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

Financial liabilities

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

1- Creditors and liabilities of reinsurance contracts:

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

2- Creditor banks:

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

3- Allocations:

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

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

4- End of service benefits provision:

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

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

5- Significate Accounting Policies (continued)

Foreign currency

- Transactions that occur in foreign currencies during the current year are recorded at the exchange rates prevailing on the date of the transactions.
- The balances of financial assets and financial liabilities are translated at the average foreign currency rates prevailing on the date of the statement of financial position and announced by the Central Bank of Jordan.
- Non-financial assets and non-financial liabilities denominated in foreign currencies and shown at fair value are translated on the date their fair value is determined.
- Gains and losses resulting from foreign currency translation are recorded in the statement of profit or loss.
- Translation differences for items of assets and liabilities denominated in non-monetary foreign currencies are recorded as part of the change in fair value.
- When consolidating the financial statements, the assets and liabilities of branches and subsidiaries abroad are translated from the average currency rates on the date of the financial statements, the main (base) currency, to the reporting currency according to that announced by the Central Bank of Jordan. As for the revenue and expense items, they are translated on the basis of the average price during the year, and the resulting currency differences appear in a separate item within equity. In the event that one of these companies or branches is sold, the amount of foreign currency translation differences related to it will be recorded within the revenues/expenses in the statement of profit or loss.

Treasury stocks

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

Costs of issuing or purchasing insurance Company shares

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

Realize revenue

1- Dividend and interest income:

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

2- Rental income:

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

Insurance contract expenses

The Company distributes general administrative expenses and direct employee expenses to the insurance portfolios related to insurance contracts over groups of insurance contracts and includes them in calculating the profitability of the contract by distributing the direct expenses to each portfolio

5- Significate Accounting Policies (continued)

Insurance contract expenses (continued)

separately and adding the value of the undistributed expenses in proportion to the total portfolio production divided by the Company's total production. While administrative and general expenses and indirect employee expenses not related to insurance contracts are charged to the statement of profit or loss.

Acquisition costs

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

Insurance contracts with expected loss

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

6- Deposits at Banks

This item consists of the following:

	2023			2022
	Deposits due within a 3 month	Deposits due from 3 months to 1 year	Total	Total
Deposits inside Jordan	11,495,626	9,766,637	21,262,263	19,940,124
Deposits outside Jordan	-	1,023,567	1,023,567	1,023,567
Less:				
Expected credit loss provision	-	(738,541)	(738,541)	(738,541)
Deposits at Banks, Net	11,495,626	10,051,663	21,547,289	20,225,150

-Interest rates on bank deposits balances in Jordanian Dinar ranges from 3% to 7% during the year ended September 30,2023, and on US Dollars deposits 4.6%.

-Deposits pledged to the order of the Central Bank Governor amounted to JD 1,050,000as on December 31,2023 and December 31,2022 at 800,000 Bank.

-The restricted balances amounted to JD 2,200,000As of December 31, 2023 (JD 2,200,000 as of December 31, 2022) in the form of cash deposits, in addition to deposits pledged to the order of the Director of the Central Bank of Jordan.

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6- Deposits at Banks (continued)

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

Inside Jordan	2023	2022
Arab Bank Corporation	4,368,495	2,024,263
Al- Ahli Bank	3,700,000	1,200,000
Jordan Commercial Bank	3,521,917	1,013,496
Bank of Jordan	3,268,886	3,058,620
Bank al Etihad	3,000,018	-
Capital Bank	2,346,228	5,070,040
Cairo Amman Bank	1,056,719	1,000,000
Investment Bank	-	2,371,304
Safwa Islamic Bank	-	2,163,373
Jordan Kuwait Bank	-	1,019,113
Egyptian Arab Land Bank	-	1,019,915
	21,262,263	19,940,124
Outside Jordan	2023	2022
Societe Generale – Lebanon	1,023,567	1,023,567
Balance at the end of the year	1,023,567	1,023,567

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

	2023	2022
Balance at the beginning of the year	738,541	734,211
Provision during the year	-	4,330
Balance at the end of the year	738,541	738,541

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

	2023	2022
Inside Jordan		
Shares listed on the Amman Stock Exchange	2,048,980	1,413,781
Total	2,048,980	1,413,781

8- Financial Assets at Fair Value through Other Comprehensive Income

	2023	2022
Inside Jordan		
Shares listed on the Amman Stock Exchange	-	-
Shares un-listed on the Amman Stock Exchange	-	-
Sub-total	-	-
Outside Jordan		
Company Name*	-	-
Sub-total	-	-
Total	-	-

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9- Financial Assets at Amortized Cost

	2023	2022
<u>Inside Jordan</u>		
Arab Corp loan bonds	300,000	300,000
Bank al Etihad bonds	340,800	-
Less: expected credit losses provision	(300,000)	(300,000)
Sub-total	340,800	-
<u>Outside Jordan</u>		
New York foreign treasury bonds	4,581,464	4,581,464
Foreign government bonds	1,178,458	1,178,458
Arab Bank Bonds - External Trading	1,420,000	-
Sub-total	7,179,922	5,759,922
Less: expected credit losses provision	-	-
Total	7,520,722	5,759,922

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

	2023	2022
Balance at the beginning of the year	300,000	300,000
Increase during the year	-	-
Balance at the end of the year	300,000	300,000

10- Investment Properties

	2023	2022
Buildings	288,642	288,642
Less: accumulated depreciation	(45,997)	(40,224)
Less: depreciation for the year	(5,773)	(5,773)
Buildings, net	236,872	242,645
Land	987,360	987,360
Less: Provision for impairment of fair value	-	-
Total	1,224,232	1,230,005

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

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11- Cash on Hand and at Banks

	2023	2022
Cash on hand	49,023	15,083
Cash at banks	3,461,521	2,038,716
	3,510,544	2,053,799

12 (A)- Receivables Related to Insurance Operations*

	2023	2022
The total value of receivables related to insurance operations	13,538,152	13,180,812
Less: allowance for expected credit losses provision	(1,302,939)	(1034,871)
Net value of receivables related to insurance operations	12,235,213	12,145,941

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

	2023	2022
Payable during 0-30 days	3,859,254	6,029,998
Payable during 31-90 days	5,258,698	4,561,165
Payable during 91-180 days	1,704,217	1,257,398
Payable during 181-365 days	972,194	379,986
Due for payment more than one year ago	1,743,789	952,265
Total	13,538,152	13,180,812

Cheques under collection*:

	2023	2022
The total value of Cheques under collection related to insurance operations	1,846,160	1,527,295
Less: allowance for expected credit losses provision	(22,983)	(22,983)
Net value of Cheques under collection related to insurance operations	1,823,177	1,504,312

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

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12 (A)- Receivables Related to Insurance Operations (continued)

Analysis of cheques under collection according to their time period:

	2023	2022
Payable during 0-6 months	1,631,548	1,411,457
Payable during 6-12 months	214,612	115,838
Payable during for more than 12 months	-	-
Total	1,846,160	1,527,295

Receivables Related to Insurance Operations (By Type)

	2023	2022
Receivables from insurance contract holders	315,629	224,267
Agents' receivables	345,155	268,562
Brokers' receivables	1,608,626	1,303,861
Corporate receivables	10,099,187	10,110,988
Case receivables	1,116,870	1,145,151
Other receivables*	52,685	127,983
Total receivables	13,538,152	13,180,812
Less: allowance for expected credit losses provision	(1,302,939)	(1,034,871)
Total receivables	12,235,213	12,145,941

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13- (Liabilities)/ Assets Insurance Contracts (Premium Allocation Approach)

	Liabilities for remaining coverage				Liabilities for Incurred Claims				2023	2022
	2023	2023	2022	2022	2023	2022	2023	2022		
	Excluding the loss component	Loss component	Excluding the loss component	Loss component	Present value of cashflow	Present value of cashflow	Risk adjustments-non financial	Risk adjustments-non financial		
Insurance contracts liabilities-beginning	5,030,386	838,941	2,748,534	796,840	17,401,055	16,390,863	656,197	765,196	23,926,579	20,701,433
Insurance contracts assets-beginning	(821,007)	-	116,310	-	543,494	(276,878)	111,007	(17,527)	(166,506)	(178,095)
Net insurance contracts liabilities/(Assets) - beginning	4,209,379	838,941	2,864,844	796,840	17,944,549	16,113,985	767,204	747,669	23,760,073	20,523,338
Insurance contracts revenues	(45,719,557)	-	(36,436,177)		-	-	-	-	(45,719,557)	(36,436,177)
Insurance contracts expenses	-	-			31,875,252	26,137,227	-		31,875,252	26,137,227
Acquisition cost	1,079,865	-	939,068		-		-		1,079,865	939,068
Employees cost	-				2,027,989	1,986,436	78,513	19,535	2,106,502	2,005,971
Administrative cost					798,332	611,123			798,332	611,123
Changes related to previous service- Adjustments on LFIC									-	-
Other expenses					923,836	722,516			923,836	722,516
Losses resulting from contracts expected to be lost and the recovery of these losses	-	(44,634)		42,101	-		-		(44,634)	42,101
Insurance contract expenses	1,079,865	(44,634)	939,068	42,101	35,625,409	29,457,302	78,513	19,535	36,739,154	30,458,006
Insurance service results	(44,639,692)	(44,634)	939,068	42,101	35,625,409	29,457,302	78,513	19,535	36,739,154	30,458,006
Finance costs - from insurance contracts					(50,998)	(67,592)			(50,998)	(67,592)
The effect of movements in exchange rates										
Investment components										
Net change - other comprehensive income	(44,639,692)	(44,634)	939,068	42,101	35,574,412	29,389,710	78,513	19,535	36,688,156	30,390,414
Cash received from written contracts	45,131,739		37,891,395						45,131,739	37,891,395
Compensation incurred					(33,544,898)	(27,559,146)			(33,544,898)	(27,559,146)
Paid from acquisition costs	(1,122,857)		(1,049,751)						(1,122,857)	(1,049,751)
Other expenses										
Total cashflows	44,008,882	-	36,841,644	-	(33,544,898)	(27,559,146)	-	-	10,463,984	9,282,498
Insurance contracts liabilities-Ending	3,929,229	794,307	5,030,386	838,941	19,800,072	17,401,055	775,583	656,197	25,299,191	23,926,579
Insurance contracts assets-Ending	(350,660)	-	(821,007)	-	173,990	543,494	70,134	111,007	(106,535)	(166,506)
Net insurance contracts liabilities/(Assets) – Ending	3,578,569	794,307	4,209,379	838,941	19,974,062	17,944,549	845,717	767,204	25,192,656	23,760,073

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

	Liabilities for remaining coverage				Liabilities for Incurred Claims				2023	2022
	2023	2023	2022	2022	2023	2022	2023	2022		
	Excluding loss recovery component	Loss recovery component	Excluding loss recovery component	Loss recovery component	Present value of cashflow-non financial	Present value of cashflow-non financial	Risk adjustments-non financial	Risk adjustments-non financial	Total	Total
Reinsurance contracts liabilities-beginning	(148,226)		(13,767)			11,015		-	(148,226)	(2,752)
Reinsurance contracts assets-beginning	(6,675)		(918,695)		3,164,069	3,481,230	192,487	140,111	3,349,880	2,702,646
Net reinsurance contracts liabilities/(Assets) – beginning	(154,901)	-	(932,461)	-	3,164,069	3,492,245	192,487	140,111	3,201,654	2,699,895
Reinsurance payments	(9,963,815)	-	(8,879,205)	-	-	-	-	-	(9,963,815)	(8,879,205)
Reinsurance recoveries	-	-	-	-	2,103,632	3,159,242	-	-	2,103,632	3,159,242
Commissions received	642,660	-	535,691	-	-	-	-	-	642,660	535,691
Administrative cost	-	-	-	-	(311,012)	(260,918)	(25,188)	52,376	(336,200)	(208,542)
Reinsurance contracts revenues	642,660	-	535,691	-	1,792,620	2,898,324	(25,188)	52,376	2,410,093	3,486,391
Reinsurance service contracts results	(9,321,155)	-	(8,343,514)	-	1,792,620	2,898,324	(25,188)	52,376	(7,553,722)	(5,392,814)
Finance cost - from reinsurance contracts	-	-	-	-	(34,872)	54,715	-	-	(34,872)	54,715
The effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Net change - other comprehensive income	9,321,155	-	8,343,514	-	(1,827,492)	(2,843,609)	25,188	(52,376)	7,518,850	5,447,529
Cash received from written contracts paid to reinsurers	8,952,905		9,121,073						8,952,905	9,121,073
Incurred claims recovered from reinsurers					(2,768,917)	(3,171,785)			(2,768,917)	(3,171,785)
Other recovered amounts									-	-
Recovered profit commission from reinsurers									-	-
Total cashflows	8,952,905	-	9,632,773	-	(2,768,917)	(3,474,454)	-	-	6,183,988	6,158,319
Reinsurance contracts liabilities-Ending	(943,539)		(148,226)		171,795	-	35,673	-	(736,072)	(148,226)
Reinsurance contracts assets-Ending	420,388		(6,675)		2,050,849	3,164,069	131,626	192,487	2,602,863	3,349,880
Net reinsurance contracts liabilities/(Assets) - Ending	(523,151)	-	(154,901)	-	2,222,644	3,164,069	167,299	192,487	1,866,792	3,201,654

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15- Income Tax

A- Provision for Income Tax:

The movement on the income tax provision during the year is as follows:

	2023	2022
Balance at beginning of the year	390,709	204,760
Income tax paid	(531,232)	(264,688)
Income tax expense for the year	651,963	494,878
Bank interest tax	(71,354)	(44,241)
National contribution fees	-	-
National contribution tax on bank interest	-	-
Provision for income tax – prior years	-	-
Balance at the end of the year	440,086	390,709

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

	2023	2022
Accrued income tax for profit of the year	651,963	494,878
Deferred tax assets/ liabilities amortization	(109,905)	(65,349)
Balance at the end of the year	542,058	429,529

- A final settlement was reached with the Income Tax Department for the year 2019.
- The self-assessment statement for the years 2020, 2021 and 2022 was submitted to the Income and Sales Tax Department within the specified period and is still under review.
- The income tax provision for the year 2023 was calculated by the Company's tax consultant.

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

	2023	2022
Accounting profit	2,413,674	1,952,793
Non-taxable profits	(3,134,614)	(2,948,334)
Expenses that are not tax acceptable	3,291,358	2,927,665
Profits from foreign investments	-	-
Tax profit	2,570,418	1,932,124
Actual income tax rate	%22	%22
Statutory income tax rate	%24	%24

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15- Income Tax (continued)

B- Deffered Tax Assets/ Liabilities

	2023			2022		
	Beginning			Ending		
	Balance	Reversal	Additions	Balance	Deferred Tax	Deferred Tax
<u>Deferred tax assets:</u>						
Expected credit loss provision	1,586,457	-	271,093	1,857,550	482,963	412,478
Provision for end of service benefits	23,696	3,142	18,423	38,977	10,134	6,161
Losses on financial assets at fair value through the income statement	268,043	-	63,284	331,327	86,145	69,689
Allowance for impairment of financial assets at amortized cost	300,000	-	-	300,000	78,000	78,000
Provision for unreported outstanding	2,637,301	-	105,014	2,742,315	713,002	685,699
Provision for other liabilities	21,490	6,960	-	14,530	3,778	5,587
Allowance premium	115,000	25,000	-	90,000	23,400	29,900
Applying IFRS 9 on bank deposits and cheques under collection	761,524	-	-	761,524	197,995	197,997
	<u>5,713,511</u>	<u>35,102</u>	<u>457,814</u>	<u>6,136,223</u>	<u>1,595,416</u>	<u>1,485,511</u>
<u>Deferred tax liabilities:</u>						
Applying IFRS 9 on the portfolio of financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Financial assets valuation reserve	-	-	-	-	-	-
	<u>5,713,511</u>	<u>35,102</u>	<u>457,814</u>	<u>6,136,223</u>	<u>1,595,416</u>	<u>1,485,511</u>

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15- Income Tax (continued)

B- Differed Tax Assets/Liabilities (continued)

Movement on deferred tax assets and liabilities is as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
Balance at the beginning of the year	1,485,511	1,420,162	-	-
Additions	119,032	150,136	-	-
Disposals	(9,127)	(84,787)	-	-
Balance at the end of the year	1,595,416	1,485,511	-	-

16- Intangible Assets

	2023	2022
<u>Cost</u>		
Balance at the beginning of the year	205,610	188,810
Additions	7,200	16,800
Balance at the end of the year	212,810	205,610
<u>Accumulated amortization</u>		
Balance at the beginning of the year	(171,102)	(171,102)
Additions	(9,491)	-
Balance at the end of the year	(180,593)	(171,102)
Net	32,217	34,508

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17- Property and Equipment

December 31, 2023	Land	Buildings	Building improvements and decorations	Cars	Equipment, appliances, and furniture	Total
<u>Cost</u>						
Balance at the beginning of the year	1,385,800	1,525,142	449,377	435,066	367,425	4,162,810
Additions	-	-	-	-	19,020	19,020
Disposals	-	-	-	-	(1,700)	(1,700)
Balance at the end of the year	1,385,800	1,525,142	449,377	435,066	384,745	4,180,130
<u>Less:</u>						
<u>Accumulated depreciation</u>						
Accumulated consumption at the beginning of the year	-	362,552	437,531	201,560	302,768	1,304,411
Charge for the year	-	33,122	3,578	45,813	20,090	102,603
Disposals	-	-	-	-	(1,849)	(1,849)
Accumulated depreciation at the end of the year	-	395,674	441,109	247,373	321,009	1,405,165
Property and equipment at year end	1,385,800	1,129,468	8,268	187,693	63,736	2,774,965
December 31, 2022	Land	Buildings	Building improvements and decorations	Cars	Equipment, appliances, and furniture	Total
<u>Cost</u>						
Balance at the beginning of the year	1,385,800	1,525,143	444,993	402,716	353,955	4,112,607
Additions	-	-	4,383	94,000	13,959	112,342
Disposals	-	-	-	(61,650)	(668)	(62,318)
Balance at the end of the year	1,385,800	1,525,143	449,376	435,066	367,246	4,162,631
<u>Less: Accumulated depreciation</u>						
Accumulated consumption at the beginning of the year	-	319,980	430,767	217,385	285,144	1,253,276
Charge for the year	-	43,764	2,713	41,788	19,041	107,306
Disposals	-	-	-	(56,170)	(179)	(56,349)
Accumulated depreciation at the end of the year	-	363,744	433,480	203,003	304,006	1,304,233
Property and equipment at year end	1,385,800	1,161,399	15,896	232,063	63,240	2,858,398

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18- Other Assets

A- Other Assets

	2023	2022
Bank interest receivable	523,015	357,176
Prepaid income tax	22,213	22,213
Prepaid expenses	37,354	61,462
Insurance recoveries	7,005	7,853
Employees' deposits	13,922	4,817
Receivables outside insurance business	16,995	170,934
	620,504	624,455

B- receivables not related to insurance operations

	2023	2022
Receivables from insurance contract holders	-	-
Agents' receivables	-	-
Brokers' receivables	-	-
Employee receivables	-	-
Other receivables	32,395	313,341
Total accounts receivable	32,395	313,341
*Less: Allowance for expected credit losses	(15,400)	(142,407)
	16,995	170,934

* The movement in the allowance for expected credit losses was as follows:

	2023	2022
Balance at the beginning of the year	142,407	-
Addition	-	142,407
Disposal	(127,007)	-
Balance at the end of the year	15,400	142,407

C- Checks under collection that are not related to insurance operations

	2023	2022
The total value of checks under collection that are not related to insurance operations	-	-
*Less: Allowance for expected credit losses	-	-
Total	620,504	624,445

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19- Other Provisions

	2023	2022
Provision for end of service benefits	38,977	23,696
Provision lawsuits	14,530	21,490
	53,507	45,186

The following table shows the movement in the other provisions:

	Beginning balance	Additions during the year	Used during the year	Returned revenues	Ending balance
Provision for end of service benefits	23,696	15,281	-	-	38,977
Provision lawsuits	21,490	-	(6,960)	-	14,530
	45,186	15,281	(6,960)	-	53,507

20- Other Liabilities

	2023	2022
Sales tax deposits	147,168	156,285
National contribution	42,461	38,753
Income tax deposits	29,365	29,111
Social security deposits	26,267	25,984
Road accident victims fund deposits	25,136	21,373
Stamp duty deposits	13,600	40,143
Shareholders' deposits	9,450	1,198
Prepaid rent revenue	7,935	7,935
Others	304,437	230,488
Total	605,819	551,270

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21- Share Capital

The capital at the end of the year amounted to JD 9,000,000, divided into 9,000,000 shares, with a nominal value of one dinar per share, (The previous year 8,000,000 shares. with nominal value of one share is one dinar)

22- Accounts Receivable* (Reinsurance Contracts Held)

	2023	2022
Assets reinsurance contracts held (Internal)	811,296	841,303
Assets reinsurance contracts held (External)	473,467	598,516
Total accounts receivable value related to insurance operations	1,284,763	1,439,819
Less: Expected credit losses provision	(539,211)	(409,179)
Net accounts receivable value related to insurance operations	745,552	1,030,640

Analysis of accounts receivable according to their time period:

	2023	2022
Payable during 0-30 days	626,898	638,620
Payable during 31-90 days	126,969	392,982
Payable during 91-180 days	39,249	50,627
Payable during 181-365 days	31,125	12,950
Payable during for more than one year	460,522	344,640
Total	1,284,763	1,439,819

23- Accounts Payable* (Reinsurance Contracts Held)

	2023	2022
Liabilities reinsurance contracts held (Internal)	512,291	587,568
Liabilities reinsurance contracts held (External)	3,244,319	2,439,806
Total accounts payable value related to insurance operations	3,756,610	3,027,374

24- Fair value reserve

	2023	2022
Balance at the beginning of the year	-	-
Change during the year	-	-
Balance at the end of the year	-	-

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25- Retained earning

	2023	2022
Balance at the beginning of the year	1,912,950	2,186,559
The impact of applying IFRS 17 on the opening balances	-	(1,109,526)
Adjusted balance	1,912,950	1,077,033
Net profit for the year	1,771,961	1,031,195
Transferred to statutory reserve	(281,643)	(195,278)
Dividends (bonus shares)	(1,000,000)	-
Balance at the end of the year	2,403,268	1,912,950

26- Related Parties Transactions

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

	2023		2022
Major shareholders	Members of the Board of Directors	Total	Total

Items of financial position statement

Insurance contract assets	-			
Insurance contract liabilities	-	7,944	7,944	89,800

Items of profit or loss statement

Insurance revenues	-	405	405	5,328
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The Company entered into transactions with members of the Board of Directors and senior management within the normal activities of the Company and using insurance premiums and commercial commissions. All receivables from related parties are considered working and no allocations have been taken for them as of December 31, 2023.

The following is a summary of transactions with related parties during the year:

	2023				2022
	Major shareholders	Members of the Board of Directors	Senior executive management	Total	Total
Account receivable	-	-	11,499	11,499	8,273
Account payable	-	7,944	124,148	132,092	241,562
<u>Items of profit or loss statement</u>					
Issuance revenue	-	405	8,109	8,514	12,854
Various expenses	-	-	-	-	935

26- Related Parties Transactions (continued)

The following is a summary of the benefits (salaries, bonuses, and other benefits) of the Company's senior executive management:

	2023	2022
Salaries and rewards	838,353	733,368
Travel expenses	42,000	46,159
Total	880,353	779,527

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27- Insurance Contracts Revenue

2023	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor - bids	Medical	Travel	Life-grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine-ship hulls	Maritime-cargo	Total
Insurance contracts revenue	9,092,669	11,191,164	261,898	207,841	13,581,038	103,147	2,863,103	40,444	4,182,040	43,787	1,243,755	6,202	944,840	43,761,928
Change in insurance contract liabilities agents remaining coverage	1,044,699	529,633	6,252	8,484	1,975,764	1,419	214,540	10,951	237,597	12,872	75,866	2,616	1,622	162,717
Insurance contract issuance fees	422,451	-	-	-	566,912	-	38,327	108	47,673	1,411	33,217	52	11,509	1,121,660
Other income	416,582	8,196	-	-	178,900	-	2	-	-	-	13,089	-	56,483	673,252
Total insurance contract revenue	10,976,401	11,728,993	268,150	216,325	12,351,086	101,728	3,115,972	51,503	4,467,310	58,070	1,365,927	3,638	1,014,454	45,719,557

2022	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor - bids	Medical	Travel	Life-grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine-ship hulls	Maritime-cargo	Total
Insurance contracts revenue	7,092,345	9,967,077	242,553	183,752	13,617,235	154,830	3,583,877	32,677	3,636,934	52,712	1,062,018	10,576	825,638	40,462,224
Change in insurance contract liabilities agents remaining coverage	(597,128)	(1,869,795)	(18,193)	(11,286)	(2,563,107)	(23,129)	(356,626)	(18,544)	(78,418)	10,050	(59,316)	2,524	(38,768)	(5,621,736)
Insurance contract issuance fees	343,139	-	-	-	511,007	-	49,527	-	48,862	1,779	34,046	111	9,247	997,718
Other income	245,929	14,202	-	-	247,975	-	-	-	9,043	1,140	8,113	-	71,569	597,971
Total insurance contract rev	7,084,285	8,111,484	224,360	172,466	11,813,110	131,701	3,276,778	14,133	3,616,421	65,681	1,044,861	13,211	867,686	36,436,177

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28- Insurance Contracts Expenses

2023	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor - bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine- cargo	Maritime- ship hulls	Total
Insurance claims incurred	6,027,634	8,811,131	85,004	355,122	14,424,867	-	1,493,520	-	266,815	(8,189)	66,429	288,429	-	31,810,762
Amortization of acquisition	(76,101)	21,236	-	-	(44)	45	113	216	5,924	(1,706)	(812)	8,260	(123)	(42,992)
Employee 's expenses	347,593	449,619	-	-	768,778	-	122,834	-	198,402	2,076	59,003	79,684	-	2,027,989
Administrative expenses	165,874	212,725	-	-	249,635	-	52,968	-	76,291	799	22,689	17,349	-	798,330
Loss component	-	31,885	-	-	(76,519)	-	-	-	-	-	-	-	-	(44,634)
Risk adjustment-Other finance	49,267	41,666	(5,062)	-	23,273	18	(48,916)	-	18,127	(1,635)	260	1,291	224	78,513
Undistributed expenses	177,264	141,632	-	-	281,300	-	46,471	-	143,701	17,529	80,420	35,519	-	923,836
Recoveries from undistributed expenses	41,429	36,900	(410)	-	12,090	-	(28,261)	-	2,723	(246)	39	228	-	64,492
Transferred from acquisition costs / acquisition cost	690,978	209,045	-	-	85,718	-	1,853	-	41,718	3,197	24,675	65,673	-	1,122,857
Total insurance contracts expenses	7,423,938	9,955,839	79,532	355,122	15,769,099	63	1,640,582	216	753,700	11,825	252,704	496,433	101	36,739,154
2022	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor - bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine- cargo	Maritime- ship hulls	Total
Insurance claims incurred	4,503,243	6,980,870	71,573	177,448	10,746,780	-	3,110,021	-	195,236	(17,350)	59,904	233,881	-	26,061,606
Amortization of acquisition	(53,514)	(50,253)	-	-	(124)	(3,172)	(1,467)	-	2,780	183	332	(5,449)	-	(110,684)
Employee 's expenses	321,471	471,096	-	-	674,482	-	187,694	-	197,380	2,860	57,633	73,819	-	1,986,435
Administrative expenses	114,174	167,315	-	-	181,460	-	58,220	-	58,548	849	17,097	13,462	-	611,125
Loss component	-	(22,194)	-	-	64,295	-	-	-	-	-	-	-	-	42,101
Risk adjustment-Other finance	24,311	(116,980)	15,091	-	22,619	-	27,438	-	(2,691)	3,830	8,886	29,026	8,006	19,535
Undistributed expenses	138,278	163,196	-	-	215,636	-	60,275	-	71,158	3,533	46,876	23,564	-	722,516
Recoveries from undistributed expenses	23,849	38,316	4,299	-	12,346	-	19,864	-	(22,956)	(765)	799	(131)	-	75,621
Transferred from acquisition costs / acquisition cost	541,793	269,768	-	-	98,965	-	3,304	-	47,023	2,700	27,071	59,127	-	1,049,751
Total insurance contracts expenses	5,613,605	7,901,134	90,963	177,448	12,016,459	(3,172)	3,465,349	-	546,478	(4,160)	218,598	427,299	8,006	30,458,006

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29- Reinsurance Contracts Revenue

<u>2023</u>	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor - bids	Medical	Travel	Life-grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine-cargo	Maritime-ship hulls	Total
Reinsurance contract premiums	(1,033,916)	(1,115,788)	-	-	(766,554)	(86,217)	(1,960,983)	(7,792)	(3,700,628)	(37,859)	(1,000,590)	(735,747)	4,758	(10,441,316)
Change in reinsurance contract liabilities against remaining coverage	236,531	(43,846)	-	-	(3,461)	9,980	(19,467)	-	224,633	13,546	89,857	(28,447)	(1,826)	477,501
Total reinsurance contracts revenue	(797,385)	(1,159,634)	-	-	(770,015)	(76,237)	(1,980,450)	(7,792)	(3,475,995)	(24,313)	(910,733)	(764,194)	2,933	(9,963,815)
<u>2022</u>	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor - bids	Medical	Travel	Life-grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine-cargo	Maritime-ship hulls	Total
Reinsurance contract premiums	(640,858)	(1,140,044)	-	-	(230)	(118,673)	(2,528,763)	(10,344)	(3,176,564)	(36,092)	(816,550)	(676,387)	7,164	(9,137,341)
Change in reinsurance contract liabilities against remaining coverage	(14,808)	141,376	-	-	-	29,917	(3,708)	20,835	25,991	(9,527)	35,954	30,527	1,579	258,136
Total reinsurance contracts revenue	(655,666)	(998,668)	-	-	(230)	(88,756)	(2,532,471)	10,491	(3,150,573)	(45,619)	(780,596)	(645,860)	8,743	(8,879,205)

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30- Reinsurance Contracts Expenses

2023	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor - bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine cargo	Maritime- ship hulls	Total
Reinsurance claims incurred	25,824	169,984	-	-	250,702	-	1,165,144	-	256,065	(7,117)	28,368	214,664	-	2,103,634
Commissions received	73	-	-	-	-	(2,208)	-	(212)	(106,353)	(2,998)	(20,189)	9,355	-	(122,532)
Reinsurers' share of risk adjustments - non-financial	839	2,090	-	-	-	-	(43,886)	-	16,268	(1,421)	103	818	-	(25,189)
Excess of loss	(99,169)	(99,169)	-	-	-	-	-	-	(67,799)	(17,875)	-	(27,000)	-	(311,012)
Transferred from reinsurers' share of acquisition costs/acquisition costs	62	-	-	-	-	38,746	43	-	397,161	10,703	111,600	206,877	-	765,192
Total reinsurance contracts expenses	(72,371)	72,905	-	-	250,702	36,538	1,121,301	(212)	495,342	(18,708)	119,882	404,714	-	2,410,093

2022	Motor- Comprehensive	Motor- Third party liability	Motor - complexes	Motor - bids	Medical	Travel	Life- grouping	Life- individual	Fire and general insurance	Engineering	Other insurances	Marine cargo	Maritime- ship hulls	Total
Reinsurance claims incurred	77,596	51,411	-	-	52,445	-	2,609,501	-	182,748	17,508-	36,528	166,521	-	3,159,242
Commissions received	2,330	-	-	-	-	12,533	-	(446)	41,952	1,425	(3,258)	(14,453)	-	15,017
Reinsurers' share of risk adjustments - non-financial	(1,633)	(357)	-	-	-	-	25,632	-	(5,402)	2,362	3,733	28,040	-	52,375
Excess of loss	(58,000)	(102,918)	-	-	-	-	-	-	(43,500)	(31,500)	-	(25,000)	-	(260,918)
Transferred from reinsurers' share of acquisition costs/acquisition costs	185	-	-	-	-	44,594	874	-	208,737	11,182	64,382	190,721	-	520,675
Total reinsurance contracts expenses	20,478	(51,864)	-	-	52,445	32,061	2,636,007	(446)	384,535	34,039-	101,385	345,829	-	3,486,391

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31- Financing Revenues/ (Expenses) – Insurance Contracts

	2023	2022
Financing revenues/ (expenses) – Insurance contracts	50,998	67,592
	50,998	67,592

32- Financing Revenues/(Expenses) – Reinsurance Contracts

	2023	2022
Financing revenues/(expenses) – Reinsurance contracts	34,872	(54,715)
	34,872	(54,715)

33- Interest Income

	2023	2022
Bank Interest	1,202,198	768,170
Interest on investments in financial assets at amortized cost	387,776	366,083
	1,589,974	1,134,253

34- Net Profit/(Loss) of Financial Assets and Investments

	2023	2022
Cash dividend returns (through other comprehensive income statement)	107,810	76,992
Rental income	68,015	68,494
Cash dividend returns (through profit or loss statement)	17,258	49,047
Other income	693	-
Profits from the sale of property and equipment	250	-
Losses on the sale of financial assets through the statement of other comprehensive income	-	(23,093)
Investment expenses	(8,667)	(8,476)
Net change in the fair value of financial assets through profit or loss statement	(63,284)	(65,588)
	122,075	97,376

35- Other Income

This amount represents the fair value of the financial assets through other comprehensive income and is stated as follows:

	2023	2022
Profit from the sale of fixed assets	-	-
Cheque issuance service allowance	-	-
Others	9,006	212,613
	9,006	212,613

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36- Other Expenses

	2023					2022				
	Acquisition expenses	Attributable expenses For contracts (direct)	Attributable expenses For contracts (indirect)	Non-attributed expense to contracts	Total	Acquisition expenses	Attributable expenses For contracts (direct)	Attributable expenses For contracts (indirect)	Non-attributed expense to contracts	Total
Board of directors'	-	-	-	24,000	24,000	-	-	-	21,000	21,000
Depreciation and amortization	-	-	-	111,944	111,944	-	-	-	109,586	109,586
Investment properties depreciation	-	-	-	5,773	5,773	-	-	-	5,773	5,773
Expected credit loss provision-Accounts	-	-	141,061	-	141,061	-	-	(206,474)	142,407	(64,067)
Expected credit loss provision-Receivables from	-	-	130,032	-	130,032	-	-	45,248	-	45,248
Expected credit loss provision-Cheques under	-	-	-	-	-	-	-	4,330	-	4,330
Administrative expenses	-	-	-	57,708	57,708	-	-	-	45,293	45,293
Total	-	-	271,093	199,425	470,518	-	-	(156,896)	324,059	167,163

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37- Earnings Per Share

	2023	2022
Net profit for the year	1,771,971	1,031,195
Weighted Average for Share	9,000,000	8,000,000
Earnings per share for the year	0.197	0.128

38- Risk Management

First: Descriptive disclosures

1. Exposure to risks and how they arise.
2. The Company's policies and procedures for accepting, measuring, monitoring and controlling risks, such as:
 - The structure and organization of the risk management function in the Company, including an explanation of the elements of independence and accountability for this function.
 - The scope and nature of risk measurement and reporting systems.
 - The Company's policies for hedging or mitigating risks, including policies and procedures for obtaining guarantees.
 - Risk control procedures and monitoring of the ongoing effectiveness of hedging and risk mitigation.
3. Policies and procedures followed to avoid concentration of risks.
(Any changes will be disclosed in the above descriptive disclosure for the previous period and the reasons for this, which may be the result of a change in the amount of risk exposure or methods of managing it).

Second: Quantitative disclosures

1. Insurance risks

The risks of any insurance contract are the possibility of the insured event occurring and the uncertainty of the amount of the claim related to that event. This is due to the nature of the insurance contract, where the risks are volatile and unpredictable for insurance contracts related to an insurance category. Probability theory can be applied to pricing and reserve. The main risks facing the Company The claims incurred and related payments may exceed the carrying value of the insurance liabilities. This may happen if the possibility and seriousness of claims are greater than expected, because insurance events are not constant and vary from year to year, estimates may differ from the statistics related to them.

Studies have shown that the more similar the insurance contracts are, the closer the expectations are to the actual loss rate. The presence of diversification in the insurance risks that are covered leads to a decrease in the probability of total insurance loss.

- (Its objectives, policies and procedures for managing risks arising from insurance contracts are disclosed in order to mitigate these risks).
- (The Company must disclose insurance risk information that is consistent with the information provided internally to the Board of Directors and the CEO).
- When dealing with quantitative data related to insurance risks, the Company must disclose the methods used, the strengths and limitations of these methods, the assumptions, the impact of reinsurance, the participation of the contract holder, and other mitigating factors.
- The Company must disclose if the Company is exposed to insurance risks on the reporting date that reflect the reality of the exposure during the period.
- Disclosing the general nature of the characteristics of participation in insurance contracts in the implementation of individual contracts or groups of contracts and facilities, including the general nature of any participation formula and the extent of any freedom of action enjoyed by the insurance Company.
- Disclosing any provisions information, any contingent liability of the insurance Company contributed to the government or other guarantee funds.

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38- Risk Management (continued)

2. Development of allegations

The tables below present information on gross and net claims development 10 years prior to the reporting period. The incurred claims shown in the table correspond to the total carrying value of the groups of insurance contracts:

(The minimum portfolio of insurance contracts related to branches is taken into account in accordance with the legislation in force in this regard.)

Engineering

	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	-	2,553	4,347	1,000	1,386,207	1,394,107
After 1 year	-	2,553	4,347	1,000	1,394,397	1,402,297
After 2 years	-	-	25,965	-	1,393,216	1,419,181
After 3 years	-	-	-	-	1,416,857	1,416,857
After 4 years	-	-	-	-	1,400,287	1,400,287
After 5 years	-	-	-	-	1,384,685	1,384,685
After 6 years	-	-	-	-	1,406,190	1,406,190
After 7 years	-	-	-	-	1,416,691	1,416,691
After 8 years	-	-	-	-	1,365,180	1,365,180
After 9 years	-	-	-	-	1,384,563	1,384,563
Total cumulative claims paid	-	2,553	4,347	1,000	1,365,703	1,373,603
Discount effect	-	-	-	-	782	782
Total liabilities versus claims incurred	-	-	-	-	19,722	19,722

* Estimates represent reported and unreported claims

Maximum claims = unsettled claims + paid claims + claims that occurred but were not reported

Fire

	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	326,383	245,077	741,295	363,065	2,208,710	3,884,530
After 1 year	-	222,425	727,856	379,862	2,184,920	3,515,063
After 2 years	-	-	731,412	383,120	2,164,650	3,279,182
After 3 years	-	-	-	179,046	2,180,658	2,359,704
After 4 years	-	-	-	-	2,017,806	2,017,806
After 5 years	-	-	-	-	1,958,920	1,958,920
After 6 years	-	-	-	-	1,663,277	1,663,277
After 7 years	-	-	-	-	1,493,318	1,493,318
After 8 years	-	-	-	-	1,196,828	1,196,828
After 9 years	-	-	-	-	426,115	426,115
Total cumulative claims paid	224,015	221,077	734,156	193,134	2,140,387	3,512,769
Discount effect	-	918	252	6,089	2,605	9,865
Total liabilities versus claims incurred	102,368	23,082	6,887	163,842	65,718	361,896

* Maximum claims = unsettled claims + paid claims + claims that occurred but were not reported

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38- Risk Management (continued)

2. Development of allegations (continued)

General insurance						
	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	49,792	49,192	29,158	48,306	850,645	1,027,093
After 1 year	-	27,390	31,942	48,726	845,183	953,241
After 2 years	-	-	3,120	49,101	839,875	892,096
After 3 years	-	-	-	49,101	850,685	899,786
After 4 years	-	-	-	-	659,187	659,187
After 5 years	-	-	-	-	698,348	698,348
After 6 years	-	-	-	-	599,493	599,493
After 7 years	-	-	-	-	559,374	559,374
After 8 years	-	-	-	-	524,925	524,925
After 9 years	-	-	-	-	445,019	445,019
Total cumulative claims paid	48,747	41,058	14,859	47,806	824,817	977,287
Discount effect	-	311	505	18	985	1,819
Total liabilities versus claims incurred	1,045	7,823	13,794	482	24,843	47,987
Marine						
	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	323,532	236,172	336,837	225,598	828,049	1,950,188
After 1 year	-	244,387	334,007	227,138	852,548	1,658,081
After 2 years	-	-	258,795	229,838	890,173	1,378,806
After 3 years	-	-	-	304,551	903,411	1,207,962
After 4 years	-	-	-	-	892,407	892,407
After 5 years	-	-	-	-	630,241	630,241
After 6 years	-	-	-	-	492,394	492,394
After 7 years	-	-	-	-	346,218	346,218
After 8 years	-	-	-	-	301,571	301,571
After 9 years	-	-	-	-	94,577	94,577
Total cumulative claims paid	223,423	129,216	304,326	200,998	823,559	1,681,522
Discount effect	-	4,093	1,149	882	171	6,294
Total liabilities versus claims incurred	100,109	102,863	31,362	23,718	4,319	262,372

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38- Risk Management (continued)

2. Development of allegations (continued)

Motor- Third party liability

	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	8,087,364	7,201,060	5,516,405	4,276,616	39,462,987	64,544,433
After 1 year		6,002,561	5,136,631	4,139,996	39,266,325	54,545,513
After 2 years			4,341,307	3,910,360	39,052,249	47,303,916
After 3 years				3,234,615	38,144,252	41,378,866
After 4 years					36,201,410	36,201,410
After 5 years					30,407,732	30,407,73
After 6 years					24,542,976	24,542,97
After 7 years					18,557,064	18,557,06
After 8 years					12,612,291	12,612,29
After 9 years					7,309,128	7,309,128
Total cumulative claims paid	5,132,74	5,857,37	4,667,13	3,906,72	37,416,42	56,980,39
Discount effect		51,41	30,00	13,25	78,02	172,70
Total liabilities versus claims incurred	2,954,62	1,292,26	819,26	356,63	1,968,54	7,391,33

Motor- Comprehensive

	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	8,707,050	7,180,978	5,752,185	4,373,813	34,553,602	60,567,629
After 1 year		6,527,753	5,772,051	4,546,088	34,579,322	51,425,214
After 2 years			5,169,904	4,478,411	34,638,428	44,286,743
After 3 years				4,079,423	34,627,203	38,706,626
After 4 years					33,575,100	33,575,100
After 5 years					27,690,870	27,690,87
After 6 years					21,597,991	21,597,99
After 7 years					16,049,662	16,049,66
After 8 years					10,453,330	10,453,33
After 9 years					6,019,742	6,019,742
Total cumulative claims paid	5,417,56	6,161,09	5,164,54	4,083,79	34,315,38	55,142,38
Discount effect		39,02	20,76	10,39	9,08	79,26
Total liabilities versus claims incurred	3,289,48	980,85	566,88	279,62	229,13	5,345,98

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38- Risk Management (continued)

2. Development of allegations (continued)

Motor – complexes

	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	235,586	365,646	243,291	416,082	2,309,957	3,570,562
After 1 year		322,524	218,462	406,956	2,315,081	3,263,024
After 2 years			188,051	354,961	2,316,062	2,859,074
After 3 years				292,086	2,305,220	2,597,306
After 4 years					2,282,839	2,282,839
After 5 years					1,946,790	1,946,790
After 6 years					1,639,830	1,639,830
After 7 years					1,444,513	1,444,513
After 8 years					658,417	658,417
After 9 years					343,500	343,500
Total cumulative claims paid	197,46	320,36	212,11	204,46	2,268,41	3,202,81
Discount effect		1,73	1,10	7,58	1,58	12,00
Total liabilities versus claims incurred	38,12	43,55	30,07	204,03	39,95	355,74

Motor – bids

	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	80,440	71,103	95,227-	-		246,770
After 1 year	-	66,521	95,227-	-		161,748
After 2 years	-	-	90,715-	-		90,715
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	80,44	71,10	95,22			246,77
Discount effect						-
Total liabilities versus claims incurred		-				-

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38- Risk Management (continued)

2. Development of allegations (continued)

Medical						
	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	15,184,520	11,203,916	10,448,084	10,260,586	33,757,309	80,854,415
After 1 year	-	-	-	-	-	-
After 2 years	-	-	-	-	-	-
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	14,021,943	11,203,916	10,448,084	10,260,586	33,757,309	79,691,838
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	1,162,577	-	-	-	-	1,162,577
Life						
	2023	2022	2021	2020	Before	Total
<u>Estimates of total undiscounted maximum claims*</u>						
As in the year of accident	3,180,640	4,131,027	4,881,222	2,836,601	6,735,444	21,764,934
After 1 year	-	-	-	-	-	-
After 2 years	-	-	-	-	-	-
After 3 years	-	-	-	-	-	-
After 4 years	-	-	-	-	-	-
After 5 years	-	-	-	-	-	-
After 6 years	-	-	-	-	-	-
After 7 years	-	-	-	-	-	-
After 8 years	-	-	-	-	-	-
After 9 years	-	-	-	-	-	-
Total cumulative claims paid	2,435,569	4,131,027	4,881,222	2,836,601	6,735,444	21,019,863
Discount effect	-	-	-	-	-	-
Total liabilities versus claims incurred	745,071	-	-	-	-	745,071

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38- Risk Management (continued)

3. Concentration of insurance risks

The Company must disclose the concentration of insurance risks, including a description of how management determined this concentration and an explanation of the common characteristics of each concentration, such as the type of insured, geographic region, or currency.

Particulars	2023	2023	2022	2022
	Grand Total	Net	Grand Total	Net
Motor- Third party liability	14,023,583	13,154,269	12,402,150	11,596,433
Motor- Comprehensive	10,448,164	7,744,252	8,073,931	6,220,035
Motor – bids	648,119	648,119	515,875	515,875
Motor – complexes	104,247	104,247	95,728	95,728
Marine	434,893	121,015	427,826	87,776
Fire	2,427,739	646,339	2,099,233	542,466
Engineering	54,317	32,699	49,887	41,815
Medical	6,218,312	6,218,312	7,786,188	7,786,188
Travel	84,326	22,246	83,965	28,404
General insurance	674,225	133,438	595,962	166,673
Life grouping	453,049	200,277	1,718,134	249,868
Life individual	88,113	43,275	-	-
Grand Total	35,659,087	29,068,488	33,848,879	27,331,261

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38- Risk Management (continued)

3. Concentration of insurance risks (continued)

A- According to Geographical region

- Assets and liabilities are concentrated according to geographical and sectoral distribution as follows:

	2023				2022			
	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities	Assets	Liabilities	Reinsurance assets	Reinsurance liabilities
Inside Kingdom	40,450,283	29,199,839	-	-	35,571,54	27,202,357	-	-
Middle Eastern	-	-	358,548	-	-	-	628,948	-
Eastern Europe	-	-	2,440,837	722,350	-	-	2,951,606	120,371
Asia*	302,346	-	-	-	302,346	-	-	-
Africa*	-	-	32,252	11,600	-	-	-	27,855
America	-	-	-	-	-	-	-	-
Other countries	-	-	-	-	-	-	-	-
Total	40,752,629	29,199,839	2,831,637	738,152	35,873,891	27,202,357	3,580,554	148,226

B- By Sector

Particulars	2023			2022		
	Assets	Liabilities	Items outside financial position statement	Assets	Liabilities	Items outside financial position statement
Public sector	1,906,748	24,596	-	3,648,503	13,412	-
Private sector						
Companies and Establishments	10,953,985	3,390,533	-	10,707,479	5,397,757	-
Individuals	281,467	613,216	-	652,556	591,580	-
Total	13,142,200	4,028,345	-	15,008,538	6,002,749	-

4. Reinsurance risks

As part of its normal business, the Company enters into reinsurance agreements with other parties. In order to reduce its exposure to significant losses as a result of the insolvency of reinsurance companies, the Company evaluates the financial position of the reinsurance companies with which it deals and monitors concentrations of credit risks resulting from geographic regions and activities or economic components similar to those companies. The reinsurance contracts issued do not relieve the Company of its obligations towards insurance policyholders, and as a result the Company remains committed to the balance of reinsured claims in the event that the reinsurers are unable to fulfill their obligations in accordance with the reinsurance contracts.

5. Insurance risk sensitivity

The insurance Company must disclose the sensitivity of insurance risks and conduct a sensitivity analysis showing how profit or loss and equity will be affected in the event of a change in the relevant risk variable that was reasonably possible at the date of the financial statements.

The Company must disclose the methods and assumptions used in preparing the sensitivity analysis and any changes in the methods and assumptions from the previous period. In addition to disclosing quantitative information about sensitivity and information about these terms and conditions of insurance contracts that have a material impact on the amount, timing, and uncertainty regarding future flows to insurance companies. Below is a table showing the effect of a reasonable possible change in subscription premium prices on the statement of profits, losses and equity, with all other influential variables remaining constant.

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38- Risk Management (continued)

5. Insurance risk sensitivity (continued)

2023	Change ratio	Contractual service margin	Contractual service margin	Profit or loss	Profit or loss	Impact on owners' equity	Impact on owners' equity
		Total	Net	Total	Net	Total	Net
Death rate	+5%	-	-	4,871	851	4,871	851
Death rate	-5%	-	-	(4,871)	(851)	(4,871)	(851)
Morbidity	+5%	-	-	-	-	-	-
Morbidity	-5%	-	-	-	-	-	-
Long life	+5%	-	-	-	-	-	-
Long life	-5%	-	-	-	-	-	-
Expenses	+5%	-	-	8790	8790	8790	8790
Expenses	-5%	-	-	(8,790)	(8,790)	(8,790)	(8,790)
Expiry rate	+5%	-	-	-	-	-	-
Expiry rate	-5%	-	-	-	-	-	-
Gross loss rate	+5%	-	-	-	-	-	-
Gross loss rate	-5%	-	-	-	-	-	-

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38- Risk Management (continued)
5. Insurance risk sensitivity (continued)

2022	Change ratio	Contractual service margin		Profit or loss		Impact on owners' equity	
		Total	Net	Total	Net	Total	Net
Death rate	+5%	-	-	4,896	883	4,896	883
Death rate	-5%	-	-	(4,896)	(883)	(4,896)	(883)
Morbidity	+5%	-	-	-	-	-	-
Morbidity	-5%	-	-	-	-	-	-
Long life	+5%	-	-	-	-	-	-
Long life	-5%	-	-	-	-	-	-
Expenses	+5%	-	-	12,296	12,296	12,296	12,296
Expenses	-5%	-	-	(12,296)	(12,296)	(12,296)	(12,296)
Expiry rate	+5%	-	-	-	-	-	-
Expiry rate	-5%	-	-	-	-	-	-
Gross loss rate	+5%	-	-	-	-	-	-
Gross loss rate	-5%	-	-	-	-	-	-

38- Risk Management (continued)

Financial risks

The risks to which the Company is exposed revolve around the possibility that the collection of premiums and the return on investments will be insufficient to finance the obligations arising from insurance contracts and investments.

The Company follows financial policies to manage various risks within a specific strategy. The Company's management is responsible for monitoring and controlling risks and making the optimal strategic distribution of both financial assets and financial liabilities. The risks include interest rates, credit risks, foreign exchange rate risks and market risks. The Company follows a financial hedging policy for both financial assets and financial liabilities whenever necessary, which is hedging related to expected future risks.

1- Market risk

It is the risk of fluctuation in the fair value or cash flows of financial instruments as a result of changes in market prices such as interest rates, currency rates, and stock prices. Market risks arise as a result of the presence of open positions in interest rates, currencies, and investments in stocks. These risks are monitored in accordance with specific policies and procedures and through specialized committees. And the relevant business centers. Market risks include interest rate risks, exchange rate risks, and the risks of changes in stock prices.

(The method used to measure market risks will be disclosed. If the Company uses the sensitivity analysis method according to the value at risk (VAR) approach, the methodology used to prepare the sensitivity analysis with this method will be clarified, along with an explanation of the assumptions and variables related to it. In addition to the intended goal of using this method and any shortcomings in this method in that it does not reflect the fair value of assets and liabilities exposed to risks.

If the Company does not use the value at risk (VAR) method to measure market risks, the sensitivity analysis must be disclosed for each type of market risk (interest rate risk, foreign currency risk, price change risk) separately, with a statement of the impact on profits, losses and equity as a result of reasonable changes in the variables affecting the size of the relevant risks.

The assumptions and variables used in preparing the sensitivity analysis are also disclosed, and any changes in the above descriptive disclosures for the previous period and the reasons for that are disclosed. Which may be the result of a change in the assumptions related to the above risks. If it turns out that the sensitivity analyzes that have been disclosed do not represent the risks related to the financial instruments in the financial statements at the end of the year/fiscal period in a reliable manner, then this fact and its reasons will be disclosed, which may relate to the fact that the numbers at the end of the year/fiscal period do not represent the risks during year.

A- Interest rate risk:

Interest rate risk relates to interest rates on fixed deposits with banks. As of December 31, 2023 the interest rate on bank deposits range from 5.75 % to 6.9 %. annually.

The above-mentioned matters are general, and the Company's policy for managing these risks must be disclosed, provided that the disclosure includes, as a minimum, the following: -

- Risk mitigation.
- Balancing the maturity dates of assets with liabilities.
- Return gaps.

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38- Risk Management (continued)

B- Foreign currency risks:

Foreign currency risk is the risk that the value of financial instruments will change as a result of changes in foreign currency rates. The Jordanian dinar is the Company's base currency. The Board of Directors sets limits for the Company's financial position for each currency. The foreign currency position is monitored on a daily basis and strategies are followed to ensure that the foreign currency position is maintained within approved limits.

The above-mentioned matters are general, and the Company's policy in managing foreign currency risks must be clarified, provided that the explanation includes, as a minimum, the following:

- Position limits for each currency.
- Monitor foreign exchange positions on a daily basis.

The Company's net concentration of major foreign currencies is as follows:

<u>Currency Type</u>	<u>In Foreign currency</u>		<u>Equivalent to Jordanian Dinars</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>US Dollar</u>	11,022,207	8,542,207	7,825,767	6,64,967

2- Credit Risk

These are the risks that may result from the failure of one party to the financial department to fulfill an obligation and cause the other party to bear a financial loss.

(The measures taken by it to confront this type of risk will be disclosed.)

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38- Risk Management (continued)

3- Liquidity Risk

Liquidity risk is represented by the Company's inability to provide the necessary funding to perform its obligations on their due dates. To protect against these risks, management diversifies funding sources, manages assets and liabilities, aligns their terms, and maintains a sufficient balance of cash, cash equivalents, and tradable securities.

	Less than one month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than one year	Total
2023						
Insurance liabilities						
Overdraft bank	-	2,803,316	-	-	-	2,803,316
Insurance contract liabilities	-	5,094,739	10,102,227	8,839,447	1,262,778	25,299,191
Reinsurance contract liabilities	-	736,072	-	-	-	736,072
Different provision	-	53,507	-	-	-	53,507
Income tax provision	-	440,086	-	-	-	440,086
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	-	200,482	-	405,337	-	605,819
Total insurance liabilities	-	9,328,202	10,102,227	9,244,784	1,262,778	29,937,991
Total insurance assets	-	16,028,387	4,373,949	13,121,847	10,060,083	43,584,266
2022						
Insurance liabilities						
Overdraft bank	-	2,288,613	-	-	-	2,288,613
Insurance contract liabilities	-	4,813,229	9,568,166	8,372,145	1,173,039	23,926,579
Reinsurance contract liabilities	-	148,226	-	-	-	148,226
Different provision	-	45,186	-	-	-	45,186
Income tax provision	-	390,709	-	-	-	390,709
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	-	312,822	238,448	-	-	551,270
Total insurance liabilities	-	7,998,785	9,806,614	8,372,145	1,173,039	27,350,583
Total insurance assets	-	14,391,577	3,945,445	11,836,333	9,051,542	39,224,897

4- Operational Risk

These are the risks resulting from systems failure or could result from any intentional or unintentional human error. These risks can affect the Company's reputation, as they can lead to financial loss. Such dangers can be avoided by separating duties and establishing the necessary procedures to obtain any information from the systems used in the Company, and through educating and training Company staff.

38- Risk management (continued)

5- Legal Risk

This type of danger results from legal claims against the Company. To avoid these dangers, the Company has established an independent legal department to follow up on the Company's work in accordance with the law regulating insurance business and the instructions of the Insurance Authority.

39 - Analysis Of Main Sectors

Information about the Company's business sectors:

For administrative purposes, the Company has been organized to include two business sectors, the general insurance sector, and the life insurance sector. These two segments form the basis that the Company uses to show information regarding its major segments. The above two segments also include investments and cash management for the Company's own account. Transactions between business segments are carried out on the basis of estimated market prices and on the same terms as those dealt with third parties.

Geographic distribution information:

This clarification represents the geographical distribution of the Company's business. The Company carries out its activities mainly in the Kingdom, which represents local business. The Company also carries out international activities through its branches in the Middle East, Europe, Asia, America and the Near East, through which it deals with others.

The following is the distribution of the Company's revenues, assets, and capital expenditures by geographical sector:

Particulars	Inside Kingdom		Outside Kingdom		Total	
	2023	2022	2023	2022	2023	2022
Total revenues	37,089,018	28,418,058	387,776	333,427	37,079,789	28,751,485
Total assets	37,657,233	33,372,188	7,843,057	6,082,257	43,739,490	39,454,445
Capital expenditures	26,220	129,142	-	-	26,220	129,142

40 – Share Capital Management

Capital management objectives, policies and processes are disclosed, including:

- A description of what is considered capital.
- Regulatory authorities' requirements regarding capital, and how to meet these requirements.
- How to achieve capital management objectives.
- Any amendment related to the above compared to last year.
- If the Company does not comply during the period with the requirements of regulatory authorities regarding capital, and the consequences thereof.
- Causes and sources of changes in the Company's regulatory capital during the year.
- The necessity of disclosing the Board of Directors' opinion on the adequacy of regulatory capital.
- The amount that the Company considers as capital and the solvency margin ratio, according to the following table:

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40 – Share Capital Management (continued)

- The necessity of disclosing the Board of Directors' opinion on the adequacy of regulatory capital.
- The amount that the company considers as capital and the solvency margin percentage, according to the following table:

	2023	2022
Basic share capital items:		
paid Capital	9,000,000	8,000,000
Statutory reserve	2,187,055	1,945,688
The issuance premium and the issuance premium of treasury shares		
Voluntary reserve	15,676	15,676
Profit for the year after deductions	1,630,248	1,327,985
Retained earnings	2,514,511	2,186,559
Profits proposed to be distributed		
Additional share capital items:	15,347,514	13,475,908
Increase in the value of investments property	2,548,288	656,743
Cumulative change in fair value	-	-
Total additional share capital	2,548,288	656,743
Total of regulatory share capital (A)	17,895,802	14,132,651
Total of required share capital (B)	11,620,050	10,568,686
Solvency margin ratio (A) / (B)	%154	%134

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41 - Maturity Analysis of Current and Non-Current Assets and Liabilities

Particulars	Up to one year	More than one year	Total
<u>December 31, 2023</u>			
Assets:			
Deposits with banks	21,547,289		21,547,289
Financial assets at fair value through profit and loss	2,048,980		2,048,980
Financial assets at fair value through other comprehensive income			
Financial assets at amortized cost		7,520,722	7,520,722
Real estate investments		1,224,232	1,224,232
cash on hand and at banks	3,510,544		3,510,544
Insurance assets	106,535		106,535
Reinsurance contract assets held	2,602,863		2,602,863
Deferred tax assets		1,595,416	1,595,416
property and equipment, net		2,774,965	2,774,965
Intangible assets, net		32,217	32,217
Other assets	620,504		620,504
Total	30,436,715	13,147,552	43,584,266
Liabilities:			
Insurance contract liabilities	25,299,191		25,299,191
Bank over draft	2,803,316		2,803,316
Reinsurance contract liabilities held	736,072		736,072
Deferred tax liabilities			
Income tax provision	440,086		440,086
Different provisions	53,507		53,507
Other liabilities	605,819		605,819
Total	29,937,991		29,937,991
The Net	498,724	13,147,552	13,646,276

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41 - Maturity Analysis of Current and Non-Current Assets and Liabilities (continued)

Particulars	Up to one year	More than one year	Total
December 31, 2023			
Assets:			
Deposits with banks	20,225,150	-	20,225,150
Financial assets at fair value through profit and loss	1,413,781	-	1,413,781
Financial assets at fair value through other comprehensive income	-	-	-
Financial assets at amortized cost		5,759,922	5,759,922
Real estate investments		873,240	873,240
cash on hand and at banks	2,053,799	-	2,053,799
Insurance assets	166,506	-	166,506
Reinsurance contract assets held	3,349,880	-	3,349,880
Deferred tax assets	-	1,485,511	1,485,511
property and equipment, net	-	3,215,163	3,215,163
Intangible assets, net	-	34,508	34,508
Other assets	647,437	-	647,437
Total	27,856,553	11,368,344	39,224,897
Liabilities:			
Insurance contract liabilities	23,926,579		23,926,579
Bank over draft	2,288,613	-	2,288,613
Reinsurance contract liabilities held	148,226	-	148,226
Deferred tax liabilities	-	-	-
Income tax provision	390,709	-	390,709
Different provisions	45,186	-	45,186
Other liabilities	551,270	-	551,270
Total	27,350,583	-	27,350,583
The Net	505,970	11,368,344	11,874,314

42- Cases Filed Against The Company

A - There are lawsuits brought against the company, the value of which according to the regulations of lawsuits and lawsuits in which non-conclusive rulings were issued amounted to an amount of 4,026,385 Jordanian dinars for the year 2023 (3,569,819 dinars for the year: 2022), and there is a corresponding provision for claims under settlement, and according to the expectations and opinion of the company's legal advisor, the provision for claims is under settlement. Adequate,

B - The value of the lawsuits filed by the company against third parties amounted to 3,300,669 Jordanian dinars as of December 31, 2023 (3,224,177 Jordanian dinars: 2022) represented by receivables due to the company and returned checks as a result of the company's practice of its normal activity.

43 - Obligations That May Arise

As of the date of the financial statements, the company has potential obligations against bank guarantees in the amount of 2,724,185 Jordanian dinars as of December 31, 2023 (2,466,952 Jordanian dinars: 2022).

44 - Subsequent Events

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

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45- Distribution Of the Financial Data According to Type of Products

1- Financial position items

2023	Travel	Motor-bids	Motor – third party	Motor - comprehensive	Motor-complexes	Medical	Life	Fire and general insurance	Engineering	Life individual	Other insurance	Marine	Total
Insurance contract assets								32,984					32,984
Reinsurance contract assets			546,860	364,960			1,340,941	451,213	18,357	44,199		65,107	2,831,637
Account receivables			4,074,777			6,218,637	515,093	2,538,451	23,604		423,242	264,586	14,058,390
Financial assets													
Investments													
Other assets													
Total assets	-	-	4,621,637	364,960	-	6,218,637	1,856,034	3,022,648	41,961	44,199	423,242	329,693	16,923,011
Insurance contract liabilities	78,923	104,213	5,029,279	14,731,149	509,202	3,178,504	1,024,926		33,976	87,415	263,838	214,140	25,255,564
Reinsurance contract liabilities	124,805					520,618					10,948	81,781	738,152
Account payable			1,180,159			2,745,656							3,925,815
Different provision													
Other liabilities													
Total liabilities	203,728	1,284,372	5,029,279	14,731,149	509,202	6,444,778	1,024,926	-	33,976	87,415	274,786	298,921	29,919,531

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45- Distribution Of the Financial Data According To Type Of Products (continued)

1- Financial position items (continued)

<u>2022</u>	<u>Travel</u>	<u>Motor- bids</u>	<u>Motor – third party</u>	<u>Motor - comprehe nsive</u>	<u>Motor- complexes</u>	<u>Medical</u>	<u>Life</u>	<u>Fire and general insurance</u>	<u>Engineeri ng</u>	<u>Life individual</u>	<u>Other insurance</u>	<u>Marine</u>	<u>Total</u>
Insurance contract assets								93,959			14,978	56,444	165,381
Reinsurance contract assets			438,920	348,445			2,027,760	425,880	31,770	44,448	194,178	69,153	3,580,554
Account receivables	11,988		2,759,100			7,295,386	246,409	2,248,864	16,624	2,551	625,466	443,867	13,650,255
Financial assets													
Investments													
Other assets													
Total assets	11,988		3,198,020	348,445		7,295,386	2,274,169	2,768,703	48,394	46,999	834,622	569,464	17,396,190
Insurance contract liabilities	68,200	95,729	5,284,772	12,916,024	516,619	2,586,119	2,264,598		39,446	73,697		75,211	23,920,415
Reinsurance contract liabilities	148,226												148,226
Account payable			1,752,753			1,570,862							3,323,615
Different provision													
Other liabilities													
Total liabilities	216,426	95,729	7,037,525	12,916,024	516,619	4,156,981	2,264,598	-	39,446	73,697	-	75,211	27,392,256

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45- Distribution Of the Financial Data According To Type Of Products

3- Income statement items

2023	Motor - comprehensive	Motor – third party	Motor- complexes	Motor-bids	Medical	Travel	Life- grouping	Life individual	Fire and general insurance	Engineering	Other insurance	Marine- hulls	Marine- cargo	Total
Insurance contracts revenues	10,976,401	11,728,993	268,150	216,325	12,351,086	101,728	3,115,972	51,503	4,467,310	58,070	1,365,927	3,638	1,014,454	45,719,557
Insurance contracts expenses	(7,423,938)	(9,955,839)	(79,532)	(355,122)	(15,769,099)	(63)	(1,640,582)	(216)	(753,700)	(11,825)	(252,704)	(496,433)	(101)	(36,739,154)
Insurance contract business results	3,552,463	1,773,154	188,618	(138,797)	(3,418,013)	101,665	1,475,390	51,287	3,713,610	46,245	1,113,223	(492,795)	1,014,353	8,980,403
Reinsurance contracts expenses	(72,371)	72,905	-	-	250,702	36,538	1,121,301	(212)	495,342	(18,708)	119,882	404,714	-	2,410,093
Reinsurance contracts revenues	(797,385)	(1,159,634)	-	-	(770,015)	(76,237)	(1,980,450)	(7,792)	(3,475,995)	(24,313)	(910,733)	(764,194)	2,933	(9,963,815)
Reinsurance contract business result	(869,756)	(1,086,729)	-	-	(519,313)	(39,699)	(859,149)	(8,004)	(2,980,653)	(43,021)	(790,851)	(359,480)	2,933	(7,553,722)
Net insurance contracts results	2,682,707	686,425	188,618	(138,797)	(3,937,326)	61,966	616,241	43,283	732,957	3,224	322,372	(852,275)	1,017,286	1,426,681
Finance (expenses)/revenues- Insurance contracts	26,962	67,796	(5,934)	0	5,210	-	(48,954)	-	5,821	(245)	55	42	245	50,998
Finance (expenses)/revenues- Reinsurance contracts	(459)	(3,400)	-	-	-	-	43,920	-	(5,224)	213	(22)	-	(155)	34,872
Net insurance finance works results	2,709,210	750,820	182,684	(138,797)	(3,932,116)	61,966	611,207	43,283	733,554	3,192	322,405	(852,233)	1,017,376	1,512,551
Interest payable														
Net profit/(loss) of financial assets and investments														
Other revenues														
Total revenues														
Expected credit loss provision	(368,793)				(567,448)		(120,040)		(175,694)	(1,838)	(52,196)	(39,913)		(1,325,922)
Company's share from operations results of subsidiaries/standalone companies														
Company's share from operations results of associates														
Other expenses														
Total expenses	(368,793)				(567,448)		(120,040)		(175,694)	(1,838)	(52,196)	(39,913)		(1,325,922)

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45- Distribution Of The Financial Data According To Type Of Products (continued)

4- Income statement items (continued)

<u>2022</u>	Motor - comprehensive	Motor – third party	Motor- complexes	Motor-bids	Medical	Travel	Life- grouping	Life individual	Fire and general insurance	Engineering	Other insurance	Marine- hulls	Marine- cargo	Total
Insurance contracts revenues	7,084,285	8,111,484	224,360	172,466	11,813,110	131,701	3,276,778	14,133	3,616,421	65,681	1,044,861	13,211	867,686	36,436,177
Insurance contracts expenses	(5,613,605)	(7,901,134)	(90,963)	(177,448)	(12,016,459)	3,172	(3,465,349)	-	(546,478)	4,160	(218,598)	(427,298)	(8,006)	(30,458,006)
Insurance contract business results	1,470,680	210,350	133,397	(4,982)	(203,349)	134,873	(188,571)	14,133	3,069,943	69,841	826,263	(414,087)	859,680	5,978,171
Reinsurance contracts expenses	(20,478)	51,864	-	-	(52,445)	(32,061)	(2,636,007)	446	(384,535)	34,039	(101,385)	(345,829)	-	(3,486,391)
Reinsurance contracts revenues	655,666	998,668	-	-	230	88,756	2,532,471	(10,491)	3,150,573	45,619	780,596	645,860	(8,743)	8,879,205
Reinsurance contract business result	635,188	1,050,532	-	-	(52,215)	56,695	(103,536)	(10,045)	2,766,038	79,658	679,211	300,031	(8,743)	5,392,814
Net insurance contracts results	2,105,868	1,260,882	133,397	(4,982)	(255,564)	191,568	(292,107)	4,088	5,835,981	149,499	1,505,474	(114,056)	850,937	585,357
Finance (expenses)/revenues-														
Insurance contracts	(37,284)	91,123	12,703	0	(30,782)	-	51,507	-	(20,027)	(1,199)	1,249	(19)	321	67,592
Finance (expenses)/revenues-														
Reinsurance contracts	4,092	(3,105)					(76,299)		19,686	1,117	(590)	(1)	385	(54,715)
Net insurance finance works results	2,072,676	1,348,900	146,099	(4,982)	(286,346)	191,568	(316,898)	4,088	5,835,640	149,417	1,506,133	(114,076)	851,643	598,234
Interest payable														
Net profit/(loss) of financial assets and investments														
Other revenues														
Total revenues														
Expected credit loss provision	(368,793)				(567,448)		(120,040)		(175,694)	(1,838)	(52,196)	(39,913)		(1,325,922)
Company's share from operations results of subsidiaries/standalone companies														
Company's share from operations results of associates														
Other expenses														
Total expenses	(368,793)				(567,448)		(120,040)		(175,694)	(1,838)	(52,196)	(39,913)		(1,325,922)

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46- Written Premiums - Insurance Branch

2023	Motor - comprehensive	Motor-complexes	Motor – third party	Motor-bids	Marine	Fire	Engineering	Medical	Travel	General insurance	Life-grouping	Life-individual	Total
Written premiums													
Direct premiums	9,023,780	261,898	10,097,449	-	950,940	3,820,684	43,787	13,581,038	103,147	1,241,100	2,863,103	40,444	42,027,370
Received premiums	68,889	-	1,093,715	207,841	102	361,356	-	-	-	2,655	-	-	1,734,558
Total premiums	9,092,669	261,898	11,191,164	207,841	951,042	4,182,040	43,787	13,581,038	103,147	1,243,755	2,863,103	40,444	43,761,928
Less:													
Local reinsurer share	966,773	-	1,115,789	-	5,864	345,213	-	-	-	1,000,590	-	-	3,434,229
Foreign reinsurer share	67,143	-	-	-	725,125	3,355,415	37,859	766,554	86,217	-	1,960,983	7,792	7,007,088
Net written premiums	8,058,753	261,898	10,075,375	207,841	220,053	481,412	5,928	12,814,484	16,930	243,165	902,120	32,652	33,320,611

2022	Motor - comprehensive	Motor-complexes	Motor – third party	Motor-bids	Marine	Fire	Enginee ring	Medical	Travel	General insurance	Life-grouping	Life-indivi dual	Total
Written premiums													
Direct premiums	7,036,479	242,553	9,032,900	-	-	3,361,117	49,402	13,617,235	154,830	1,058,325	3,583,877	32,677	38,169,395
Received premiums	55,866		934,177	183,752	-	275,817	3,310			3,693			1,456,615
Total premiums	7,092,345	242,553	9,967,077	183,752	-	3,636,934	52,712	13,617,235	154,830	1,062,018	3,583,877	32,677	39,626,010
Less:													
Local reinsurer share	605,940		1,140,044		4,981	217,312	22						1,968,299
Foreign reinsurer share	34,874				664,242	2,959,252	36,114	230	118,673	816,550	2,528,763	10,344	7,169,042
Net written premiums	6,451,531	242,553	8,827,033	183,752	669,223	460,370	16,576	13,617,005	36,157	245,468	1,055,114	22,333	30,488,669

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47- Amortization of acquisition costs of insurance contract assets

	Insurance contracts issued											
	Motor - comprehensive	Motor – third party	Motor-complexes	Motor-bids	Medical	Travel	Life	Fire and general insurance	Engineering	Other insurance	Marine	Total
2023												
No. of expected years to amortize acquisition cost to insurance												
	374,182	112,219	-	-	34,871	4,823	1,402	14,895	2,594	12,458	7,184	564,628
Total	374,182	112,219	-	-	34,871	4,823	1,402	14,895	2,594	12,458	7,184	564,628
2022												
No. of expected years to amortize acquisition cost to insurance contracts												
	298,081	133,455	-	-	34,827	4,868	1,731	20,819	888	11,646	15,321	521,636
Total	298,081	133,455	-	-	34,827	4,868	1,731	20,819	888	11,646	15,321	521,636

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48- Receivables Analysis

	2023			2022		
	Receivables	Expected credit losses provision	Net	Receivables	Expected credit losses provision	Net
Motor-comprehensive	4,443,570	(368,793)	4,074,777	2,963,201	(227,083)	2,736,118
Motor – third party	-	-	-	-	-	-
Motor-complexes	-	-	-	-	-	-
Medical insurance	6,786,085	(567,448)	6,218,637	7,918,413	(611,038)	7,307,375
Life	635,134	(120,040)	515,093	249,442	(482)	248,960
Fire and general insurance	2,714,145	(175,694)	2,538,451	2,394,439	(145,575)	2,248,864
Engineering	25,442	(1,838)	23,604	17,828	(1,204)	16,624
Liability	-	-	-	-	-	-
Other insurance	475,438	(52,196)	423,242	707,450	(81,984)	625,466
Marine	304,499	(39,913)	264,586	502,047	(58,181)	443,867
Total	15,384,312	(1,325,922)	14,058,390	14,752,819	(1,125,547)	13,627,273

49- Comparative figures

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