Al-Bilad Securities and Investment Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated Financial Statement
and Independent Auditor's Report
for the year ended December 31, 2023

Al-Bilad Securities and Investment Company
Public Shareholding Company
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Independent Auditors Report

To Messrs. Shareholders
Al-Bilad Securities and Investment Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Opinion

We have audited the consolidated financial statements of Al-Bilad Securities and Investment Company (Public Shareholding Company) and it's subsidiary, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit based on International Auditing Standards. Our responsibilities towards these standards are clarified in our report within the paragraph of responsibility of the auditor on auditing the consolidated financial statements.

We are independent from the company based on the requirements of International Ethical Standards Boards of accountants "A guide to ethical conduct for professional accountants" and the ethical requirements that is related to our audit of financial statements, in addition to our commitment to other ethical responsibilities, based on their requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

We would like to note that these consolidated financial statements of Al-Bilad Securities and Investment Company as an independendent entity, prepared for managrment purposes,it is important to mention that the company issues consolidated financial statements that include the consolidated financial statements of the parent company and its subsidiarie as a single group, in accordance with international financial reporting standards.

Key Audit Matters

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

Expected credit losses	**Scope of audit**
The company has applied the requirement of expected credit losses of International Financial Reporting Standard No. (9). Where the allowance for expected credit losses amounting to JD 4,990,920 as of December 31, 2023.	We conducted comprehensive evaluations to determine the main controls used in determining expected credit losses, data collection and its completeness, and the relevant estimates and assumptions used by management. We tested the main control systems on the modeling process.
Investment property impairment	**Scope of audit**
According to the requirements of the International Financial reporting standards, the investment property is initially valued at cost, including transaction costs, the carrying values of investment property are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.	Our audit procedures included, among other things, obtaining an evaluation of certified real estate experts to assist us in determining the market value of those investment properties at the date of the consolidated financial statements report.

Other Information

Management is responsible for the other information. The other information comprises the [information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.]
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain Sufficient and appropriate audit evidence about the financial information of establishments or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and completion of the group audit. We remain absolutely responsible for the audit report.

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

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

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

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the consolidated financial statements, we recommend to approve these financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International

طلال أبوغزاله وشركاه الدولية
Talal Abu-Ghazaleh & Co. Intl.

Mohammad Al-Azraq
(License # 1000)
Amman ,March 31, 2024

Al-Bilad Securities and Investment Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated Statement of financial position as at December 31, 2023

			2022
ASSETS	Notes	2023	After Adjustments
Non-current Assets		JD	JD
Investement in financial assets at FVOCI	3	2,545,575	2,810,874
Investment in asscoiates	4	1,571,801	1,466,609
Investments property	5	1,471,301	531,549
Property and equipment	6	9,433	17,655
Right of use asset	7	-	41,560
Intangible assets	8	5,464	2,260
Deferred tax assets	9	1,397,457	1,243,457
Total Non-Current Assets		**7,001,031**	**6,113,964**
Current Assets			
Due from brokerage customers	10	1,747,249	2,243,305
Other debit balances	11	207,958	375,390
Cash and cash equivalents	12	395,098	290,727
Total Current Assets		**2,350,305**	**2,909,422**
Total Assets		**9,351,336**	**9,023,386**
LIABILITIES AND EQUITY			
Equity			
Capital		10,000,000	10,000,000
Statutory reserve	13	516,729	516,729
Change in fair value of investments in financial assets at FVOCI		(119,585)	(48,421)
Accumulated losses		(3,620,833)	(3,160,563)
Net equity		**6,776,311**	**7,307,745**
Liabilities			
Non-current Liabilities			
Lease liability-non current	7	-	30,219
Current Liabilities			
Bank overdrafts	14	1,099,669	1,053,903
Due to brokerage customers	15	388,570	329,703
Lease liability-current	7	-	15,204
Other credit balances	16	1,086,786	286,612
Total Current Liabilities		**2,575,025**	**1,685,422**
Total liabilities		**2,575,025**	**1,715,641**
Total Liabilities and Equity		**9,351,336**	**9,023,386**

The accompanying notes form part of these financial statements

Al-Bilad Securities and Investment Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated Statement of financial position as at December 31, 2023

	Notes	2023	2022
Revenues		JD	JD
Brokerage commissions		114,975	170,072
Margin commissions		2,847	9,639
Interest revenues on margin		98,741	83,537
Dividends		60,099	82,876
Share of profit of associates		105,107	(611,315)
Other revenues	17	63,779	1,553
Total Revenues		**445,548**	**(263,638)**
Expenses			
Administrative expenses	18	(388,354)	(433,450)
Finance costs		(123,159)	(110,729)
Deprecations and amortization		(53,380)	(55,707)
Expected credit losses		(550,000)	(280,000)
Total Expenses		**(1,114,893)**	**(879,886)**
Loss befor tax		**(669,345)**	**(1,143,524)**
Income tax surplus	9	154,000	78,359
Loss after tax		**(515,345)**	**(1,065,165)**
Other comprehensive income			
Net change in fair value of investment in financial asset at FVOCI		25,758	129,451
Losses from the sale of financial assets at FVOCI		(41,847)	-
Net comprehensive income		**(531,434)**	**(935,714)**
Loss per share	19	JD (-/051)	JD (-/107)

The accompanying notes form part of these financial statements

Al-Bilad Securities and Investment Company
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Amman - The Hashemite Kingdom of Jordan

Consolidated Statement of changes in equity for the year ended December 31, 2023

	Capital	Statutory reserve	Change in fair value of investments in financial assets at FVOCI	Accumulated losses	Net
	JD	JD	JD	JD	JD
Balance as at January 1, 2022	10,000,000	516,729	(177,872)	(1,826,510)	8,512,347
Comprehensive income	-	-	129,451	(1,065,165)	(935,714)
Balance as at December 31, 2022 - before adjustments	10,000,000	516,729	(48,421)	(2,891,675)	7,576,633
Adjustments - note (23)	-	-	-	(268,888)	(268,888)
Balance as at January 1, 2023 - after adjustments	10,000,000	516,729	(48,421)	(3,160,563)	7,307,745
Comprehensive income	-	-	25,758	(515,345)	(489,587)
Losses from the sale of investment in financial assets at FVOCI	-	-	(96,922)	55,075	(41,847)
Balance as at December 31, 2023	10,000,000	516,729	(119,585)	(3,620,833)	6,776,311

The accompanying notes form part of these financial statements

Al-Bilad Securities and Investment Company
Public Shareholding Company
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Consolidated statement of cash flows for the year ended December 31, 2023

	2023	2022
Cash flows from operating activities	JD	JD
Loss	(669,345)	(1,143,524)
Adjustments for:		
Depreciation and amortization	53,380	55,707
Share of profit of associates	(105,107)	611,315
Expected credit losses	550,000	280,000
Loss from disposal of investment property	-	196
Lease liability interest	342	-
Changes in operating assets and liabilities:		
Due from brokerage customers	(53,944)	35,492
Other debit balances	167,432	42,112
Due to brokerage customers	58,867	(50,751)
Other credit balances	800,174	59,549
Net cash from operating activities	**801,799**	**(109,904)**
Cash flows from investing activities		
Purchase of intangible assets	(4,764)	(2,132)
Purchase of property and equipment	(2,038)	(7,847)
Purchase of investment in an associate	(85)	(675)
Proceeds form sales of investment property	-	80,000
Purchase of investment property	(939,752)	-
Investement in financial assets at FVOCI	249,210	(2,453)
Net cash from investing activities	**(697,429)**	**66,893**
Cash flows from financing activities		
Lease liability	(45,765)	(50,658)
Bank overdrafts	45,766	81,334
Net cash from financing activities	**1**	**30,676**
Net change in cash and cash equivalents	**104,371**	**(12,335)**
Cash and cash equivalents- beginning of year	290,727	303,062
Cash and cash equivalents- end of year	**395,098**	**290,727**

The accompanying notes form part of these financial statements

1. Legal status and activity

- The Company was established on March 22, 2006 and registered as a public shareholding company at the Ministry of Industry and Trade under the number (397).
- The main activities of the Company are:
  - Commission broker
  - Purchase and sale of shares, bonds and securities.
- The Consolidated Financial Statements have been approved by board of directors on 28 March 2024.

2. Basis for preparation of financial statements and significant accountant policies

2-1 Basis for financial statement preparation

- Financial statements preparation framework

The financial statements have been prepared in accordance with International Financial Reporting Standards.

- Measurement bases used in preparing the financial statements

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

- Functional and presentation currency

The financial statements have been presented in Jordanian Dinar (JD), which is the functional currency of the entity.

2-2 Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and carrying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, inventory obsolescence, useful lives of depreciable assets, provisions, and any legal cases against the entity.

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
IFRS (17) Insurance Contracts	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • A contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.	January 1,2023 (deferred from January 1,2021)
Amendments to IAS (1) and IFRS Practice Statement 2	The amendments to IAS (1) require entities to disclose their material rather than their significant accounting policies.	January 1, 2023.
Amendments to IAS (8)	The amendment to IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors The distinction between accounting policies and changes in accounting estimates is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	January 1, 2023.
Amendments to IAS (12)	The amendments introduce an exception to the requirements in the standard that an entity does not recognize and does not disclose information about deferred tax assets and liabilities, an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments	January 1,2023

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
IFRS (16) Leases	The amendment clarifies how a seller - lessee subsequently measures sale and lease back transaction.	January 1,2024
Amendments to IAS (1)	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date.	January 1, 2024 (Deferred from January 1, 2022).
Amendments to IAS (7) and IFRS (7) regarding supplier finance arrangements	Amendments require entities to provide qualitative and quantitative information about supplier finance arrangements.	January 1,2024

2-4 Summary of significant accounting policies

- **Basis of consolidation**

- The financial statement of parent company consists the financial statement of (Al-Bilad Securities and Investment Company) and its subsidiary as follows:

Entity name	2023
	%
Siwar Alsharq for Trading	100

- Control is presumed to exist when the parent is exposed, or has rights, to variable returns from its involvement through its power over the investee, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
- Intergroup balances, transactions, income and expenses shall be eliminated in full.
- Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the parent.
- If a parent loses a control of a subsidiary, the parent derecognizes the assets and liabilities of the subsidiary and non-controlling interests and other equities, recognize any profit or loss resulted from loss of control in the statement of comprehensive income, recognize any investment retained after loss of control at its fair value.

- Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

- A financial asset is any asset that is:
  (a) Cash;
  (b) An equity instrument of another entity;
  (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
  (d) A contract that will or may be settled in the entity's own equity instruments.

- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
- Financial assets are classified to three categories as follows:
  - Amortized cost.
  - Fair value through other comprehensive income.
  - Fair value through profit or loss.
- A financial asset is measured at amortized cost if both of the following conditions are met:
  (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
  (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:
  - The financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
  - The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interests on that principal amount outstanding.

- All other financial assets (excluding financial assets at amortized cost or at fair value though other comprehensive income) are subsequently measured at fair value in profit or losses.

- On initial recognition of an equity investment that is not held for trading, the entity may irrevocably elect to present subsequent changes in the investments fair value in other comprehensive income.

Subsequent measurement of financial assets

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests revenues or dividends, are recognized in profit or loss
Financial asserts at amortized cost	Are subsequently measured at amortized cost using effective interests method. - Amortized cost is reduced by impairment losses. - Interests income, gain and loss of foreign exchange and impairment loss are recognized in profit or loss. - Gain and loss from disposal are recognized in profit or loss.
Debts instruments at their value through other comprehensive income	Are subsequently measured at fair value - Interests income is calculated using effective interests method, gains and losses from foreign exchange, impairment losses are recognized in profit or loss. - Other net gains or losses are recognized in other comprehensive income. - On derecognition accumulated gains and losses in other comprehensive income are reclassified into profit or loss.
Equity instruments at fair value through other comprehensive income	Are subsequently measured at fair value - Dividends are recognized as income in profit or loss, unless the dividends clearly represent a recovery of part of investment cost. - Other net gains and losses are recognized in other comprehensive income (OCI) and are never reclassified from equity to profit or loss.

Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:

- The contractual rights to the cash flow from the financial assets expire, or

It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

Financial liabilities

- A financial liability is any liability that is:
  (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
  (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method. Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

Trade payables and accruals

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

Offsetting financial instruments

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends either to settle in a net basis, or through realize the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

Trade receivables

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices amount net of allowance for expected credit losses which represents the collective impairment of receivables.

Investments in associates

- An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies, if the entity holds 20 percent or more of the voting power of the investee, it is presumed that the entity has signified influence.
- The entity's investment in its associate is accounted for under the equity method of accounting. Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor' share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.
- The investor's share of other comprehensive income of the investor changes is recognized in other comprehensive income of the entity.
- Any excess of the cost of acquisition over the investor's share of the net fair value of the identifiable assets and liabilities is recognized as goodwill. The goodwill is included in the carrying amount of the investment and is not assessed, annually, for impairment separately.
- Any excess of the investor's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized as income.
- Financial statement of the associate are prepared for the same date as the financial statements of the entity. And when necessary the accounting policies of the associate are amended to comply with the accounting policies of the entity.
- After applying the equity method, the entity determine, if necessary, to recognize impairment losses on its investments in associates, and determine at the date of the financial statement that the investment in associate is impaired, and if so, the entity calculate the impairment amount as the difference between the recoverable amount and the carrying amount which is recognized as a loss in the income statement.
- When significant influence loss of the associate occur, the entity shall measure the retained interest at fair value, and recognize the difference between the carrying amount of the investment and the fair value of any retained interest and any proceeds from disposing in the statement of income.
- Intra-entity profit and loss transactions are eliminated to the extent of the investor's interest in the relevant associate.

- Investment property

- Investment property is property (land or building- or part of a building- or both):
  - Held by the entity to earn rentals,
  - For capital appreciation, or both, rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.
- Investment property is measured initially at its cost, including transaction costs.
- After initial recognition, investment property is carried, in the statement of financial position, at its cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- Buildings depreciation charge for each period is recognized in the statement of comprehensive income. Depreciation is calculated on a straight line basis, which reflects the pattern in which the buildings' future economic benefits are expected to be consumed by the entity over their estimated useful life of 25 years.
- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of investments property are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the investment property, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss

Property, plants and equipment

- Property, plant and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property, plant and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment.
- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	2023
	%
Zarqa branch assets	15-25
Computers	25
Vehicles	15
Furniture	15
Machines & equipment	15
Decoration	20

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property, plants and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

- Amount paid to build up property and equipment is initially carried to projects under construction account. When the project becomes ready for use, it will be transferred to property and equipment caption.

- **Intangible assets**

  - Intangible assets are identifiable non-monetary assets without physical substance.
  - Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses.
  - Acquisition costs comprise the purchase price and other costs directly attributable to preparing the assets for their intended use.
  - Amortization charge is recognized as loss, on a straight-line basis over the following useful lives of intangible assets:

Category	Amortizaton
License to practice activity	25%
Computer software	25%

  - The estimated useful lives are reviewed at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis.
  - The carrying values of intangible assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairment loss is calculated in accordance with impairment of assets policy.

- **Impairment of non-financial assets**

  - At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
  - If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
  - For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.
  - An impairment loss is recognized immediately as loss.
  - Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income

Impairment of financial assets

- At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

- The entity recognizers loss allowance for expected credit loss (ECL) on:
  - Financial assets measured at amortized cost.
  - Debt investments measured at FVOCI.
  - Contract assets.
- The entity measures loss allowances at an amount equal to lifetime ECLs.
- Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
- When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entitys historical experience and forward looking information.
- The entity considers a financial asset to be in default when:
  - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
  - The financial asset is more than 365 days past due.
- Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
- A financial assets is written of when there is no reasonable expectation of recovering the contractual cash flows. The entity write of the gross carrying amount of the financial asset is in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.

<u>Provisions</u>

- Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
- Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
- If the entity expected to be reimbursed for a part or full provision, the reimbursement shall be recognized within assets, when it is virtually certain and its value can be measured reliably.
- In the statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for reimbursement.
- Where the effect of the time value of money is material, provisions are discounted by using a currently pre-tax discount rate that reflect the risks specific to the liability, when using discount any increase in provision is recognized as a financial cost over time.

- **<u>Related parties</u>**

  - Transactions with related parties represent transfer of resources, services, or obligations between related parties.
  - Terms and conditions relating to related party transactions are approved by management.

- **<u>End of service indemnity</u>**

End of service indemnity is provided for in accordance with Jordanian Labor Laws and Regulations.

- **<u>Earnings per share</u>**

Basic earnings per share is calculated by dividing profit or loss, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year.

- **Revenue recognition**
  - Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
  - Revenues is recognized when trading contracts are executed for the benefit of customers.
- **Providing services**

Revenue is recognized when trading contracts are executed for the benefit of the customers.

Leases contracts

The entity assesses at the commencement date of the lease agreement whether the contract is a lease or includes a lease agreement. And if the contract is in whole or in part transfer the right to control the use of a specific asset from one party to another for a specified period of time in exchange for a consideration, the entity recognizes the right-of- use assets and lease liability with the exception of low value and for short term leases (i.e. those with a lease term of 12 months or less) in which the entity recognizes the lease payments as operating expenses on either a straight-line basis over the lease term or another systematic basis is more representative of the time period to depreciate the economic benefits of the leased assets.

The entity as a lessee

- At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.
- Outstanding lease payments include:
- Fixed payments less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as the commencement date.
- Amounts expected to be payable by the lessee to the lessor under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
- Lease liability is presented as a separate component in the entity's statement of financial position.
- The lease liability is measured subsequently by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.
- The entity shall reassess the lease liability (and makes a similar adjustment to the related right-of-use assets) whenever:
- There is a change in the lease term, or there are events or change in circumstances that lead to a change in the assessment of an option to purchase the underlying asset, in this case the lease liability is re-measured by discounting the revised lease payments using the revised discount rate.
- Lease payments are changed due to changes in an index, rate, or change in amounts expected to be payable under a residual value guarantee, in which cases the lease liabilities are re-measured by discounting the revised lease payments using a non-variable discount rate (unless the lease payments change due to the change in the floating interest rate, in which case the revised discount rate is used.
- For lease modification that is not accounted for as a separate lease, in this case the lease liabilities are re-measured based on the revised lease term by discounting the revised lease payments using modified discount rate on the date of modification.

- Right-of-use asset shall comprise an initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs incurred by the lessee that are subsequently measured less accumulated depreciation and impairment loss.
- When an entity incurs an obligation in dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, the provision is recognized and measured under IAS (37) and to the extent that the costs relate to the right-of-use assets, these costs are included in the related right-of-use assets, unless these costs are incurred to produce inventories.
- Right-of-use assets are depreciated over the shortest period between both the lease term and the useful life of the right-of-use asset.
- If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflect that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset over the useful life of the underlying asset. Depreciation begins on the commencement date of the lease.
- The right-of-use assets are presented as a separate component in the consolidated statement of financial position.
- The entity shall apply IAS (36) Impairment of Assets to determine whether the right- of-use asset is impaired and to account for any impairment loss identified as defined in "property and equipment" policy.
- As a practical expedient, IFRS (16) allows the lessee not to separate the non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component. A lessee did not apply this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of non-lease components.

<u>Dividend and interest revenue</u>

- Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.
- Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

<u>Income tax</u>

Income tax is calculated in accordance with Jordanian laws and regulations.

<u>Foreign currencies</u>

- In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions

- At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

Contingent liabilities

- Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
- Contingent liabilities are not recognized in the financial statements.

3. Investment in financial assets (at FVOCI)

	2023	2022
	JD	JD
Beginning of year balance	2,810,874	2,681,423
Change in fair value	25,758	129,451
Purchases during the year	8,765	-
Realized investment sale losses	(41,847)	-
Sales during the year	(257,975)	-
Balance end of year	2,545,575	2,810,874

- Financial assets include shares of listed companies in Amman Stock Exchange with fair value amounted to as of the date of the consolidated financial statements of JD 2,501,090 including in it shares with market value of JD 1,948,767 are mortgaged to Jordan Commercial Bank for bank facilities as stated in Note (14). Also there are shares of listed companies in Amman Stock Exchange with fair value amounted to 11,450 JD as of the date of consolidated financial statement that are reserved.
- The management evaluated its investements in Saraya Al-Aqaba real estate development company based on the net book value of assets, excluding preference outstanding shares and the expected discount rate on group assets, as they are not listed on the financial securities market, additionally,the group has a real estate project expected to be completed in 2023, relying on recovering its costs upon completion and achieving cash flows according to the assumptions of this cash project.

4. Investment in associate

Company name	Number of shares	Percentage of ownership	Resault of operation of associate	Beginning year balance- after adjustment	Purchase during the period	Share of profit of associates	Change in fair value of investment in financial asset through other comprehensive income - associates	Total	2022-after adjustment
		%	JD	JD	JD	JD	JD		JD
Jordanian Arabian group company for insurance	2,643,070	27.822	378,094	1,466,609	85	105,107	-	1,571,801	1,466,609
				1,466,609	85	105,107	-	1,571,801	1,466,609

Among the shares of the associate company, there are 1,149,262 shares pledged to the benefit of the Jordan Commercial Bank against banking facilities granted to the company, as disclosed in Note (14). Their fair value as of the date of the consolidated financial statements amounted to JD 930,902. Additionally, the associate company's shares include shares listed on the Amman Stock Exchange with a fair value of JD 2,430 as of the date of the consolidated financial statements, reserved for membership of the board of directors.

(*) Movement of investment in associate during the period was as following:

	2023	2022
	JD	JD
Beginning of year balance	1,466,609	2,346,137
Purchase	85	675
Share of profit of associates (*)	105,107	(611,315)
Amendments- Note (23)	-	(268,888)
Balance end of year	**1,571,801**	**1,466,609**

Below is a summary of information regarding associate companies:

Company name	Price of share on December 31, 2023	Total assets	Total liabilities	Revenue	Profit
	JD	JD	JD	JD	JD
Jordanian Arabian group company for insurance	-/81	25,753,445	19,778,831	23,632,964	378,094

- The company's share in the financial results of the associate company was evaluated based on a preliminary draft provided for discussion by the management until the issuance of the audited financial statement within the legal period.

5. Investment property

	Lands(*)	Building and apartments	Total
2023	JD	JD	JD
Cost			
Balance - beginning of year	531,549	-	**531,549**
Addition	600,752	339,000	**939,752**
Balance - end of year	**1,132,301**	**339,000**	**1,471,301**
Accumulated depreciation			
Balance - beginning of year	-	-	-
Depreciation	-	-	-
Balance - end of year	-	-	-
Net	**1,132,301**	**339,000**	**1,471,301**
2022			
Cost			
Balance - beginning of year	531,549	92,500	**624,049**
Disposals	-	(92,500)	**(92,500)**
Balance - end of year	**531,549**	-	**531,549**
Accumulated depreciation			
Balance - beginning of year	-	13,875	**13,875**
Depreciation	-	154	**154**
Disposals	-	(14,029)	**(14,029)**
Balance - end of year	-	-	-
Net	**531,549**	-	**531,549**

(*) Within the mentioned above lands item, land that a building held on it worth JD 939,752 that prevents the right to dispose use, it was acquired through expropriation via puplic auction.

(**)The investment properties were assessed at January 31 2024 by two independent real estate appraisers,and the average fair value of the investment properties amounted to JD 1,472, 574.

6. Property and equipment

	Zarqa branch assets	Computers	Vichles	Furnitures	Equipments	Decorations	Total
2023	JD	JD	JD	JD	JD	JD	JD
Cost							
Balance - beginning of year	16,260	123,171	67,233	66,197	94,708	74,947	442,516
Addition	-	1,963	-	-	75	-	2,038
Balance - end of year	16,260	125,134	67,233	66,197	94,783	74,947	444,554
Accumulated depreciation							
Balance - beginning of year	9,671	121,495	58,657	65,782	94,313	74,943	424,861
Depreciation	1,573	1,059	7,350	59	219	-	10,260
Balance - end of year	11,244	122,554	66,007	65,841	94,532	74,943	435,121
Net	5,016	2,580	1,226	356	251	4	9,433
2022							
Cost							
Balance - beginning of year	9,335	122,449	67,233	82,513	94,708	74,947	451,185
Additions	6,925	722	-	200	-	-	7,847
Deposals	-	-	-	(16,516)	-	-	(16,516)
Balance - end of year	16,260	123,171	67,233	66,197	94,708	74,947	442,516
Accumulated depreciation							
Balance - beginning of year	7,277	119,845	51,307	80,390	92,130	74,943	425,892
Depreciation	2,394	1,650	7,350	184	2,183	-	13,761
Disposals	-	-	-	(14,792)	-	-	(14,792)
Balance - end of year	9,671	121,495	58,657	65,782	94,313	74,943	424,861
Net	6,589	1,676	8,576	415	395	4	17,655

7. Right-of-use asset

2023	Right of use
Cost	JD
Balance - beginning of year	207,632
Balance - end of year	**207,632**
Accumulated depreciation	
Balance - beginning of year	166,072
Depreciation	41,560
Balance - end of year	**207,632**
Net	-

2022	
Cost	
Balance - beginning of year	207,632
Balance - end of year	**207,632**
Accumulated depreciation	
Balance - beginning of year	124,554
Depreciation	41,518
Balance - end of year	**166,072**
Net	**41,560**

The movement of lease liability during the period was as follows:

	2023	2022
	JD	JD
Balance - beginning of year	45,423	96,082
Interest expense for the year	342	4,266
Paid during the year	(45,765)	(54,925)
Balance - end of year	-	**45,423**
Current portion	-	15,204
Non-current portion	-	30,219

8. Intangible assets

	License to practice activity	Computer software	Total
	JD	JD	JD
2023			
Cost			
Balance beginning of the year	200,000	107,851	307,851
Additions	-	4,764	4,764
Balance ending of the year	**200,000**	**112,615**	**312,615**
Accumulated Amortization			
Balance beginning of the year	199,999	105,592	305,591
Additions	-	1,560	1,560
Balance ending of the year	**199,999**	**107,152**	**307,151**
Net	1	5,463	5,464
2022			
Cost			
Balance beginning of the year	200,000	105,719	305,719
Additions	-	2,132	2,132
Balance ending of the year	**200,000**	**107,851**	**307,851**
Accumulated Amortization			
Balance as of January 1,2023	199,999	105,320	305,319
Amortization	-	272	272
Balance ending of the year	**199,999**	**105,592**	**305,591**
Net	1	2,259	2,260

9. Deferred tax assets

	Beginning of the year	Additions	Released amounts	Balance ending of the year	Deferred tax assets
2023	JD	JD	JD	JD	JD
Expected credit losses allowance	4,395,754	595,166	-	4,990,920	1,397,457

10. Due from brokerage customers

	2023	2022
	JD	JD
Due from brokerage customers	3,690,246	3,647,446
Due from finance customers on margin	3,047,923	2,991,613
Total	6,738,169	6,639,059
Less: Expected credit losses allowance (*)	(4,990,920)	(4,395,754)
Net	1,747,249	2,243,305

(*) The movement of the allowance for expected credit losses was as follows:

	2023	2022
	JD	JD
Balance beginning of year	4,395,754	4,115,754
Additions	550,000	280,000
Transfered from other receivables expected credit losses allowance	45,166	-
Balance end of year	4,990,920	4,395,754

The following are aging of receivables.

	2023	2022
	JD	JD
1-30 days	816,585	337,606
31-90 days	760,979	815,969
91-180 days	82,287	125,360
181-365 days	150,000	5,360,124
More than 366 days	4,928,318	-
	6,738,169	6,639,059

11. Other debit balances

	2023	2022
	JD	JD
Bank guarantees insurance	127,384	123,876
Settlement Guarantee Fund	25,000	25,000
Prepaid expense	23,505	25,166
Other receivables	19,280	189,972
Accrued revenues	7,945	7,945
Refundable deposits	2,640	2,640
Employee receivables	1,348	3,288
Petty cash	856	-
Income tax deposits - bank interests	-	406
Securities Depository Center - receivables	-	42,263
Less: expected credit losses	-	(45,166)
Total	207,958	375,390

(*) The movement of allowance for expected credit losses was as follows:

	2023	2022
Balance beginning of year	45,166	45,166
Transfered from due to brokerage customers to expected credit losses allowance	(45,166)	-
	-	45,166

12. Cash and cash equivalents

	2023	2022
	JD	JD
Current accounts at banks	2,175	3,910
Current accounts at banks- customers	392,923	285,025
Cash on hand	-	1,792
Total	395,098	290,727

13. Statutory reserve

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the 25% Company's subscribed capital. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statuary reserve, and to rebuild it in accordance with the provisions of the law.

14. Bank overdraft

This item represents the balance of bank facilities obtained by the company from the Jordan Commercial Bank at an annual interest rate of 10%. These facilities were granted with the pledge of shares owned by the company, as disclosed in Notes (3) and (4).

15. Due to brokerage customers

	2023	2022
	JD	JD
Due to brokerage customers	385,215	322,851
Due to finance customers at margin	3,355	6,852
Total	388,570	329,703

16. Other credit balances

	2023	2022
	JD	JD
Trade payaple	762,991	37,252
Provision for employee leave and end of service compensation	77,311	67,991
Deposits to others - subscription and others	76,727	53,167
Income tax deposits	59,320	35,974
Shareholders deposits	57,690	57,891
Accrued expenses	37,881	32,210
Securities Depository Center - settlement account	9,340	-
Social security deposits	5,526	2,127
Total	1,086,786	286,612

17. Other revenues

	2023	2022
	JD	JD
Interest income	42,059	-
Rent revenue	20,000	-
Revenue from the Settlement Guarantee Fund	984	882
Opening accounts revenue	660	780
Other revenues	76	87
Losses on sale of investment property	-	(196)
Total	63,779	1,553

18. Administrative expenses

	2023	2022
	JD	JD
Salaries and wages	236,024	242,253
Transportations	33,600	33,600
Fees, licenses and subscriptions	27,602	28,825
Professional fess	17,775	13,200
Social security	13,702	16,490
Insurance	11,971	10,570
Employee vacation and end of service compensation	9,374	9,264
Zarqa branch expenses	7,864	5,998
Legal expense	4,850	44,574
Maintenances	4,755	3,581
Post, telegraph, telephone and internet	4,263	4,535
Hospitality and cleaning	3,687	3,852
Miscellaneous	3,529	2,478
Vehicles	2,981	4,498
Electricity and water	1,757	1,584
Stationery and printing	1,555	1,693
General assemply	1,426	860
Trading errors	797	329
Donation	500	1,000
Lease liability interest	342	4,266
Total	**388,354**	**433,450**

19. Earnings per share

	2023	2022
Loss	(515,345)	(1,065,165)
Weighted average for the number of shares	10,000,000	10,000,000
The basic and diluted share of loss for the year	**(0.051)**	**(0.107)**

20. Lawsuits

According to the lawyer letter there are legal cases raised from company against others amounting to JD 4,352,282 ,these cases still outstanding in the related courts, and in the opinion of the tax consultant the recorded provisions are sufficient.

21. Contingent liabilities

On the date of statement of financial position, the company has contingent liabilities on bank gurantees amounting to JD 650,500 and insurance coverage valued JD 127,384.

22. Tax status

The company tax status has been settled until the end of -----, The tax returns for the company were submitted by the Income Tax Department for the years within the legal timeframe, and the returns were accepted without any adjustments. The sampling audit method was not applied. The annual income tax returns for the company were submitted within the legal timeframe, and the returns have not been audited as of the financial statements issuance date."

23. Previous years adjustments

The financial statements have been adjusted for previous years to conform to the International Standard No. (8) Which allows adjustment of financial statements in case that discovering errors from previous periods as a result of the lack of appropriate information, as the company did not record the difference in the share of results of associate's after adjusting the results of the associate's company for the year 2022 as a result of adjusting the financial statements after issuance and their impact on the year ended December 31, 2022 was as follows:

	Balance before adjustments	Adjustments	Balance before adjustments
	JD	JD	JD
Investment in asscoiates	1,735,497	(268,888)	1,466,609
Accumulated losses	2,891,675	268,888	3,160,563

24. Risk management

a) Capital risk:

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- The entity is not exposed to currency risk.

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments. However, this risk is insignificant since no active trading on these investments is occurred.
- The entity is not exposed to other price risk.

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Brokrage customers receivables are guaranteed under the portfolios and the lower the market value of those portfolios the higher the risk of collecting such receivables.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

	Less than 1 year		More than 1 year	
Description	2023	2022	2023	2022
Financial assets:	JD	JD	JD	JD
Investment in financial assets at fair value through other comprehensive income	-	-	2,545,575	2,810,874
Investment in associate	1,571,801	1,446,609	-	-
Due from brokerage customers	1,747,249	2,243,305	-	-
Other debit balances	184,453	350,224	-	-
Cash and cash equivalent	395,098	290,727	-	-
Total	3,898,601	4,330,865	2,545,575	2,810,874
Financial liabilities:				
Lease liability	-	15,204	-	30,219
Trade payaple	1,099,669	1,053,903	-	-
Due to brokerage customers	388,570	329,703	-	-
Other credit balances	1,009,475	218,621	-	-
Total	2,497,714	1,617,431	-	30,219

25. Financial statement for subsidary

Company name	Legal statues	Paid in capital	Ownership percentage	Total assets	Total liabilities	Retained earning (accumlated losses)
		JD	%	JD	JD	JD
Siwar Al-sharq Trading Company	limited liability	1,000	100	159,000	158,000	-

26. Possible effects of economic fluctuations

As a result of the current global conflict, where the entity took into account any possible impact of the current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine the expected credit losses.

27. Reclassification

2022 balances have been reclassified to conform to the adopted classification in 2023.