



# ANNUAL REPORT 2022



Banker Middle East  
Best Leasing Company  
Jordan 2017



Global Banking & Finance Review  
Best Leasing Company  
Jordan 2016



King Abdullah II Award  
for Excellence Private Sector  
(2012 - 2013)



**HIS MAJESTY  
KING ABDULLAH II  
KING OF THE HASHEMITE KINGDOM  
OF JORDAN**



**HIS ROYAL HIGHNESS  
PRINCE HUSSEIN BIN ABDULLAH II  
CROWN PRINCE OF JORDAN**



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## Board of Directors

**George Nicola Abukhader**

**Chairman**

**Nicola George Abukhader**

**Vice Chairman**

**Elia Jad Wakileh**

**Board Member  
& Chief Executive Officer**

**Mohammed Ali Ibrahim  
(Representative of Jordan Investment and  
General Consulting Company)**

**Board Member**

**Marwan Lutfk Tamari**

**Board Member**

**Ernst & Young Jordan (EY)**

**Chartered Auditor**

**Laith Khalil Haddad**

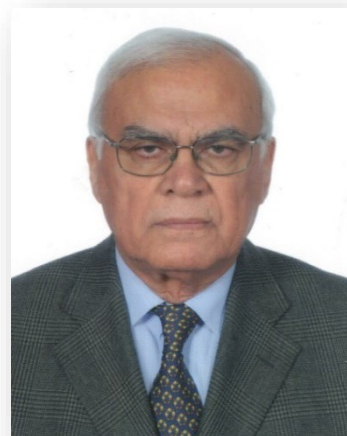
**Legal Consultant**



## Message from The Chairman

Dear Members of the General Assembly,

I personally and on behalf of my colleagues, the members of the Board of Directors of the Comprehensive Leasing Company, extend my deepest gratitude to you for your great ongoing support and confidence and I am pleased to present to you the Annual Report which highlights the Company's activities and financial results during the fiscal year ending on 31/12/2022. We shall together review the efforts used by the Directors, Executive and Administrative staff who acted diligently during the year to achieve the Company's vision and consolidate its stature as a pioneer in the Leasing Sector.



During the year, the global economy faced significant economic challenges and although the beginning of 2022 was full of optimism through the improvement in the global economy post the direct effects of COVID-19, regretfully, such optimism did not last for long where the globe went into a spiral of increase in the price of energy, food and basic commodities after the escalation of the Russian-Ukraine War in March 2022 which resulted in a sharp increase in inflation in many countries followed by a steady increase in interest rates to limit the inflation effects which reflected negatively on the global and domestic economics.

Despite the uncertainty in the economic landscape throughout the year, the Comprehensive Leasing Company has proved yet again its flexibility and capability to confront the challenges whereby the method of determining business priorities and effective management of the resources played a significant role in realizing a stable performance for the Company. During the year, we initiated the implementation of our strategic plan relying on a fundamental vision of clear thresholds and objectives that pave the way to capitalize on our solid and leading position which we have enjoyed throughout our rich history.

The Comprehensive Leasing Company, through its vision and strategic plans, seeks to expand its regional presence and benefit from the future prospects and positive changes in the region. In so doing, the Company entered into partnership with the National Bank of Iraq through incorporating a limited liability company in Iraq, specialized in automobile, machinery and equipment financing entitled the "Iraqi National Installment Company" for a share of 49% of the capital of ID10 billion (equivalent to JD.4,826,530/-). It is expected to finalize all the incorporation, regulatory requirements and procedures within the 1st quarter of 2023 whereupon it shall exercise its activities in Baghdad.

As for the financial performance during 2022, the Company maintained its strong and solid financial position despite the difficult economic challenges, whereby the total revenue amounted to JD 11,119,723 compared with JD 12,001,284 during the same period of the previous year. The Company's pre-tax profits amounted to JD. 4,488,110/- while the profits after tax and provisions amounted to JD 3,347,093 in 2022 compared with JD 3,882,210 in 2021.



The Company's total assets at the end of 2022 amounted to JD 81,852,216 compared with JD 82,945,810 at the end of 2021. Shareholders' Equity increased by 6.23% thus amounting to JD 22,968,178 compared with JD 21,621,085 at the end of last year.

In recognition of the shareholders' trust and continuous support and based on the Company's financial performance and the achieved results, the Company's Board of Directors recommends to distribute cash dividends to the shareholders at 14% of the share par value.

The Comprehensive Leasing Company prides itself with its staff members and appreciates their efforts as we believe that the Company's success is just a product of their competence and perseverance. As such, we are proud to declare that the Company's Chief Executive Officer, Mr. Elia Wakileh was awarded the Best Leasing Company CEO, Jordan 2022 by the British International Finance which is specialized in the Finance and Banking Sector. This award celebrates the professional and institutional distinction whereby it awards the Chief Executive Officers who had a positive impact on their corporation's performance and establish the distinction criteria in the sector of their business.

I am quite confident that my colleagues, the Board Directors and Executive Management staff are completely ready to indulge in a new year of serious work and there is no doubt that there shall be new opportunities and challenges that require a lot of work in order to achieve our strategic objectives.

I would like to extend my gratitude and appreciation to our shareholders and customers for their enormous trust and continuous support. I would like also to extend my gratitude to my colleagues the Directors for performing their functions with distinction, competence and professionalism in light of the current economic challenges. I seize this opportunity to show appreciation to the Executive Management for its ongoing effort and great work and extend my thanks to all of our staff members at all levels for their great efforts who have been the driving force behind the Company's accomplishments during 2022.

With all due respect,

Chairman  
George Nicola Abukhader



## Message from The Chief Executive Officer

Dear Members of the General Assembly,

I welcome you all at this annual meeting and I am pleased to review with you a summary of the most prominent events and developments that the Company has undergone throughout 2022. We shall together observe the results of the exerted efforts and the most remarkable accomplishments that have been realized and, in the meantime, we confirm our concerted efforts and harness all capabilities to achieve the mission for the purpose for which the Company was incorporated.



The year 2022 was quite exceptional at all levels where it brought forward numerous events and challenges witnessed by the global and domestic economy which has a significant impact on the entire economic aspects, including the leasing activity and the activities associated therewith. During this hard year, the Comprehensive Leasing Company succeeded in overcoming various challenges whereby our flexible policies and procedures played an instrumental role in developing our operations to overcome the crises and confront the fierce competition in the markets and benefit from the available opportunities.

In 2022, we celebrated our eighteenth anniversary of successful business. This year we have achieved an essential mission towards regional expansion as we are fully aware of the importance of the expansion plans beyond the Kingdom. At such time the value of strategic partnerships relative to our Company are quite apparent whereupon the Comprehensive Leasing Company entered into a regional partnership with the National Bank of Iraq to incorporate the “Iraqi National Installment Company” which shall be specialized in automobile, machinery and equipment financing. It is anticipated that it shall commence with its activities in Baghdad during the 1st Quarter of 2023.

Upon reviewing our achievements during last year, we find that we continued work with high competence in implementing our strategy to consolidate our leadership in the market in the leasing services and we were able to get closer to our customers to ensure that we are capable of realizing their aspirations.

The priorities of our operation were to enhance the customers’ experience in providing an advanced financing experience and align with the market’s requirements and needs. The Company proved its capability for continuous innovation through the successful launch of new products and services, such as the “Cashback Program” and the “Top-up Finance Program” in addition to the ongoing development that the Company carries out throughout the year in respect of its essential products and services to ensure meeting the market’s needs.



We, at the Comprehensive Leasing Company, realized the great importance involving the effective implementation of the digital technologies and improvement of the customers' experience in order to realize success in our business in line with an unparalleled technological development witnessed by the finance sector. Therefore, we were keen to link certain of our financing programs with special electronic portfolios that have been created for customers in order to transfer funds directly thereto. Such portfolios have numerous advantages, the most prominent of which, the quick and easy use over and above a high level of security.

We strongly believe that the small and medium size enterprises have a pivotal role in economic growth as well as being more flexible and responsive to change, hence, during this year the Comprehensive Leasing Company has given great attention to this sector and exerted serious efforts in the support and priority thereof.

Our message was crystal clear, where it was first and foremost "Customer Care", therefore, our focus was creating more communication channels with our customers. The e-promotion played a major role during this year by posting many promotional messages over various social media channels as we believe in the significance of such media in conveying our message to the public and to reach the greatest number of customers.

We have never retreated from our belief in the quality of our team and we never hesitated from the ongoing enhancement of our human resources and the development thereof. As such, during 2022, we continued with attracting the best human resources and we were keen to invest in training, education and development through providing specialized training programs for all job levels that encompassed the majority of the Company's Departments.

We continued with realizing success by relying on a flexible business model and a clear operating strategy. In recognition of the successive accomplishments realized by the Company; in appreciation for its stable positive performance and its distinction in the service level and quality extended to customers, the Comprehensive Leasing Company continued with acquiring prizes provided by the specialized global institutions in the assessment of the Finance and Banking Sector, as such it was awarded the Best Leasing Company Award, Jordan 2022 during the International Finance Award 2022 ceremony which was held in Dubai in January 2023.

Finally, I extend my gratitude to the Company's Shareholders who were always the primary factor for our success by supporting us in confronting the challenges and to our loyal customers for their confidence in us. I would also seize this opportunity to extend my gratitude to our staff members for the distinguished commitment and diligent work which contributed towards making our Company one of the best leasing financial institutions in the Kingdom wishing the Company, its staff, shareholders and customers a new year of distinction, progress and achievement.

With all due respect,

Chief Executive Officer  
Elia Jad Wakileh



## Historical Background about the Company



The Company was incorporated in 2004 under the name “Comprehensive Leasing Company LLC”. It was registered at the Ministry of Industry and Trade under number 8730 on 14/4/2004 with a capital of JD. 1 million. The Company’s primary activity is leasing finance for all types of vehicles, medical and industrial equipment. On 6/8/2005, a General Assembly Meeting was held and it was agreed to increase the capital from JD. 1 million to JD. 2 million and the procedures were completed on 17/8/2005 maintaining the Company’s legal capacity as a limited liability company.

On 12/9/2006, legal procedures were completed in respect of increasing the Company’s capital from JD.2 million to JD.5 million and transforming it into a public shareholding company. It was registered at the Ministry of Industry and Trade under No. 415 with 5 million shares at a value of JD. 1 per share. On 9/5/2007 approval of accede the Jordan Securities Commission was granted provided that trading in the Company’s share shall take place after two years from the date of approval. On 8/2/2008, the Company held an Extraordinary General Assembly meeting during which the General Assembly’s approval to raise the Company’s capital to JD. 7 million was obtained through the distribution of free shares at a ratio of 40% of the original capital of JD.5 million. On 14/5/2009 trading in the shares of the Comprehensive Leasing Company PLC commenced under the symbol (leas) at Amman Stock Exchange. The Company had its capital increased from JD. 7 million to JD. 10 million through the distribution of free shares at a ratio of 42.86% after the General Assembly’s approval on 25/2/2018 and from JD. 10 million to JD. 15 million through the distribution of free shares at a ratio of 50% after the General Assembly’s approval on 10/2/2022.



## Board of Directors Report

### 1- Highlights on the Company's main activities, geographical locations, capital investment volume and number of employees:

#### A. Company's Main Activities:

The main activities of the company can be summarized in the practice of financial leasing activity for all types of vehicles, medical and industrial equipment, in addition to residential and commercial real estate. The company also provides installment financing solutions with flexibility and accuracy at the same time.

#### B. The Company's Geographical Locations and Number of Employees per Location:

The work team of the Comprehensive Leasing Company consists of (82) employees. The company operates through seven branches inside Jordan in addition of two branches outside the Kingdom, providing a wide and comprehensive geographical coverage, as follows:

| #                                                 | Location Name       | Geographical Location                                 | No. of Employees |
|---------------------------------------------------|---------------------|-------------------------------------------------------|------------------|
| <b>Jordan Branches</b>                            |                     |                                                       |                  |
| 1                                                 | Main Branch         | 207 Zahran Street                                     | 56               |
| 2                                                 | Sport City Branch   | 110 Sarh Al Shaheed Street                            | 6                |
| 3                                                 | Al Wehdat Branch    | 40 Khawla Bint Al Azwar Street                        | 3                |
| 4                                                 | Al Bayader Branch   | Ahmad Oglia Al Nsour Steert – Sama Al Bayader Complex | 3                |
| 5                                                 | Al Jubeiha Branch   | 371 Queen Rania Street                                | 2                |
| 6                                                 | Zarqa Branch        | 103 36 <sup>th</sup> Street - Al Zarqa Al Jadida      | 3                |
| 7                                                 | Irbid Branch        | 6 Firas Al Ajlouni Street                             | 3                |
| <b>Total Jordan Number of Employees</b>           |                     |                                                       | <b>76</b>        |
| <b>Kurdistan - Iraq</b>                           |                     |                                                       |                  |
| 1                                                 | Erbil Branch        | 250 20th Street Erbil - Bakhtiary                     | 3                |
| 2                                                 | Sulaymaniyah Branch | 01/11/26 Salim Street - Sulaymaniyah                  | 3                |
| <b>Total Kurdistan - Iraq Number of Employees</b> |                     |                                                       | <b>6</b>         |
| <b>Total Number of Employees</b>                  |                     |                                                       | <b>82</b>        |

#### C. Total Capital Investment Volume:

According to the consolidated financial statements, the company's capital investment was JOD 49,858,966 at the end of 2022, compared to JOD 48,130,534 at the end of 2021.



## 2- Description of subsidiaries, their nature of work and activities:

**A. Comprehensive Vehicle Trading Company:** The company was established on the 21<sup>st</sup> of July 2011 under the number (25573) as a limited liability company fully owned by the Comprehensive Leasing Company. The company's capital is currently JOD 500,000, and its activity is focused on selling used vehicles in installments through one branch operating in Jordan at Zahran Street - Building No. (207) and with a work team consisting of four employees. The following are the most important comparative financial information of the company:

| Description:                      | 2022 (JOD) | 2021 (JOD) |
|-----------------------------------|------------|------------|
| Subsidiary Capital                | 500,000    | 500,000    |
| Total Equity                      | 10,796,496 | 8,764,537  |
| Ownership Percentage              | % 100      | % 100      |
| Installments Sale Net Receivables | 23,561,737 | 25,644,287 |
| Total Assets                      | 24,080,892 | 26,113,862 |
| Total Liabilities                 | 13,284,396 | 17,349,325 |
| Net Operating Income              | 4,218,041  | 4,198,950  |
| Net Profit Before Tax             | 2,632,866  | 2,481,718  |
| Net Profit After Tax              | 2,031,959  | 1,914,068  |

**B. Comprehensive Global Financial Consulting Company:** The company was established on October 24<sup>th</sup> 2016 under the number (45447) as a limited liability company fully owned by the Comprehensive Leasing Company. The company's capital is 10,000 dinars, and its activity is focused on stocks investments at Amman Stock Exchange through one branch operating in Jordan at Zahran Street - Building No. (207). There are currently no employees at the company. The following are the most important comparative financial information of the company:

| Description:          | 2022 (JOD) | 2021 (JOD) |
|-----------------------|------------|------------|
| Subsidiary Capital    | 10,000     | 10,000     |
| Total Equity          | 323,426    | 187,608    |
| Ownership Percentage  | % 100      | % 100      |
| Total Assets          | 1,616,748  | 1,207,388  |
| Total Liabilities     | 1,291,355  | 1,019,780  |
| Net Operating Income  | 139,727    | 163,447    |
| Net Profit Before Tax | 137,759    | 161,913    |
| Net Profit After Tax  | 135,818    | 158,898    |



**C. Comprehensive Global Company for Residential and Commercial Projects:** The company was established on August 17<sup>th</sup> 2021 under the number (60706) as a limited liability company fully owned by the Comprehensive Vehicles Trading Company (A subsidiary fully owned by the Comprehensive Leasing Company). The company's capital is 100,000 dinars, and its activity is focused on owning and establishing residential and commercial projects through one branch operating in Jordan at Zahran Street - Building No. (207). There are currently no employees at the company. The following are the most important comparative financial information of the company:

| Description:         | 2022 (JOD) | 2021 (JOD) |
|----------------------|------------|------------|
| Subsidiary Capital   | 50,000     | 50,000     |
| Total Equity         | 50,000     | 50,000     |
| Ownership Percentage | % 100      | % 100      |
| Total Assets         | 3,307,675  | 50,000     |
| Total Liabilities    | 3,257,675  | -          |

- The company did not achieve any operating or non-operating profits or losses during the year 2021.

#### **D. National Iraqi Installments Company:**

The company was established on September 21 of 2022 in the Republic of Iraq as a limited liability company in partnership with the National Bank of Iraq, with a share of 49% for the Comprehensive Leasing Company. The company's capital is 10 billion Iraqi dinars (equivalent to 4,826,530 Jordanian Dinars), its activity is focused on trading, buying and selling vehicles, machinery, machinery, and equipment through one branch operating in the Iraqi capital, Baghdad, located on Al-Saadoun Street, with a work team consisting of eleven employees. The following are the most important comparative financial information of the company:

| Description:         | 2022 (JOD) | 2021 (JOD) |
|----------------------|------------|------------|
| Subsidiary Capital   | 4,826,530  | -          |
| Total Equity         | 4,826,530  | -          |
| Ownership Percentage | %49        | -          |
| Total Assets         | 4,826,530  | -          |
| Total Liabilities    | -          | -          |

- The company did not achieve any operating or non-operating profits or losses during the year 2021, and will start its operations during the first quarter of 2023.



### 3- Board Members / Senior Managers: Names, Titles and a Brief on Each of Them:

#### A. Board Members:

|   |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <b>Name:</b>           | George Nicola George Abukhader                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|   | <b>Title:</b>          | Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|   | <b>Birth Date:</b>     | February 7 <sup>th</sup> 1939                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|   | <b>Qualifications:</b> | Bachelor's Degree in Business Administration, Commerce and Economics from the American University of Beirut - Lebanon.                                                                                                                                                                                                                                                                                                                                                                                   |
|   | <b>Experience:</b>     | 56 years in business administration and is currently holds the position of: <ul style="list-style-type: none"> <li>Chairman of Abu Khader Group in Jordan.</li> <li>Board member of the Delta Insurance Company.</li> <li>Chairman of the Royal Investments Company.</li> <li>Member of the Amman Chamber of Commerce and Industry.</li> <li>Member of the General Syndicate of Car Dealers and Auto Parts and Accessories Dealers.</li> <li>Member of the Jordanian Businessmen Association.</li> </ul> |
| 2 | <b>Name:</b>           | Nicola George Nicola Abukhader                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|   | <b>Title:</b>          | Vice Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|   | <b>Birth Date:</b>     | December 7 <sup>th</sup> 1970                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|   | <b>Qualifications:</b> | Bachelor's Degree in Business Administration from Boston University - United States.                                                                                                                                                                                                                                                                                                                                                                                                                     |
|   | <b>Experience:</b>     | 31 years of experience in business administration and is currently holding the position of: <ul style="list-style-type: none"> <li>CEO of the Abu Khader Group.</li> <li>Chairman of the Comprehensive Land Development and Investment Company.</li> <li>Board Member of the European Arab Insurance Group.</li> <li>Board Member of the American Chamber of Commerce in Jordan.</li> </ul>                                                                                                              |
| 3 | <b>Name:</b>           | Elia Jad Micheal Wakileh                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|   | <b>Title:</b>          | Board Member & General Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|   | <b>Birth Date:</b>     | August 1 <sup>st</sup> 1966                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|   | <b>Qualifications:</b> | Master Degree in Banking Finance and Investment from the University of Hertfordshire – United Kingdom.                                                                                                                                                                                                                                                                                                                                                                                                   |
|   | <b>Experience:</b>     | 33 years of experience in the of business administration, financial management and financial leasing and is currently holding position of: <ul style="list-style-type: none"> <li>General Manager of the Comprehensive Leasing Company.</li> <li>Vice President of the Jordanian Association of the Leasing Companies.</li> <li>Chairman of the Orthodox Club.</li> </ul>                                                                                                                                |



|   |                        |                                                                                                                                                                                                                                                                                            |
|---|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | <b>Name:</b>           | Marwan Lutfk Wahbeh Tamari                                                                                                                                                                                                                                                                 |
|   | <b>Title:</b>          | Board Member                                                                                                                                                                                                                                                                               |
|   | <b>Birth Date:</b>     | December 2 <sup>nd</sup> 1968                                                                                                                                                                                                                                                              |
|   | <b>Qualifications:</b> | Bachelor's Degree in Business Administration from George Washington University - United States.                                                                                                                                                                                            |
|   | <b>Experience:</b>     | 31 years of experience in free trade, and is currently holding position of: <ul style="list-style-type: none"> <li>• General Manager and owner of Bab Al-Karim Import and Export Company.</li> <li>• Board member of the Comprehensive Land Development and Investment Company.</li> </ul> |

|   |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 | <b>Name:</b>           | Mohammed Ali Mohammed Ibrahim<br>(Representative of Jordan Investment and General Consulting Company)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|   | <b>Title:</b>          | Board Member                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|   | <b>Birth Date:</b>     | February 26 <sup>th</sup> 1969                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|   | <b>Qualifications:</b> | Bachelor's Degree in Business Administration from Al-Zaytoonah University of Jordan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|   | <b>Experience:</b>     | 32 years of experience in the banking sector and corporate banking and currently holding position of: <ul style="list-style-type: none"> <li>• Vice President/Partner at netaj for Commercial Investments.</li> <li>• Consultant for several local and foreign companies in the field of business development.</li> <li>• Board member of the Comprehensive Land Development and Investment Company.</li> <li>• Board member and treasurer of the Jordanian Economic Forum.</li> <li>• Member of the Association Jordanian Businessmen</li> <li>• Member of the Arab Businessmen Union.</li> </ul> |

## B. Senior Management:

|   |                        |                                                                                                                                                                                                                                                                                                                                                                                 |
|---|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <b>Name:</b>           | Elia Jad Micheal Wakileh                                                                                                                                                                                                                                                                                                                                                        |
|   | <b>Position:</b>       | Board Member & General Manager                                                                                                                                                                                                                                                                                                                                                  |
|   | <b>Hiring Date:</b>    | April 1 <sup>st</sup> 2004                                                                                                                                                                                                                                                                                                                                                      |
|   | <b>Birth Date:</b>     | August 1 <sup>st</sup> 1966                                                                                                                                                                                                                                                                                                                                                     |
|   | <b>Qualifications:</b> | Master Degree in Banking Finance and Investment from the University of Hertfordshire – United Kingdom.                                                                                                                                                                                                                                                                          |
|   | <b>Experience:</b>     | 33 years of experience in the of business administration, financial management and financial leasing and is currently holding position of: <ul style="list-style-type: none"> <li>• General Manager of the Comprehensive Leasing Company.</li> <li>• Vice President of the Jordanian Association of the Leasing Companies.</li> <li>• Chairman of the Orthodox Club.</li> </ul> |



|   |                        |                                                                                          |
|---|------------------------|------------------------------------------------------------------------------------------|
| 2 | <b>Name:</b>           | <b>Samer Mohammed Ismail Al Qtaeshat</b>                                                 |
|   | <b>Position:</b>       | <b>Finance Manager</b>                                                                   |
|   | <b>Hiring Date:</b>    | <b>October 1<sup>st</sup> 2004</b>                                                       |
|   | <b>Birth Date:</b>     | <b>August 29<sup>th</sup> 1981</b>                                                       |
|   | <b>Qualifications:</b> | <b>Bachelor's degree in Accounting from Philadelphia University - Jordan.</b>            |
|   | <b>Experience:</b>     | <b>20 years of experience in accounting.</b>                                             |
| 3 | <b>Name:</b>           | <b>Jamal Abdul Rahman Ibrahim Asfour</b>                                                 |
|   | <b>Position:</b>       | <b>Fleet Leasing Manager</b>                                                             |
|   | <b>Hiring Date:</b>    | <b>October 1<sup>st</sup> 2004</b>                                                       |
|   | <b>Birth Date:</b>     | <b>August 3<sup>rd</sup> 1975</b>                                                        |
|   | <b>Qualifications:</b> | <b>Bachelor's degree in Business Administration from Baghdad University - Iraq.</b>      |
|   | <b>Experience:</b>     | <b>24 years of experience in sales and leasing.</b>                                      |
| 4 | <b>Name:</b>           | <b>Hussam Shukri Qustandi Al Qubrosi</b>                                                 |
|   | <b>Position:</b>       | <b>Business Development &amp; Marketing Manger</b>                                       |
|   | <b>Hiring Date:</b>    | <b>March 30<sup>th</sup> 2011</b>                                                        |
|   | <b>Birth Date:</b>     | <b>December 26<sup>th</sup> 1979</b>                                                     |
|   | <b>Qualifications:</b> | <b>Bachelor's degree in Hotel Management from Applied Sciences University - Jordan.</b>  |
|   | <b>Experience:</b>     | <b>19 years of experience in Marketing, Business Development and Strategic Planning.</b> |
| 5 | <b>Name:</b>           | <b>Iyad Yaqoub Khalil Karkar</b>                                                         |
|   | <b>Position:</b>       | <b>Risk and Legal Affairs Manager</b>                                                    |
|   | <b>Hiring Date:</b>    | <b>September 25<sup>th</sup> 2016</b>                                                    |
|   | <b>Birth Date:</b>     | <b>January 8<sup>th</sup> 1987</b>                                                       |
|   | <b>Qualifications:</b> | <b>Bachelor's degree in Accounting from the Hashemite University - Jordan.</b>           |
|   | <b>Experience:</b>     | <b>16 years of experience in the field of Credit and Internal Auditing.</b>              |
| 6 | <b>Name:</b>           | <b>George Sami Bshara Khoury</b>                                                         |
|   | <b>Position:</b>       | <b>Jordan Branches Manager</b>                                                           |
|   | <b>Hiring Date:</b>    | <b>June 1<sup>st</sup> 2005</b>                                                          |
|   | <b>Birth Date:</b>     | <b>February 24<sup>th</sup> 1985</b>                                                     |
|   | <b>Qualifications:</b> | <b>Diploma in Financial Management from Al-Ahliyya Amman University - Jordan.</b>        |
|   | <b>Experience:</b>     | <b>18 years of experience in Credit, Leasing and Sales.</b>                              |
| 7 | <b>Name:</b>           | <b>Raed Issa Yousef Al-Razouq</b>                                                        |
|   | <b>Position:</b>       | <b>Operations Manager</b>                                                                |
|   | <b>Hiring Date:</b>    | <b>October 3<sup>rd</sup> 2010</b>                                                       |
|   | <b>Birth Date:</b>     | <b>March 8<sup>th</sup> 1969</b>                                                         |
|   | <b>Qualifications:</b> | <b>Bachelor's degree in Economics from Beirut Arab University - Lebanon.</b>             |
|   | <b>Experience:</b>     | <b>30 years of experience in Operations Management, Sales, and leasing.</b>              |



|    |                        |                                                                                                    |
|----|------------------------|----------------------------------------------------------------------------------------------------|
| 8  | <b>Name:</b>           | Abdul Hamid Muhammad Rafiq Abdul Hamid Al-Smadi                                                    |
|    | <b>Position:</b>       | SME Leasing Manager                                                                                |
|    | <b>Hiring Date:</b>    | November 2nd 2014                                                                                  |
|    | <b>Birth Date:</b>     | February 17 <sup>th</sup> 1976                                                                     |
|    | <b>Qualifications:</b> | Bachelor's degree in Political and Administrative Sciences from the Lebanese University - Lebanon. |
|    | <b>Experience:</b>     | 23 years of experience in Sales, Marketing and Leasing.                                            |
| 9  | <b>Name:</b>           | Rami Ahmad Khalil Muhsen                                                                           |
|    | <b>Position:</b>       | Credit Supervisor                                                                                  |
|    | <b>Hiring Date:</b>    | December 1 <sup>st</sup> 2019                                                                      |
|    | <b>Birth Date:</b>     | February 8 <sup>th</sup> 1980                                                                      |
|    | <b>Qualifications:</b> | Bachelor's degree in Financial and Banking from Philadelphia University - Jordan.                  |
|    | <b>Experience:</b>     | 22 years of experience in Credit Facilities.                                                       |
| 10 | <b>Name:</b>           | Loai Gako Zaki Abu Ghazaleh                                                                        |
|    | <b>Position:</b>       | Collection Supervisor                                                                              |
|    | <b>Hiring Date:</b>    | November 4 <sup>th</sup> 2018                                                                      |
|    | <b>Birth Date:</b>     | September 15 <sup>th</sup> 1982                                                                    |
|    | <b>Qualifications:</b> | Bachelor's degree in Financial and Banking from Al-Ahliyya Amman University- Jordan.               |
|    | <b>Experience:</b>     | 21 years of experience in Sales, Leasing and Collection.                                           |
| 11 | <b>Name:</b>           | Elias Jeries Eyadeh Al Oweimreen                                                                   |
|    | <b>Position:</b>       | Erbil Branch Manager                                                                               |
|    | <b>Hiring Date:</b>    | December 27th 2012                                                                                 |
|    | <b>Birth Date:</b>     | July 10 <sup>th</sup> 1987                                                                         |
|    | <b>Qualifications:</b> | Bachelor's degree in Financial and Banking from the Hashemite University - Jordan.                 |
|    | <b>Experience:</b>     | 13 years of experience in Accounting, Sales and Leasing.                                           |
| 12 | <b>Name:</b>           | Anas Suhail Suleiman Yassin                                                                        |
|    | <b>Position:</b>       | Sulaymaniyah Branch Manager                                                                        |
|    | <b>Hiring Date:</b>    | August 10th 2014                                                                                   |
|    | <b>Birth Date:</b>     | December 16th 1990                                                                                 |
|    | <b>Qualifications:</b> | Bachelor's degree in Accounting from the University of Applied Sciences - Jordan.                  |
|    | <b>Experience:</b>     | 9 years of experience in Accounting, Sales and Leasing.                                            |



**4- Statement of Major Owners of Issued Shares by the Company, Number of Shares Owned by each and Ownership Percentage Comparing to the Previous Year (Who Own 5% and above):**

| Name:                                  | 31/12/2022        |               | 31/12/2021       |                |
|----------------------------------------|-------------------|---------------|------------------|----------------|
|                                        | Number of Stocks  | Share %       | Number of Stocks | Share %        |
| <b>WHITECHURCH INVESTMENTS LIMITED</b> | <b>10,250,300</b> | <b>%68.34</b> | <b>4,643,240</b> | <b>%46.432</b> |
| <b>Isabel George Nicola Abukhader</b>  | <b>1,071,427</b>  | <b>%7.14</b>  | <b>714,285</b>   | <b>%7.143</b>  |
| <b>Shereen George Nicola Abukhader</b> | <b>1,071,427</b>  | <b>%7.14</b>  | <b>714,285</b>   | <b>%7.143</b>  |

**5- Company's Competitive standing within the Sector of its Business Activities, Main Markets and its Share in the Local and International Markets:**

The Comprehensive Leasing Company has, during 2022, proved its capability to adapt with the market changes whereby the Company was able, notwithstanding the economic challenges that the country underwent, to maintain its leading position and outstanding share in the Jordanian Market through implementing its strategy that aims at expanding its customers' base and target new categories and segments of those who seek to obtain high quality services and ongoing efficiency.

**6- The Degree of the Company's Reliance in conducting its operations on specific providers and/or clients (locally and internationally).**

The company does not depend in its work on specific suppliers and / or major customers (locally and abroad) whose transaction amounts equals or exceeds 10% or more of the total purchases and / or sales.

**7- Government protection or privileges obtained by the Company or any of its products under laws and regulations or others:**

- Under applicable laws, regulations or others, the Company and its products do not have any government protection or any other privileges.
- The Company has not obtained any patents or franchising rights.

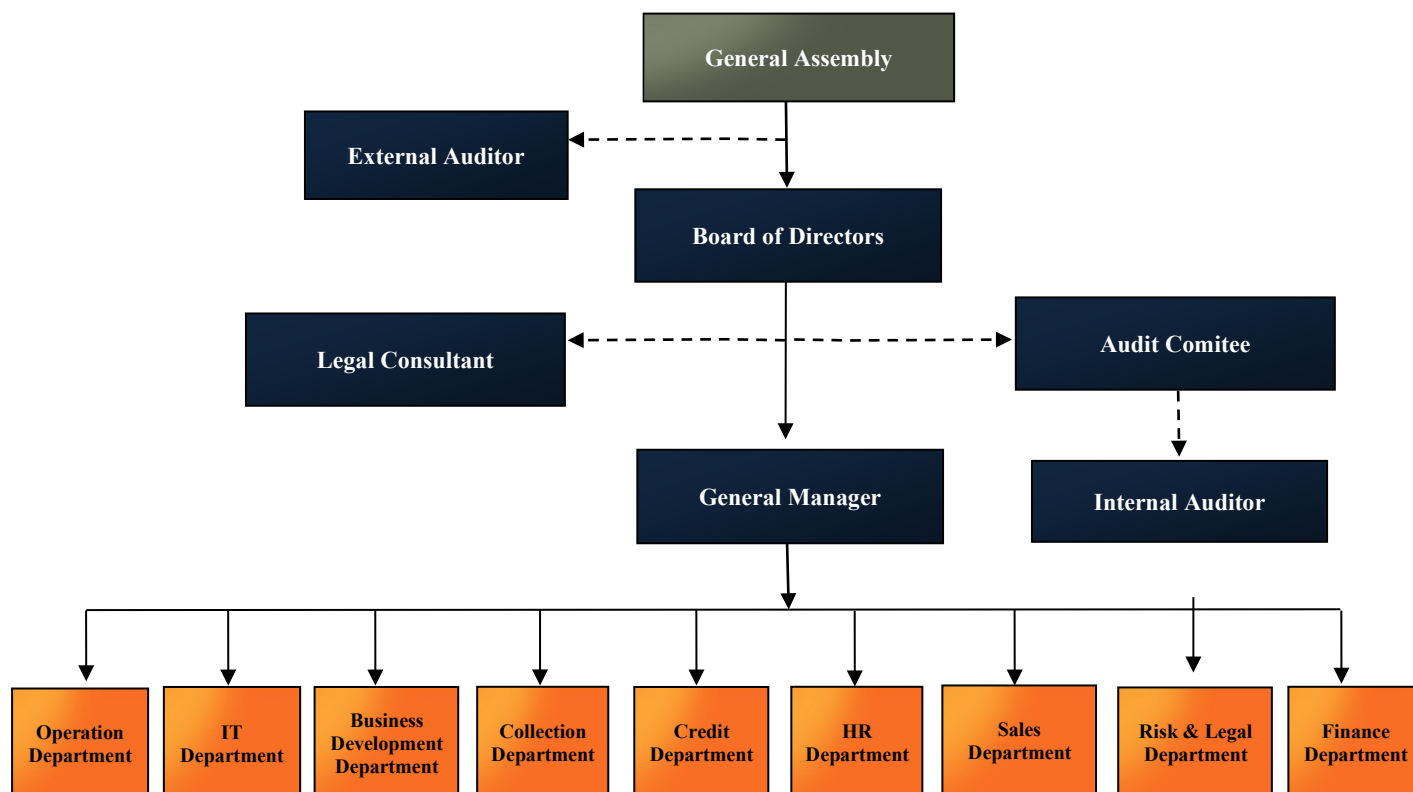
**8- Decisions issued by the Government, international organizations or any other authority that constituted material effect on the Company's business, its products or competitiveness:**

- There are no decisions issued by the Government, international organizations or any other authorities that have material impact on the Company's business or any of its products or competitiveness.
- International Quality Standards do not apply to the Company's business.



## 9- The Company's organizational structure, The number of employees and their qualifications, and training programs:

### A. The Company's Organizational Structure:



### B. Number of Employees and their Qualifications:

As of 31/12/2022, the number of employees of the Comprehensive Leasing Company and its subsidiaries reached (82) employees, classified as follows:

| Educational Qualification | Comprehensive Leasing Company | Comprehensive Vehicle Trading Company | Comprehensive Global Financial Consulting Company | Comprehensive Global Company for Residential and Commercial Projects | Total     |
|---------------------------|-------------------------------|---------------------------------------|---------------------------------------------------|----------------------------------------------------------------------|-----------|
| Master's degree           | 2                             | 0                                     | 0                                                 | 0                                                                    | 2         |
| Bachelor's Degree         | 62                            | 3                                     | 0                                                 | 0                                                                    | 65        |
| Diploma                   | 8                             | 1                                     | 0                                                 | 0                                                                    | 9         |
| High School & Below       | 6                             | 0                                     | 0                                                 | 0                                                                    | 6         |
| <b>Total</b>              | <b>78</b>                     | <b>4</b>                              | <b>0</b>                                          | <b>0</b>                                                             | <b>82</b> |



### C. Training Courses:

| #     | Training Program:                                   | Number of Employees: |
|-------|-----------------------------------------------------|----------------------|
| 1     | Advanced Course in Technical Writing                | 15                   |
| 2     | Advanced Course in Negotiation Skills               | 10                   |
| 3     | Advanced Course in Teamwork & Team Building         | 10                   |
| 4     | Advanced Course in Leading to Success               | 7                    |
| 5     | Advanced Course in Problem Solving                  | 6                    |
| 6     | Advanced Course in Effective Communication Skills   | 6                    |
| 7     | Advanced Course in Change Management                | 4                    |
| 8     | Advanced Course in International Financial Standard | 2                    |
| 9     | Advanced Course in Decision Making                  | 2                    |
| 10    | Advanced Course in Income Tax & Labor Law           | 1                    |
| Total |                                                     | 63                   |

### 10- Risks to which the Company is exposed to:

There are no risks that the Company was exposed to during the next fiscal year that have any material impact on operations.

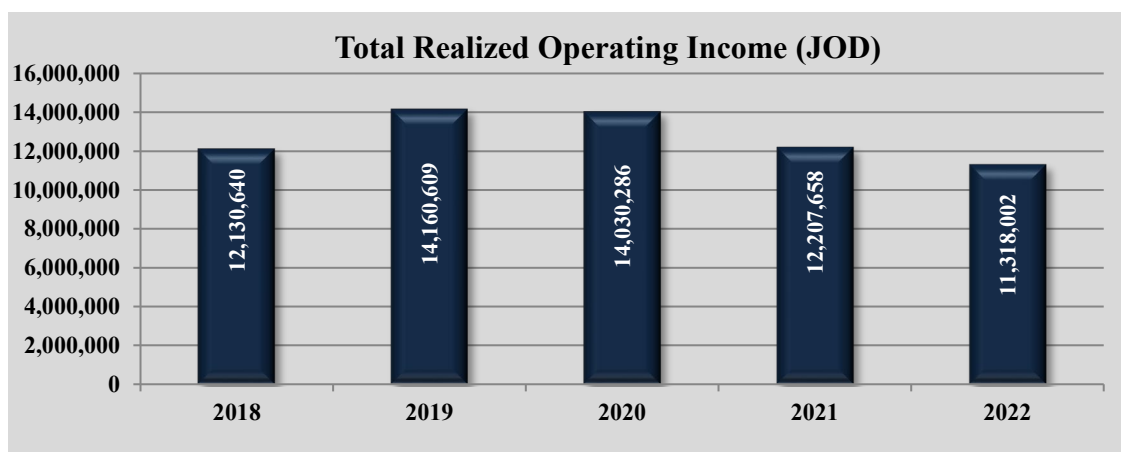
### 11- Company's achievements and major events during the fiscal year:

- A. The Company entered into partnership with the National Bank of Iraq through incorporating a limited liability company in Iraq which is specialized in automobile, machinery and equipment financing under the name the " Iraqi National Installment Company" for a share of 49% of the Company's capital that shall be incorporated amounting to 10 Billion (ie the equivalent of JD 4,826,530) and towards the end of 2022, all the incorporation requirements and regulatory procedures were completed whereby the Company shall exercise its activities in Baghdad at the beginning of 2023.
- B. In June, the Company launched the Cashback Program in respect of the vehicles' financing contracts. This program is one of its kind in Jordan in the field of lease financing whereby it allows the Company's customers to collect cash amounts up to JD 500 to be paid immediately upon the successful conclusion of the financing process.
- C. In October, the Company launched the Top-up Finance Program, which is designated to the Company's current customers whereby it enables them to increase their financing limits with the same asset which if financed by the Company as security.
- D. The Company was awarded the Best Leasing Company Award Jordan 2022 by International Finance which is a specialized institution in the assessment of the Finance and Banking Sector during the International Finance Award 2022 ceremony which was held in Dubai.



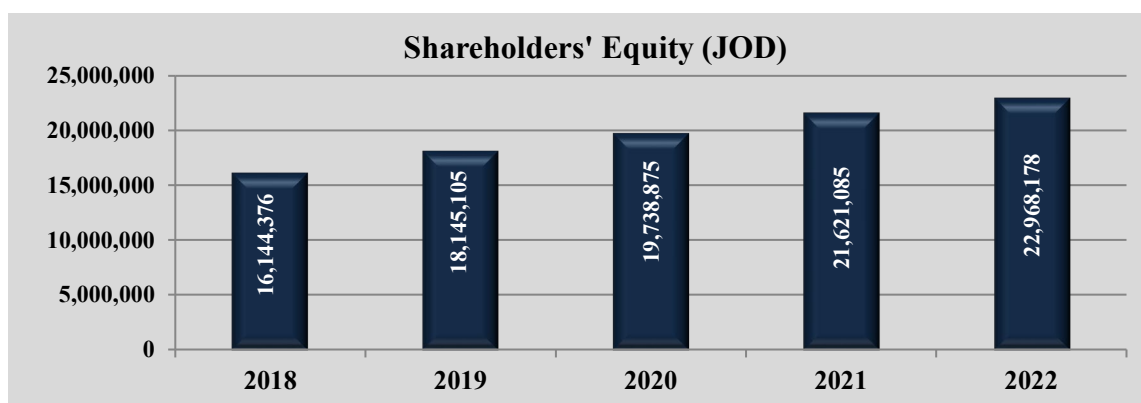
E. The following table illustrates the total operating revenues achieved for the past five years:

| Year | Total Realized Operating Income (JOD) | Variance Percentage |
|------|---------------------------------------|---------------------|
| 2022 | 11,318,002                            | -%7.29              |
| 2021 | 12,207,658                            | -%12.99             |
| 2020 | 14,030,286                            | -%0.92              |
| 2019 | 14,160,609                            | %16.73              |
| 2018 | 12,130,640                            | %33.21              |



F. The following table illustrates Shareholders' Equity, Profits after Tax and Earnings Per Share for the past five years:

| Year | Shareholders' Equity (JOD) | Profits after Tax & Provisions (JOD) | Return on Equity | Earnings Per Share |
|------|----------------------------|--------------------------------------|------------------|--------------------|
| 2022 | 22,968,178                 | 3,347,093                            | 15%              | 0.223              |
| 2021 | 21,621,085                 | 3,882,210                            | %18              | 0.388              |
| 2020 | 19,738,875                 | 3,993,770                            | %20              | 0.399              |
| 2019 | 18,145,105                 | 4,200,729                            | %23              | 0.420              |
| 2018 | 16,144,376                 | 3,784,621                            | %23              | 0.378              |





G. The following table illustrates the dividend distributed to shareholders during the past five years:

| Year | Dividends Percentage   | Dividends (JOD) |
|------|------------------------|-----------------|
| 2021 | 20% Cash Dividends     | 2,000,000       |
|      | 50% Stock Dividends    | 5,000,000       |
| 2020 | 20% Cash Dividends     | 2,000,000       |
| 2019 | %24 Cash Dividends     | 2,400,000       |
| 2018 | %22 Cash Dividends     | 2,200,000       |
| 2017 | %22 Cash Dividends     | 1,540,000       |
|      | %42.86 Stock Dividends | 3,000,000       |

H. During the year 2022, the Board of Directors held six meetings, and the attendance rate for the members of the Board was as follows:

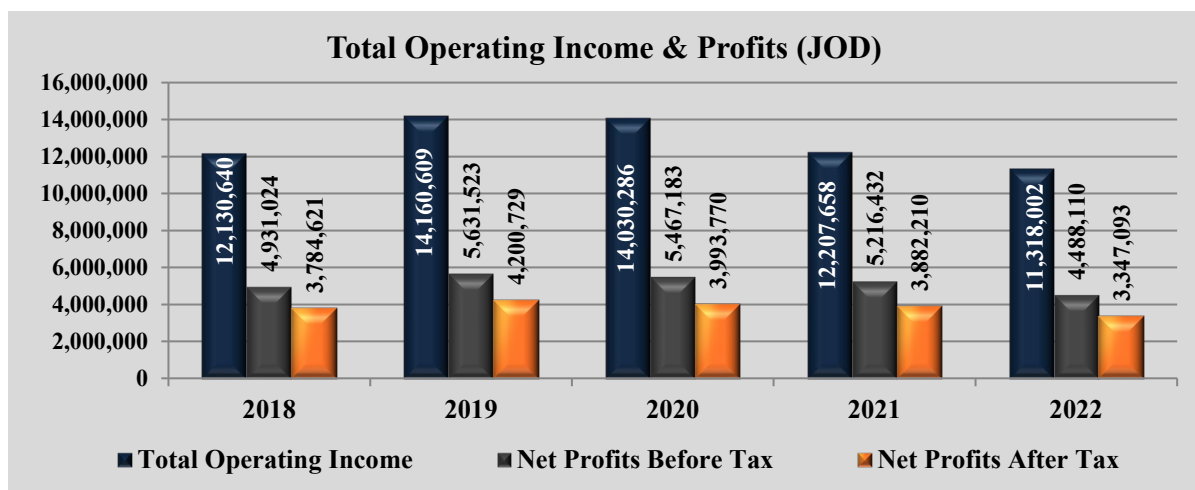
| # | Name:                                                                                                    | Title:        | Attendance Rate: |
|---|----------------------------------------------------------------------------------------------------------|---------------|------------------|
| 1 | George Nicola George Abukhader                                                                           | Chairman      | %83.33           |
| 2 | Nicola George Nicola Abukhader                                                                           | Vice Chairman | %100             |
| 3 | Elia Jad Micheal Wakileh                                                                                 | Board Member  | %100             |
| 4 | Mohammed Ali Mohammed Ibrahim<br>(Representative of Jordan Investment and<br>General Consulting Company) | Board Member  | %100             |
| 5 | Marwan Lutfk Wahbeh Tamari                                                                               | Board Member  | %83.33           |

12- Financial impact from extraordinary operations occurred during the fiscal year and not included in the Company's main activities.

There is no financial impact from any extraordinary operations occurred during the fiscal year and not included in the Company's main activities.

13- Time series for realized profit and loss, dividends, net shareholders' equity and securities rates throughout the last five years.

|                          | 2022 (JOD) | 2021 (JOD) | 2020 (JOD)                     | 2019 (JOD)                     | 2018 (JOD)                     |
|--------------------------|------------|------------|--------------------------------|--------------------------------|--------------------------------|
| Company Capital          | 15,000,000 | 10,000,000 | 10,000,000                     | 10,000,000                     | 10,000,000                     |
| Total Operating Income   | 11,318,002 | 12,207,658 | 14,030,286                     | 14,160,609                     | 12,130,640                     |
| Net Profits Before Tax   | 4,488,110  | 5,216,432  | 5,467,183                      | 5,631,523                      | 4,931,024                      |
| Net Profits After Tax    | 3,347,093  | 3,882,210  | 3,993,770                      | 4,200,729                      | 3,784,621                      |
| Dividends                | -          | -          | 2,000,000<br>Cash<br>Dividends | 2,400,000<br>Cash<br>Dividends | 2,200,000<br>Cash<br>Dividends |
| Shareholder Equity       | 22,968,178 | 21,621,085 | 19,738,875                     | 18,145,105                     | 16,144,376                     |
| Stock's Closing on 31/12 | 2.47       | 3.51       | 2.50                           | 2.13                           | 1.99                           |



#### 14- Company's financial standing analysis and business results during the fiscal year.

| # | Index                       | Percentage 2022 | Percentage 2021 |
|---|-----------------------------|-----------------|-----------------|
| 1 | Current ratio               | 1.23            | 1,09            |
| 2 | Quick ratio                 | 1.23            | 1,09            |
| 3 | Average Return on Assets    | %4.1            | %4.67           |
| 4 | Average Earning Per Share   | 0.23            | 0.388           |
| 5 | Total Liabilities to Assets | 0.72            | 0.74            |
| 6 | Debt to Equity              | 2.40            | 2,69            |
| 7 | Average Return on Equity    | %14.57          | %17.96          |

#### 15- Company's developments, future plans and Boards' outlook.

- Continue to realize sustained and heightened growth in profitability, assets and equity and the management thereof with high efficiency to consolidate the Company's financial and competitive position.
- Expand and diversify the Company's customers' base to encompass new sectors and segments and upgrade the level of the products and services provided thereto in order to maintain the Company's leading position in the Leasing Sector.
- Work continuously to develop and create new financing programs that meet the needs of all categories and segments of the community.
- Continue with the ongoing development of the credit policy in line with the economic developments in order to maintain the quality of the financing portfolio.
- Continue with developing the Company's risk management system in accordance with the best international practices.
- Continue with the development and up-grading of the software programs used at the Company and increase the dependence thereon in accordance with the best methods in practice.
- Continue with investing in the Company's human resources through providing qualified personnel and continue with supporting and up-grading the efficiency and training in line with the modern work methods and developments.



## 16- Audit Remunerations

The following table illustrates the auditors' Remunerations for the Comprehensive Leasing Company and its subsidiaries before sales tax:

| Company Name:                                                        | 2022<br>(JOD) | 2021<br>(JOD) |
|----------------------------------------------------------------------|---------------|---------------|
| Comprehensive Leasing Company                                        | 13,380        | 13,913        |
| Comprehensive Vehicle Trading Company                                | 3,000         | 4,000         |
| Comprehensive Global Financial Consulting Company                    | 1,250         | 1,250         |
| Comprehensive Global Company for Residential and Commercial Projects | 1,250         | -             |

## 17- Statement of the number of securities registered in the names of board members, executive personnel, their relatives, relatives of the board members and companies they control compared to last year.

### A. Board Members:

| # | Name                                                                                               | Title                          | Nationality | Number of Owned Shares as of 31/12 |              | Number of Shares owned by Companies Controlled by any of them as of 31/12 |             |
|---|----------------------------------------------------------------------------------------------------|--------------------------------|-------------|------------------------------------|--------------|---------------------------------------------------------------------------|-------------|
|   |                                                                                                    |                                |             | 2022                               | 2021         | 2022                                                                      | 2021        |
| 1 | George Nicola George Abukhader                                                                     | Chairman                       | Jordan      | 1,000                              | 106,810      | -                                                                         | 62,763      |
| 2 | Nicola George Nicola Abukhader                                                                     | Vice Chairman                  | Jordan      | 26,492                             | 2,084,367    | -                                                                         | -           |
| 3 | Elia Jad Micheal Wakileh                                                                           | Board Member & General Manager | Jordan      | 216,032                            | 144,000      | -                                                                         | -           |
| 4 | Mohammed Ali Mohammed Ibrahim (Representative of Jordan Investment and General Consulting Company) | Board Member                   | Jordan      | 571,077<br>-                       | 381,439<br>- | 104,235<br>-                                                              | 24,457<br>- |
| 5 | Marwan Lutfk Wahbeh Tamari                                                                         | Board Member                   | Jordan      | 150,000                            | 100,000      | -                                                                         | -           |



## B. Senior Executive Management:

| #  | Name                                            | Position                                 | Nationality | Number of Owned Shares as of 31/12 |         | Number of Shares owned by Companies Controlled by any of them as of 31/12 |      |
|----|-------------------------------------------------|------------------------------------------|-------------|------------------------------------|---------|---------------------------------------------------------------------------|------|
|    |                                                 |                                          |             | 2022                               | 2021    | 2022                                                                      | 2021 |
| 1  | Elia Jad Micheal Wakileh                        | Board Member & General Manager           | Jordan      | 216,032                            | 144,000 | -                                                                         | -    |
| 2  | Samer Mohammed Ismail Al-Qtaeshat               | Finance Manager                          | Jordan      | -                                  | -       | -                                                                         | -    |
| 3  | Jamal Abdul Rahman Ibrahim Asfour               | Fleet Leasing Manager                    | Jordan      | -                                  | -       | -                                                                         | -    |
| 4  | Hussam Shukri Qustandi Al-Qubrosi               | Business Development & Marketing Manager | Palestine   | -                                  | -       | -                                                                         | -    |
| 5  | Iyad Yaqoub Khalil Karkar                       | Risk & Legal Affairs Manager             | Jordan      | -                                  | -       | -                                                                         | -    |
| 6  | George Sami Bshara Khoury                       | Jordan Branches Manager                  | Jordan      | -                                  | -       | -                                                                         | -    |
| 7  | Raed Issa Yousef Al-Razouq                      | Operations Manager                       | Jordan      | -                                  | -       | -                                                                         | -    |
| 8  | Abdul Hamid Muhammad Rafiq Abdul Hamid Al-Smadi | SME Leasing Manager                      | Jordan      | -                                  | -       | -                                                                         | -    |
| 9  | Rami Ahmad Khalil Muhsen                        | Credit Supervisor                        | Jordan      | -                                  | -       | -                                                                         | -    |
| 10 | Loai Gako Zaki Abu Ghazaleh                     | Collection Supervisor                    | Jordan      | -                                  | -       | -                                                                         | -    |
| 11 | Elias Jeries Eyadeh Al Oweimreen                | Erbil Branch Manager                     | Jordan      | -                                  | -       | -                                                                         | -    |
| 12 | Anas Suhail Suleiman Yassin                     | Sulaymaniyah Branch Manager              | Jordan      | -                                  | -       | -                                                                         | -    |



### C. Relatives of the Board Members and Senior Executive Management:

| # | Name                            | Relation                  | Nationality | Number of Owned Shares as of 31/12 |         | Number of Shares owned by Companies Controlled by any of them as of 31/12 |      |
|---|---------------------------------|---------------------------|-------------|------------------------------------|---------|---------------------------------------------------------------------------|------|
|   |                                 |                           |             | 2022                               | 2021    | 2022                                                                      | 2021 |
| 1 | Isabel George Nicola Abukhader  | George Abukhader Daughter | Jordan      | 1,071,427                          | 714,285 | -                                                                         | -    |
| 2 | Shereen George Nicola Abukhader | George Abukhader Daughter | Jordan      | 1,071,427                          | 714,285 | -                                                                         | -    |
| 3 | Samia Nicola George Abukhader   | George Abukhader Sister   | Jordan      | 480,000                            | 320,000 | -                                                                         | -    |
| 4 | Nawal Nicola George Abukhader   | George Abukhader Sister   | Jordan      | 330,000                            | 220,000 | -                                                                         | -    |
| 5 | Lana Awad Elias Barghouth       | Elia Wakileh Spouse       | Jordan      | 122,142                            | 81,428  | -                                                                         | -    |
| 6 | Wahbeh Lutfk Wahbeh Tamari      | Marwan Tamari Brother     | Jordan      | 150,000                            | 100,000 | -                                                                         | -    |
| 7 | Mazen Youssef George Abukhader  | George Abukhader Cousin   | Jordan      | 18,235                             | 12,157  | -                                                                         | -    |

### 18- Benefits, Remunerations and Travel Allowances of the Board Chairman and Members, and Senior Executive Management in 2022.

#### A. Benefits, Remunerations and Travel Allowances of the Chairman and Board Members as the following:

| # | Name                                                                                               | Title                          | Travel and Transportation Allowance (JOD) | Remuneration (JOD) | Total (JOD) |
|---|----------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------|--------------------|-------------|
| 1 | George Nicola George Abukhader                                                                     | Chairman                       | -                                         | 5,000              | 5,000       |
| 2 | Nicola George Nicola Abukhader                                                                     | Vice Chairman                  | -                                         | 5,000              | 5,000       |
| 3 | Elia Jad Micheal Wakileh                                                                           | Board Member & General Manager | -                                         | 5,000              | 5,000       |
| 4 | Mohammed Ali Mohammed Ibrahim (Representative of Jordan Investment and General Consulting Company) | Board Member                   | -                                         | 5,000              | 5,000       |
| 5 | Marwan Lutfk Wahbeh Tamari                                                                         | Board Member                   | -                                         | 5,000              | 5,000       |



## B. Salaries and remunerations of the Executive Management:

| #  | Name                                            | Date of Appointment | Position                                 | Salary (JOD) | Bonuses (JOD) | Total (JOD) |
|----|-------------------------------------------------|---------------------|------------------------------------------|--------------|---------------|-------------|
| 1  | Elia Jad Micheal Wakileh                        | 1/4/2004            | General Manager                          | 99,600       | 43,340        | 142,940     |
| 2  | Samer Mohammed Ismail Al-Qtaeshat               | 1/4/2004            | Finance Manager                          | 33,525       | 5,050         | 38,575      |
| 3  | Jamal Abdul Rahman Ibrahim Asfour               | 1/10/2004           | Fleet Leasing Manager                    | 21,525       | 1,700         | 23,225      |
| 4  | Hussam Shukri Qustandi Al Qubrosi               | 30/3/2011           | Business Development & Marketing Manager | 24,045       | 2,150         | 26,195      |
| 5  | Iyad Yaqoub Khalil Karkar                       | 25/9/2016           | Risk & Legal Affairs Manager             | 12,363       | 700           | 13,063      |
| 6  | George Sami Bshara Khoury                       | 1/6/2005            | Jordan Branches Manager                  | 24,398       | 2,400         | 26,798      |
| 7  | Raed Issa Yousef Al-Razouq                      | 23/4/2013           | Operations Manager                       | 13,157       | 1,650         | 14,807      |
| 8  | Abdul Hamid Muhammad Rafiq Abdul Hamid Al-Smadi | 2/11/2014           | SME Leasing Manager                      | 8,970        | 300           | 9,270       |
| 9  | Rami Ahmad Khalil Muhsen                        | 1/12/2019           | Credit Supervisor                        | 9,122        | 250           | 9,372       |
| 10 | Loai Gako Zaki Abu Ghazaleh                     | 4/11/2018           | Collection Supervisor                    | 8,519        | 1,000         | 9,519       |
| 11 | Elias Jeres Eyadeh Al Oweimreen                 | 27/12/2012          | Erbil Branch Manager                     | 19,674       | 2,858         | 22,532      |
| 12 | Anas Suhail Suleiman Yassin                     | 10/8/2014           | Sulaymaniyah Branch Manager              | 17,786       | 2,489         | 20,274      |

## 19- Donations and grants paid by the Company during the fiscal year.

| # | Beneficiary         | Donation Amount (JOD) |
|---|---------------------|-----------------------|
| 1 | Orthodox Club       | 5,000                 |
| 2 | College Scholarship | 490                   |
|   | <b>Total</b>        | <b>5,490</b>          |

## 20- Contracts, projects and commitments made by the Company to subsidiaries, sister companies, or with the Chairman, General Manager or any employee at the Company or their relatives.

### A. Contracts and engagements that the company signed with sister companies and with members of the Board of Directors during the year 2022, which are as follows:

| # | Contracting Party              | Relation      | Contract Value (JOD) | Contract Signing Date |
|---|--------------------------------|---------------|----------------------|-----------------------|
| 1 | Nicola George Nicola Abukhader | Vice Chairman | 95,000               | 31/08/2022            |
| 2 | Mohammed Ali Mohammed Ibrahim  | Board Member  | 18,500               | 19/08/2021            |

B. On 01/01/2022, the Comprehensive Leasing Company has rented offices to the Comprehensive Vehicle Trading Company with an annual rental fee of JOD 50,000.

C. On 20/08/2022, the Comprehensive Leasing Company has rented offices to the Comprehensive Global Company for Residential and Commercial Projects with an annual rental fee of JOD 5,000.

## 21- The Company's contribution to environment protection and local community service.

the Company has no contribution to environment protection and local community service during the year 2022.



## 22- Corporate Governance Report

### 1. Governance Compliance:

In pursuant to the governance principles and rules and as the Comprehensive Leasing Company believes that governance constitutes an essential factor for business success and development, over and above the significance thereof in enhancing the shareholders' confidence, the Company complies with the rules provided for under the Governance Instructions of Shareholding Companies of 2017 through the development of the internal systems and policies to provide the highest transparency and disclosure criteria and realize and protect the shareholders' interests; whereby the Board of Directors created committees and distributed functions among them, such that each committee undertakes specific functions and responsibilities to assist the Board of Directors in covering the entire activities.

### 2. The current and resigning members of the Board of Directors during 2022:

| # | Name:                                                                                                    | Title:        | Executive / Non-Executive | Independent / Non-Independent |
|---|----------------------------------------------------------------------------------------------------------|---------------|---------------------------|-------------------------------|
| 1 | George Nicola George Abukhader                                                                           | Chairman      | Non-Executive             | Non-Independent               |
| 2 | Nicola George Nicola Abukhader                                                                           | Vice Chairman | Non-Executive             | Non-Independent               |
| 3 | Elia Jad Micheal Wakileh                                                                                 | Board Member  | Executive                 | Non-Independent               |
| 4 | Mohammed Ali Mohammed Ibrahim<br>(Representative of Jordan Investment<br>and General Consulting Company) | Board Member  | Non-Executive             | Independent                   |
| 5 | Marwan Lutfk Wahbeh Tamari                                                                               | Board Member  | Non-Executive             | Independent                   |

### 3. The Executive Management:

| #  | Name                                               | Date of Appointment | Position                                 |
|----|----------------------------------------------------|---------------------|------------------------------------------|
| 1  | Elia Jad Micheal Wakileh                           | 1/4/2004            | General Manager                          |
| 2  | Samer Mohammed Ismail Al Qtaeshat                  | 1/4/2004            | Finance Manager                          |
| 3  | Jamal Abdul Rahman Ibrahim Asfour                  | 1/10/2004           | Fleet Leasing Manager                    |
| 4  | Hussam Shukri Qustandi Al Qubrosi                  | 30/3/2011           | Business Development & Marketing Manager |
| 5  | Iyad Yaqoub Khalil Karkar                          | 25/9/2016           | Risk & Legal Affairs Manager             |
| 6  | George Sami Bshara Khoury                          | 1/6/2005            | Jordan Branches Manager                  |
| 7  | Raed Issa Yousef Al-Razouq                         | 23/4/2013           | Operations Manager                       |
| 8  | Abdul Hamid Muhammad Rafiq<br>Abdul Hamid Al-Smadi | 2/11/2014           | SME Leasing Manager                      |
| 9  | Rami Ahmad Khalil Muhsen                           | 1/12/2019           | Credit Supervisor                        |
| 10 | Loai Gako Zaki Abu Ghazaleh                        | 4/11/2018           | Collection Supervisor                    |
| 11 | Elias Jeries Eyadeh Al Oweimreen                   | 27/12/2012          | Erbil Branch Manager                     |
| 12 | Anas Suhail Suleiman Yassin                        | 10/8/2014           | Sulaymaniyah Branch Manager              |



#### 4. Membership of the Board of Directors held by a member of the Board of Directors in the Shareholding companies.

| # | Board Member Name                                                                                     | The Company in which he is a Member                                                                                                  |
|---|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 1 | George Nicola George Abukhader                                                                        | Delta Insurance Company - Board Member                                                                                               |
| 2 | Nicola George Nicola Abukhader                                                                        | Comprehensive Land Development and Investment Company - Chairman<br>European Arab Insurance Group - Board Member                     |
| 3 | Elia Jad Micheal Wakileh                                                                              | N/A                                                                                                                                  |
| 4 | Marwan Lutfk Wahbeh Tamari                                                                            | Comprehensive Land Development and Investment Company - Board Member                                                                 |
| 5 | Mohammed Ali Mohammed Ibrahim<br>(Representative of Jordan Investment and General Consulting Company) | Comprehensive Land Development and Investment Company - Board Member<br>Comprehensive Multiple Transportation Company - Board Member |

#### 5. The Board of Directors' Committees:

For the purposes of protecting the Company from any risks, the Board of Directors established many committees emanating therefrom. The functions were determined and distributed among such committees to assist the Board of Directors to cover the entire Company's operations and activities efficiently, noting that such committees carry out their functions under the Board of Directors' authorization as per the appropriate authorities for each committee. The Board of Directors remains responsible for all the operations of such committees.



#### A. Audit Committee:

The Audit Committee consists of three members and its function is to carry out the duties related to supervising competence, integrity of accounting and auditing and any other similar functions. The Committee reviews the quality aspects of financial reports, method of management at the Company and supervises the implementation of the legal and ethical standards. The members of the Audit Committee are as follows:

| # | Member Name                                                                                                                                             | Educational Qualification                                       | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <b>Mohammed Ali<br/>Mohammed Ibrahim<br/>(Representative of Jordan<br/>Investment and General<br/>Consulting Company)<br/><br/>(Committee Chairman)</b> | <b>Bachelor's<br/>Degree in<br/>Business<br/>Administration</b> | 32 years of experience in the banking sector and corporate banking and currently holding position of: <ul style="list-style-type: none"> <li>• Vice President/Partner at netaj for Commercial Investments.</li> <li>• Consultant for several local and foreign companies in the field of business development.</li> <li>• Board member of the Comprehensive Land Development and Investment Company.</li> <li>• Board member and treasurer of the Jordanian Economic Forum.</li> <li>• Member of the Association Jordanian Businessmen.</li> <li>• Member of the Arab Businessmen Union.</li> </ul> |
| 2 | <b>Nicola George Nicola<br/>Abukhader<br/><br/>(Committee Member)</b>                                                                                   | <b>Bachelor's<br/>Degree in<br/>Business<br/>Administration</b> | 31 years of experience in business administration and is currently holding the position of: <ul style="list-style-type: none"> <li>• CEO of the Abu Khader Group.</li> <li>• Chairman of the Comprehensive Land Development and Investment Company.</li> <li>• Board Member of the European Arab Insurance Group.</li> <li>• Board Member of the American Chamber of Commerce in Jordan.</li> </ul>                                                                                                                                                                                                 |
| 3 | <b>Marwan Lutfk Wahbeh<br/>Tamari<br/><br/>(Committee Member)</b>                                                                                       | <b>Bachelor's<br/>Degree in<br/>Business<br/>Administration</b> | 31 years of experience in free trade, and is currently holding position of: <ul style="list-style-type: none"> <li>• General Manager and owner of Bab Al-Karim Import and Export Company.</li> <li>• Board member of the Comprehensive Land Development and Investment Company.</li> </ul>                                                                                                                                                                                                                                                                                                          |



## B. Nominations and Remunerations Committee:

The Nominations and Remunerations Committee consists of three members and its function is to develop the appropriate programs and plans to assess performance and review the remuneration and incentives proposed to the members of the Executive Management. The members of the Nominations and Remunerations Committee are as follows:

| # | Member Name                                                                                                                 | Educational Qualification                    | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Nicola George Nicola Abukhader<br>(Committee Chairman)                                                                      | Bachelor's Degree in Business Administration | 31 years of experience in business administration and is currently holding the position of: <ul style="list-style-type: none"> <li>• CEO of the Abu Khader Group.</li> <li>• Chairman of the Comprehensive Land Development and Investment Company.</li> <li>• Board Member of the European Arab Insurance Group.</li> <li>• Board Member of the American Chamber of Commerce in Jordan.</li> </ul>                                                                                                                                                                                                |
| 2 | George Nicola George Abukhader<br>(Committee Member)                                                                        | Bachelor's Degree in Business Administration | 56 years in business administration and is currently holds the position of: <ul style="list-style-type: none"> <li>• Chairman of Abu Khader Group in Jordan.</li> <li>• Board member of the Delta Insurance Company.</li> <li>• Chairman of the Royal Investments Company.</li> <li>• Member of the Amman Chamber of Commerce and Industry.</li> <li>• Member of the General Syndicate of Car Dealers and Auto Parts and Accessories Dealers.</li> <li>• Member of the Jordanian Businessmen Association.</li> </ul>                                                                               |
| 3 | Mohammed Ali Mohammed Ibrahim<br>(Representative of Jordan Investment and General Consulting Company)<br>(Committee Member) | Bachelor's Degree in Business Administration | 32 years of experience in the banking sector and corporate banking and currently holding position of: <ul style="list-style-type: none"> <li>• Vice President/Partner at netaj for Commercial Investments.</li> <li>• Consultant for several local and foreign companies in the field of business development.</li> <li>• Board member of the Comprehensive Land Development and Investment Company.</li> <li>• Board member and treasurer of the Jordanian Economic Forum.</li> <li>• Member of the Association Jordanian Businessmen</li> <li>• Member of the Arab Businessmen Union.</li> </ul> |



### C. Executive Committee:

The Executive Committee consists of three members where the essential objective of forming the Committee is to assist the Board of Directors in matters related to the Company's operational activities through approving the facilities that fall within its authority or give the recommendation to the Board of Directors when needed. The Executive Committee's meetings shall be held as required in coordination with the Committee's Head. The members of the Executive Committee are as follows:

| # | Member Name                                                                                                                        | Title              | Educational Qualification                        | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---|------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Nicola George<br>Nicola Abukhader<br><br>(Committee Chairman)                                                                      | Committee Chairman | Bachelor's Degree in Business Administration     | 31 years of experience in business administration and is currently holding the position of: <ul style="list-style-type: none"> <li>• CEO of the Abu Khader Group.</li> <li>• Chairman of the Comprehensive Land Development and Investment Company.</li> <li>• Board Member of the European Arab Insurance Group.</li> <li>• Board Member of the American Chamber of Commerce in Jordan.</li> </ul>                                                                                                                                                                                                |
| 2 | Elia Jad Micheal<br>Wakileh<br><br>(Committee Member)                                                                              | Committee Member   | Master Degree in Banking Finance and Investment. | 33 years of experience in the of business administration, financial management and financial leasing and is currently holding position of: <ul style="list-style-type: none"> <li>• General Manager of the Comprehensive Leasing Company.</li> <li>• Vice President of the Jordanian Association of the Leasing Companies.</li> <li>• Chairman of the Orthodox Club.</li> </ul>                                                                                                                                                                                                                    |
| 3 | Mohammed Ali<br>Mohammed Ibrahim<br>(Representative of Jordan Investment and General Consulting Company)<br><br>(Committee Member) | Committee Member   | Bachelor's Degree in Business Administration     | 32 years of experience in the banking sector and corporate banking and currently holding position of: <ul style="list-style-type: none"> <li>• Vice President/Partner at netaj for Commercial Investments.</li> <li>• Consultant for several local and foreign companies in the field of business development.</li> <li>• Board member of the Comprehensive Land Development and Investment Company.</li> <li>• Board member and treasurer of the Jordanian Economic Forum.</li> <li>• Member of the Association Jordanian Businessmen</li> <li>• Member of the Arab Businessmen Union.</li> </ul> |



#### D. Governance Committee

The Committee consists of 3 members and its function is to set-up written work procedures to implement and review the Governance Instructions; evaluate the extent of the implementation thereof on a yearly basis; ascertain the Company's compliance with the provisions of such Instructions; consider and follow-up the Commission's remarks relating to the implementation of governance at the Company; draw-up the governance report and present it to the Board of Directors. The members of the Governance Committee are as follows:

| # | Member Name                                                                                                                    | Title              | Educational Qualification                    | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---|--------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Nicola George<br>Nicola Abukhader<br>(Committee Chairman)                                                                      | Committee Chairman | Bachelor's Degree in Business Administration | 31 years of experience in business administration and is currently holding the position of: <ul style="list-style-type: none"> <li>CEO of the Abu Khader Group.</li> <li>Chairman of the Comprehensive Land Development and Investment Company.</li> <li>Board Member of the European Arab Insurance Group.</li> <li>Board Member of the American Chamber of Commerce in Jordan.</li> </ul>                                                                                                                                                                                            |
| 2 | Marwan Lutfk<br>Wahbeh Tamari<br>(Committee Member)                                                                            | Committee Member   | Bachelor's Degree in Business Administration | 31 years of experience in free trade, and is currently holding position of: <ul style="list-style-type: none"> <li>General Manager and owner of Bab Al-Karim Import and Export Company.</li> <li>Board member of the Comprehensive Land Development and Investment Company.</li> </ul>                                                                                                                                                                                                                                                                                                 |
| 3 | Mohammed Ali<br>Mohammed Ibrahim<br>(Representative of Jordan Investment and General Consulting Company)<br>(Committee Member) | Committee Member   | Bachelor's Degree in Business Administration | 32 years of experience in the banking sector and corporate banking and currently holding position of: <ul style="list-style-type: none"> <li>Vice President/Partner at netaj for Commercial Investments.</li> <li>Consultant for several local and foreign companies in the field of business development.</li> <li>Board member of the Comprehensive Land Development and Investment Company.</li> <li>Board member and treasurer of the Jordanian Economic Forum.</li> <li>Member of the Association Jordanian Businessmen</li> <li>Member of the Arab Businessmen Union.</li> </ul> |

#### Corporate Governance Officer

| # | Name                              | Appointment Date: | Title           |
|---|-----------------------------------|-------------------|-----------------|
| 1 | Samer Mohammed Ismail Al Qtaeshat | 1/4/2004          | Finance Manager |



#### E. Risk Committee

The Committee consists of 3 members and its function is to set-up the risk management policies at the Company and review same annually in addition to following-up and evaluating various types of risks which the Company may be exposed to. The members of the Risk Committee are as follows:

| # | Member Name                                                                                                                    | Title              | Educational Qualification                        | Experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---|--------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Nicola George<br>Nicola Abukhader<br>(Committee Chairman)                                                                      | Committee Chairman | Bachelor's Degree in Business Administration     | 31 years of experience in business administration and is currently holding the position of: <ul style="list-style-type: none"> <li>• CEO of the Abu Khader Group.</li> <li>• Chairman of the Comprehensive Land Development and Investment Company.</li> <li>• Board Member of the European Arab Insurance Group.</li> <li>• Board Member of the American Chamber of Commerce in Jordan.</li> </ul>                                                                                                                                                                                                |
| 2 | Elia Jad Micheal<br>Wakileh<br>(Committee Member)                                                                              | Committee Member   | Master Degree in Banking Finance and Investment. | 33 years of experience in the of business administration, financial management and financial leasing and is currently holding position of: <ul style="list-style-type: none"> <li>• General Manager of the Comprehensive Leasing Company.</li> <li>• Vice President of the Jordanian Association of the Leasing Companies.</li> <li>• Chairman of the Orthodox Club.</li> </ul>                                                                                                                                                                                                                    |
| 3 | Mohammed Ali<br>Mohammed Ibrahim<br>(Representative of Jordan Investment and General Consulting Company)<br>(Committee Member) | Committee Member   | Bachelor's Degree in Business Administration     | 32 years of experience in the banking sector and corporate banking and currently holding position of: <ul style="list-style-type: none"> <li>• Vice President/Partner at netaj for Commercial Investments.</li> <li>• Consultant for several local and foreign companies in the field of business development.</li> <li>• Board member of the Comprehensive Land Development and Investment Company.</li> <li>• Board member and treasurer of the Jordanian Economic Forum.</li> <li>• Member of the Association Jordanian Businessmen</li> <li>• Member of the Arab Businessmen Union.</li> </ul> |



#### 6. Number of meetings of each committee and attendees:

| # | Committee                               | Number of Meetings | Attendees                             |
|---|-----------------------------------------|--------------------|---------------------------------------|
| 1 | Audit Committee                         | 4                  | All members of the committee attended |
| 2 | Nominations and Compensations Committee | 2                  | All members of the committee attended |
| 3 | Executive Committee                     | 9                  | All members of the committee attended |
| 4 | Governance Committee                    | 2                  | All members of the committee attended |
| 5 | Risk Committee                          | 2                  | All members of the committee attended |

#### 7. Number of meetings of the Audit Committee with the External Auditor: One meeting

#### 8. Number of meetings of the Board of Directors and attendees:

| #  | Meeting Number & Date             | Attendees                                                                       |
|----|-----------------------------------|---------------------------------------------------------------------------------|
| 1  | First Meeting dated 03/01/2022    | All members of the committee attended                                           |
| 2  | Second Meeting dated 30/01/2022   | All members of the committee attended                                           |
| 3  | Third Meeting dated 10/02/2022    | All members of the committee attended                                           |
| 4  | Fourth Meeting dated 17/03/2022   | All members of the committee attended                                           |
| 5  | Fifth Meeting dated 21/04/2022    | All members of the committee attended except Mr. Marwan Lutfk Wahbeh Tamari     |
| 6  | Sixth Meeting dated 27/06/2022    | All members of the committee attended except Mr. George Nicola George Abukhader |
| 7  | Seventh Meeting dated 05/07/2022  | All members of the committee attended except Mr. George Nicola George Abukhader |
| 8  | Eighth Meeting dated 17/07/2022   | All members of the committee attended except Mr. Marwan Lutfk Wahbeh Tamari     |
| 9  | Ninth Meeting dated 19/07/2022    | All members of the committee attended                                           |
| 10 | Tenth Meeting dated 13/10/2022    | All members of the committee attended                                           |
| 11 | Eleventh Meeting dated 19/10/2022 | All members of the committee attended                                           |
| 12 | Twelfth Meeting dated 06/12/2022  | All members of the committee attended                                           |

Chairman  
George Nicola Abukhader



## Acknowledgments

1. The Company's Board of Directors acknowledges that there are no material issues that may affect the Company's continuity during the next fiscal year.
2. The Company's Board of Directors acknowledges its liability towards the preparation of the financial statements and the existence of an effective and adequate internal control system in the Company.

| Chairman<br>George Nicola Abukhader | Vice Chairman<br>Nicola George Abukhader | Board Member<br>Elia Jad Wakileh |
|-------------------------------------|------------------------------------------|----------------------------------|
|                                     |                                          |                                  |

| Board Member<br>Jordan Investment and<br>General Consulting<br>Company | Board Member<br>Marwan Lutfk Tamari |
|------------------------------------------------------------------------|-------------------------------------|
|                                                                        |                                     |

3. We, the undersigned, hereby acknowledge the authenticity, precision and comprehensiveness of the information and data included herein.

| Chairman<br>George Nicola Abukhader | General Manager<br>Elia Jad Wakileh | Finance Manager<br>Samer Mohammed Al Qtaeshat |
|-------------------------------------|-------------------------------------|-----------------------------------------------|
|                                     |                                     |                                               |

**COMPREHENSIVE LEASING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Comprehensive Leasing Company  
Amman – Jordan**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Comprehensive Leasing Company (the Company), and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2022, 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 consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for Opinion**

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

#### **Other Matter**

The consolidated financial statements for the year ended 31 December 2021 were audited by another auditor who issued an unqualified opinion on 30 January 2022.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2022. In addition to the matters described in the basis for opinion section These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

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

| Key Audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Audit Procedure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Provision for expected credit losses resulted from finance lease contracts and instalments sale receivables:</b></p> <p>Finance lease contracts and instalments sale receivables represents 76% (31 December 2021: 83%) of the Group's total assets. An estimated provision for expected credit losses of finance lease contracts and instalments sale receivables is recorded based on the management's judgement.</p> <p>Management determines the provision for expected credit losses amount based on specific reviews of finance lease contracts and instalments sale receivables, individually or in groups, to determine whether there are any indicators of a decline in the customer's ability to repay for a certain period. Also, the management evaluates the expected credit losses based on its estimation of the recoverable amount from the assets pledged in favor of the Group. as well as experience with collection trends and historical default rates which is aligned to the requirements of IFRS (9).</p> | <p><b>How the key audit matter was addressed in the audit</b></p> <p>We evaluated the design and operating effectiveness of the controls over the accounting process of the provision for expected credit losses resulted from finance lease contracts and instalments sale receivables.</p> <p>We evaluated management's assumption and judgment by checking the historical collection trends and history of default.</p> <p>In addition, we performed ratio analysis on the Group's provision for expected credit losses of finance lease contracts and instalments sale receivables during prior years.</p> <p>We tested the aging of trade receivables of finance lease contracts and instalments sale receivables where no provision was recognized to check that there were no indicators of impairment. We selected a sample of the largest finance lease contracts and instalments sale receivables balances where a provision for impairment was recognized and understood the rationale behind management's judgment.</p> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>There is a risk in calculating provision for expected credit losses represented by the inaccuracy of the provision that is recognized whether from the use of inaccurate underlying data, or the use of unreasonable assumptions including the determination as to whether the receivables of finance lease contracts and instalments sale receivables are collectable.</p> <p>We focused on this area since it requires a high level of management judgment as the completeness of expected credit losses, may have a significant impact on the Group's profit.</p> | <p>We assessed the adequacy of the Group's disclosure regarding provision for expected credit losses.</p> <p>Further disclosures related to the provision for expected credit losses from finance lease contracts and instalments sale receivables are disclosed in notes (13 &amp; 14) to the consolidated financial statements.</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### **Other information included in the 2022 annual report**

Other information consists of the information included in the Group's 2022 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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.

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

For and on behalf of Ernst & Young- Jordan

Amman – Jordan  
26 January 2023

**ERNST & YOUNG**  
Amman - Jordan

**COMPREHENSIVE LEASING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

|                                                                        | <u>Notes</u> | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|------------------------------------------------------------------------|--------------|--------------------------|--------------------------|
| <b><u>Assets</u></b>                                                   |              |                          |                          |
| <b>Non-current assets</b>                                              |              |                          |                          |
| Intangible assets – net                                                | 7            | 23,128                   | 24,047                   |
| Property and equipment – net                                           | 8            | 2,847,119                | 2,815,926                |
| Projects under construction                                            | 9            | 2,935,755                | 1,725,944                |
| Investment properties – net                                            | 10           | 2,932,740                | 2,988,650                |
| Assets seized for debts                                                | 11           | 4,347,270                | 4,005,870                |
| Right-of-use assets                                                    | 23           | 1,154,534                | 344,702                  |
| Investment in an associate                                             | 12           | 2,365,000                | -                        |
| Non-current portion of investment in finance lease – net               | 13           | 18,713,192               | 20,003,476               |
| Non-current portion of investment in instalment sale receivables – net | 14           | 14,540,228               | 16,112,019               |
|                                                                        |              | <u>49,858,966</u>        | <u>48,020,634</u>        |
| <b>Current assets</b>                                                  |              |                          |                          |
| Current portion of investment in finance lease contracts – net         | 13           | 18,085,166               | 21,610,343               |
| Current portion of investment in instalment sale receivables – net     | 14           | 11,254,090               | 11,242,457               |
| Financial assets at fair value through income statement                | 15           | 1,409,524                | 1,194,476                |
| Financial assets at amortized cost – net                               | 16           | 201,143                  | -                        |
| Trade and other receivables                                            | 17           | 896,211                  | 788,571                  |
| Cash on hand and at banks                                              | 18           | 147,116                  | 89,329                   |
|                                                                        |              | <u>31,993,250</u>        | <u>34,925,176</u>        |
| <b>Total assets</b>                                                    |              | <u><u>81,852,216</u></u> | <u><u>82,945,810</u></u> |
| <b><u>Shareholders' equity and liabilities</u></b>                     |              |                          |                          |
| <b>Shareholders' equity</b>                                            |              |                          |                          |
| Share capital                                                          | 1 & 19       | 15,000,000               | 10,000,000               |
| Statutory reserve                                                      | 19           | 2,888,527                | 2,500,000                |
| Retained earnings                                                      |              | <u>5,079,651</u>         | <u>9,121,085</u>         |
| <b>Total shareholders' equity</b>                                      |              | <u><u>22,968,178</u></u> | <u><u>21,621,085</u></u> |
| <b>Liabilities</b>                                                     |              |                          |                          |
| <b>Non-current liabilities</b>                                         |              |                          |                          |
| Long-term loans                                                        | 20           | 31,885,878               | 29,152,933               |
| Long-term lease liabilities                                            | 23           | <u>970,832</u>           | <u>241,215</u>           |
|                                                                        |              | <u>32,856,710</u>        | <u>29,394,148</u>        |
| <b>Current liabilities</b>                                             |              |                          |                          |
| Current portion of long-term loans                                     | 20           | 17,196,446               | 22,159,442               |
| Bank overdrafts                                                        | 21           | 6,114,911                | 6,895,506                |
| Trade and other payables                                               | 22           | 1,406,327                | 1,544,451                |
| Short-term lease liabilities                                           | 23           | 212,811                  | 111,956                  |
| Investment properties deferred income                                  |              | 200,605                  | 139,603                  |
| Income tax provision                                                   | 24           | <u>896,228</u>           | <u>1,079,619</u>         |
|                                                                        |              | <u>26,027,328</u>        | <u>31,930,577</u>        |
| <b>Total liabilities</b>                                               |              | <u><u>58,884,038</u></u> | <u><u>61,324,725</u></u> |
| <b>Total shareholders' equity and liabilities</b>                      |              | <u><u>81,852,216</u></u> | <u><u>82,945,810</u></u> |

**The attached notes from 1 to 39 are an integral part of these consolidation financial statements**

**COMPREHENSIVE LEASING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

|                                                                                                            | Notes   | 2022<br>JD         | 2021<br>JD         |
|------------------------------------------------------------------------------------------------------------|---------|--------------------|--------------------|
| <b>Revenues</b>                                                                                            |         |                    |                    |
| Revenues from finance lease contracts – net                                                                | 25      | 6,483,353          | 7,495,777          |
| Revenues from instalment sale – net                                                                        | 26      | 4,636,370          | 4,505,507          |
| <b>Total revenues</b>                                                                                      |         | <u>11,119,723</u>  | <u>12,001,284</u>  |
| Administrative expenses                                                                                    | 27      | (1,634,816)        | (1,535,535)        |
| Net revenues from investment properties                                                                    | 28      | 219,689            | 217,338            |
| Gain of change in fair value of financial assets through income statement                                  | 15      | 112,928            | 120,050            |
| Other income                                                                                               |         | 59,562             | 54,674             |
| Dividends income received                                                                                  |         | 61,257             | 12,963             |
| Expected credit losses (finance lease and Instalment sale receivables)                                     | 13 & 14 | (792,829)          | (833,718)          |
| Expected credit losses (Government Bonds)                                                                  | 16      | (34,458)           | -                  |
| Finance costs                                                                                              | 29      | <u>(4,622,946)</u> | <u>(4,820,624)</u> |
| <b>Profit for the year before income tax</b>                                                               |         | 4,488,110          | 5,216,432          |
| Income tax expense                                                                                         | 24      | <u>(1,141,017)</u> | <u>(1,334,222)</u> |
| <b>Profit for the year</b>                                                                                 |         | 3,347,093          | 3,882,210          |
| Add: other comprehensive income items                                                                      |         | -                  | -                  |
| <b>Total comprehensive income for the year</b>                                                             |         | <u>3,347,093</u>   | <u>3,882,210</u>   |
| <b>Earnings per share:</b>                                                                                 |         |                    |                    |
| Basic and diluted earnings per share from the profit for the year attributable to the Group's shareholders | 34      | <u>23%</u>         | <u>39%</u>         |

**The attached notes from 1 to 39 are an integral part of these consolidation financial statements**

**COMPREHENSIVE LEASING COMPANY  
PUBLIC SHAREHOLDING COMPANY LIMITED  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|                                            | Share<br>capital<br>JD | Statutory<br>reserve<br>JD | Retained<br>earnings<br>JD | Total<br>JD       |
|--------------------------------------------|------------------------|----------------------------|----------------------------|-------------------|
| <b>For the year ended 31 December 2022</b> |                        |                            |                            |                   |
| Balance as at 1 January 2022               | 10,000,000             | 2,500,000                  | 9,121,085                  | 21,621,085        |
| Increase in share capital (Notes 1&19)     | 5,000,000              | -                          | (5,000,000)                | -                 |
| Dividends distribution (Note 33)           | -                      | -                          | (2,000,000)                | (2,000,000)       |
| Total comprehensive income for the year    | -                      | -                          | 3,347,093                  | 3,347,093         |
| Transferred to the statutory reserve       | -                      | 388,527                    | (388,527)                  | -                 |
| <b>Balance as at 31 December 2022</b>      | <u>15,000,000</u>      | <u>2,888,527</u>           | <u>5,079,651</u>           | <u>22,968,178</u> |
| <b>For the year ended 31 December 2021</b> |                        |                            |                            |                   |
| Balance as at 1 January 2021               | 10,000,000             | 2,500,000                  | 7,238,875                  | 19,738,875        |
| Dividends distribution (note 33)           | -                      | -                          | (2,000,000)                | (2,000,000)       |
| Total comprehensive income for the year    | -                      | -                          | 3,882,210                  | 3,882,210         |
| <b>Balance as at 31 December 2021</b>      | <u>10,000,000</u>      | <u>2,500,000</u>           | <u>9,121,085</u>           | <u>21,621,085</u> |

**The attached notes from 1 to 39 are an integral part of these consolidation financial statements**

**COMPREHENSIVE LEASING COMPANY  
PUBLIC SHAREHOLDING COMPANY LIMITED  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|                                                                                              | Notes   | 2022<br>JD         | 2021<br>JD          |
|----------------------------------------------------------------------------------------------|---------|--------------------|---------------------|
| <b><u>Operating activities</u></b>                                                           |         |                    |                     |
| Profit for the year before tax                                                               |         | 4,488,110          | 5,216,432           |
| <b>Adjustments for:</b>                                                                      |         |                    |                     |
|                                                                                              | 7, 8 &  |                    |                     |
| Depreciation and amortization                                                                | 23      | 307,989            | 246,405             |
| Depreciation of investment properties                                                        | 10      | 55,910             | 55,910              |
| Provision for expected credit loss (finance lease contracts and instalment sale receivables) | 13 & 14 | 792,829            | 833,718             |
| Provision for expected credit loss (Government Bond)                                         | 16      | 34,458             | -                   |
| Finance costs                                                                                | 29      | 4,622,946          | 4,820,624           |
| Dividends income                                                                             |         | (61,257)           | (12,963)            |
| Gain on sale of financial assets at fair value through income statement                      | 15      | (43,700)           | -                   |
| Unrealized gain of change in fair value of financial assets through income statement         | 15      | (69,228)           | (120,050)           |
| Unrealized losses from revaluation of investment properties                                  | 10      | -                  | 50,000              |
| Gain on sale of property and equipment                                                       | 8       | (58,970)           | (24,240)            |
| <b>Changes in working capital:</b>                                                           |         |                    |                     |
| Net investment in finance lease contracts                                                    |         | 2,632,386          | 7,359,871           |
| Net investment in instalment sale receivables                                                |         | 1,254,904          | (1,810,852)         |
| Trade and other receivables                                                                  |         | (107,640)          | (275,050)           |
| Trade and other payables                                                                     |         | (138,756)          | 203,558             |
| <b>Net Cash flows before income tax paid</b>                                                 |         | <b>13,709,981</b>  | <b>16,543,363</b>   |
| Income tax paid                                                                              | 24      | (1,324,408)        | (1,437,051)         |
| <b>Net cash flows from operating activities</b>                                              |         | <b>12,385,573</b>  | <b>15,106,312</b>   |
| <b><u>Investing activities</u></b>                                                           |         |                    |                     |
| Purchase of financial assets at fair value through income statement                          | 15      | (398,145)          | (697,486)           |
| Purchase of financial assets at amortized cost                                               | 16      | (235,601)          | (747,242)           |
| Purchase of intangible assets                                                                | 7       | (8,808)            | (4,248)             |
| Projects under constructions                                                                 | 9       | (1,209,811)        | (1,725,944)         |
| Purchase of property and equipment                                                           | 8       | (169,768)          | (84,807)            |
| Investment properties deferred income                                                        |         | 61,002             | (13,484)            |
| Proceeds from sale of assets seized for debts                                                | 11      | 1,354,100          | 3,483,620           |
| Proceeds from sale of financial assets at amortized cost                                     | 16      | -                  | 747,242             |
| Proceeds from sale of property and equipment                                                 |         | 92,238             | 24,596              |
| Proceeds from sale of financial assets at fair value through income statement                | 15      | 296,025            | -                   |
| Investment in an associates                                                                  | 12      | (2,365,000)        | -                   |
| Dividends income received                                                                    |         | 61,257             | 12,963              |
| <b>Net cash flows (used in) from investing activities</b>                                    |         | <b>(2,522,511)</b> | <b>995,210</b>      |
| <b><u>Financing activities</u></b>                                                           |         |                    |                     |
| Repayment of long-term loans                                                                 |         | (2,230,051)        | (7,826,094)         |
| Finance costs paid                                                                           |         | (4,556,689)        | (4,788,274)         |
| Dividends paid                                                                               | 33      | (1,999,368)        | (2,000,000)         |
| Payment of lease liabilities                                                                 | 23      | (238,572)          | (175,025)           |
| <b>Net cash flows used in financing activities</b>                                           |         | <b>(9,024,680)</b> | <b>(14,789,393)</b> |
| <b>Net change in cash and cash equivalents</b>                                               |         | <b>838,382</b>     | <b>1,312,129</b>    |
| Cash and cash equivalent as at 1 January                                                     |         | (6,806,177)        | (8,118,306)         |
| <b>Cash and cash equivalents as at 31 December</b>                                           | 18      | <b>(5,967,795)</b> | <b>(6,806,177)</b>  |
| <b><u>Non-monetary transactions during the year:</u></b>                                     |         |                    |                     |
| Right-of-use assets                                                                          | 23      | 1,030,694          | 83,654              |
| Lease liabilities                                                                            | 23      | (1,030,694)        | (83,654)            |
| Transferred from investment in finance lease contracts to assets seized for debts            | 11      | 1,695,500          | 3,044,610           |

**The attached notes from 1 to 39 are an integral part of these consolidation financial statements**

**(1) GENERAL INFORMATION**

Comprehensive Leasing Company was established on 14 April 2004 as a limited liability company under No. (8730) with a capital of 1,000,000 JD. On 12 September 2006, the legal status of the Company was changed into a public shareholding company and registered with the Ministry of Industry and Trade under No. (415). The Company's capital was increased during the previous years to become 10,000,000 JD as at 31 December 2019. The General Assembly decided in its extraordinary meeting held on 10 February 2022 to increase the capital by 5,000,000 JD, so the Company's capital became 15,000,000 JD as at 31 December 2022 with a nominal value of JD 1 for each share, by distributing free shares to the shareholders, which constitute 50% of the capital from the retained earnings each according to his contribution to the Company's capital. The Company's capital increase procedures were completed with the Ministry of Industry and Trade on 28 February 2022.

The Company's main activities are represented in the following:

- Finance lease,
- Investment of the Company's funds in the economic, industrial, agricultural and real estate fields,
- Purchase, own, lease and manage movable and immovable funds for the purposes of the Company,
- Mortgage of movable and immovable funds,
- Development of lands by providing the necessary services and fragmentation of the lands,
- Import and export,
- Touristic investments,
- Obtain patents,
- Obtain contracts of rights and privileges from any government, entity, authority, Company, institution or individual concerned by the objectives of the Company, enter into commercial and governmental bids and tenders, both locally and internationally, and register the Company's trademarks.

On 24 July 2012, the Company established a branch in the Kurdistan Region of Iraq under the number (15297). According to the provisions of item No. (5 - third) of the Act of establishing branches of offices of foreign companies and economic institutions No. (5) of 1989 related to the Kurdistan Region of Iraq, the branch commenced its operational activities during the first quarter of 2013.

The Comprehensive Leasing Company is a public shareholding Company, and its shares are listed in Amman Stock Exchange. The registered address of the Company is 207 Zahran St. – Amman, the Hashemite Kingdom of Jordan.

The consolidated financial statements were approved by the Management on 23 January 2023.

## **(2) BASIS OF PREPARATION CONSOLIDATED FINANCE STATEMENTS**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in Jordanian Dinars which represents the functional currency of the Group.

## **(3) BASIS OF CONSOLIDATION OF FINANCIAL STATEMENTS**

The consolidated financial statements include the financial statements of Comprehensive Leasing Company (the "Company") and the following subsidiaries (together referred as the "Group") as at 31 December 2022:

| Name of the Company                                                 | Legal status              | Share capital<br>JD | Shareholding<br>percentage<br>% |
|---------------------------------------------------------------------|---------------------------|---------------------|---------------------------------|
| Comprehensive Vehicle Trading Company                               | Limited liability company | 500,000             | 100                             |
| Comprehensive International Company for Financial Consulting        | Limited liability company | 10,000              | 100                             |
| Comprehensive International for Residential and Commercial Projects | Limited liability company | 100,000             | 100                             |

Control is achieved when the group has rights to the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Control over the investee company is achieved only when the following is achieved:

- Control of the Group over the investee (existing rights that give the Group the ability to direct the relevant activities of the investee);
- The Group's exposure or rights to the variable returns arising from its involvement with the investee; and
- The ability to exercise control over the investee company and affect its returns.

When the Group owns less than a majority of the voting or similar rights in an investee, the Group considers all relevant facts and circumstances to determine whether it controls an investee, including:

- Contractual arrangements with holders of voting rights of others in the investee company,
- Rights arising from other contractual arrangements,
- The current voting rights and potential voting rights of the Group.

The Group reassesses whether it controls the investee company when circumstances or facts indicate a change in one or more of the three elements of control.

**(3) BASIS OF CONSOLIDATION OF FINANCIAL STATEMENTS (CONTINUED)**

The financial statements of the subsidiary are consolidated from the date on which control is exercised until such control ceases. Revenues and expenses of subsidiaries are consolidated in the consolidated statement of comprehensive income from the date the Group takes control of the subsidiaries until such control ceases.

Profits and losses and each item of other comprehensive income are charged to the equity holders of the parent company and the non-controlling interests even if this leads to a deficit in the balance of the non-controlling interests. If necessary, the financial statements of the subsidiaries are amended to align their accounting policies with the accounting policies of the Group. Assets, liabilities, equity, revenues, expenses, profits and losses relating to transactions between the Group and its subsidiaries are eliminated.

The effect of a change in the ownership percentage of the subsidiary that does not result in a loss of control is recorded in equity. Upon loss of control over a subsidiary, the Group derecognises the subsidiary's assets (including goodwill), liabilities, non-controlling interests and other items of equity, while the resulting gain or loss is recognized in the income statement. The investment is recognized at fair value.

**(4) CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

**Reference to the Conceptual Framework – Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no impact on the consolidated financial statements of the Group.

**(4) CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

**Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

These amendments had no impact on the consolidated financial statements of the Group.

**Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the consolidated financial statements of the Group.

**IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments are not applicable on the group.

**(4) CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

**IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no impact on the consolidated financial statements of the Group.

**(5) USE OF ESTIMATES**

The preparation of the consolidated financial statements and the application of accounting policies require the Group's management to make estimates and judgments that affect the amounts of assets and liabilities and disclose contingent liabilities. These estimates and judgments also affect revenues, expenses and provisions, and in particular requires the group's management to make important judgments and assumptions to estimate the amounts of future cash flows and their times resulting from the conditions and circumstances of those estimates in the future. The estimates are necessarily based on assumptions and various factors that have varying degrees of estimation and uncertainty, and the actual results may differ from estimates as a result of future changes in the status and conditions of these provisions. The following are the group's most important estimates:

**The useful life of property, equipment and investment properties**

The Group's management estimates the useful lives of property, equipment and investment properties for the purposes of calculating depreciation based on the expected use of these assets. The management reviews the residual value and useful lives on an annual basis, and the future depreciation expense is adjusted if the management believes that the useful lives differ from previous estimates.

**Provision for expected credit losses from leasing contracts and instalment sales**

The Group uses a matrix to calculate the expected credit loss provision for receivables. Provision ratios are calculated based on the aging of receivables due to groups of customer segments that contain common characteristics of loss patterns, taking into account the adjustment of these matrices in line with historical default rates and future expectations of these rates.

The expected credit loss provisions matrix is initially based on the group's historical default rates. The group evaluates how historical default rates correlate with economic conditions.

**(5) USE OF ESTIMATES (CONTINUED)**

**Significant estimates related to determining the lease term for contracts that include an option to renew the lease**

The Group determines the lease term as the non-cancelable term, taking into account the periods covered by the option to extend the lease if the option is certain to be exercised, or any periods related to the option to terminate the lease if the Group is certain not to exercise This option.

Under some lease agreements, the Group has the right to lease the assets for additional periods. The Group makes some judgment when assessing whether it is reasonable to exercise a renewal option.

That is, the Group considers all relevant factors that constitute an economic incentive to exercise the renewal option. Subsequently, the Group reassesses the lease term if a significant event or change in circumstances within its control occurs that may affect its ability to exercise (or not exercise) the renewal option (for example, a change in business strategy).

The Group has included the renewal period as part of the lease term due to the importance of these assets to its operations. The term of the non-cancelable contract for some of these assets is considered relatively short, and in the event of termination of these contracts, the operational processes will be negatively affected in the absence of alternatives to these assets.

**Income tax provision**

The group calculates the income tax for the year based on realistic estimates, so that it can be audited by the Income and Sales Tax Department. The financial period is charged with the income tax expense in accordance with the regulations, laws and accounting standards, and the necessary tax provision is calculated and recorded.

**Estimates related to the application of International Financial Reporting Standard No. (16)**

The application of International Financial Reporting Standard No. (16) requires the company's management to make estimates and assumptions that affect the measurement of the right to use assets and related liabilities. The company's management takes into account all factors related to the option of extending or renewing lease contracts. Determining whether a contract is considered a lease requires testing. Management also uses estimates to determine the appropriate discount rate for measuring lease liabilities.

**(6) SIGNIFICANT ACCOUNTING POLICIES**

The following are the most important accounting policies applied:

**Intangible assets**

Intangible assets are measured upon acquisition at cost or at fair value if they result from the acquisition of subsidiaries.

Intangible assets are classified on the basis of their lifetime for a definite or indefinite period. Intangible assets that have a definite lifetime are amortized during this lifetime and are recognised in the consolidated statement of comprehensive income. For intangible assets that have an indefinite lifetime, their impairment is reviewed in the consolidated financial statements and any impairment shall be recognised in the consolidated statement of comprehensive income.

Intangible assets arising from the Group's business are not capitalized and are recorded in the consolidated statement of comprehensive income in the same year.

Any indications of impairment of intangible assets are reviewed at the date of the consolidated financial statements. The age of those assets is also reviewed and any adjustments are made for subsequent years.

**Property and equipment**

Property and equipment are shown at cost less accumulated depreciation. Property and equipment (excluding land) are depreciated when ready for use on a straight-line basis after deducting the estimated residual value. The rates and period of depreciation used are as follows:

|                                      | Useful life<br>(Years) |
|--------------------------------------|------------------------|
| Buildings                            | 25 - 50                |
| Furniture and fixtures               | 10                     |
| Solar system                         | 10                     |
| Computers                            | 3                      |
| Electronics and electrical equipment | 4-5                    |
| Decorations                          | 4                      |
| Vehicles                             | 6-7                    |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

The value of an item of property and equipment is written down to its recoverable amount if its net book value is greater than its recoverable amount. Decrease is recognised in the consolidated statement of comprehensive income.

Gain and loss arising on disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Projects under construction**

Projects under construction are shown at cost and include the cost of construction, equipment and direct expenses. Projects under construction are not depreciated until they are completed and ready for use.

**Investment properties**

Real estate investments represent investments in lands and buildings owned by the company for the purpose of obtaining rents or until their value increases. Real estate investments do not include buildings used for the company's normal activities or administrative purposes.

Real estate investments are shown at cost after deducting accumulated depreciation and any provision for impairment. Real estate investments are depreciated when they are ready for use using the straight-line method over their expected useful life using the following ratio:

|           | Useful life |
|-----------|-------------|
|           | (Years)     |
| Buildings | 25 - 50     |

**Properties reverted to the Company in settlement of due debts**

Properties reverted to the Company are recognised in the statement of financial position within the "Properties acquired against debts" item at the lower of the value reverted to the Company or the fair value, and are revaluated at fair value separately. Any impairment is recorded as a revenue in the income statement and the increase is not recognised as revenue. Subsequent increase is included in the consolidated income statement to the extent that impairment value does not exceed the previously recorded value.

**Lease contracts**

The Group evaluates contracts at inception to determine whether the contract is or contains a lease. That is, if the contract transfers the right of control to use the asset for a period of time in exchange for payments.

The Group applies a standardized approach to recognition and measurement in respect of all lease contracts, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the leased assets.

**Right-to-use the assets**

The Group recognizes a right-of-use asset at the commencement date of the lease (i.e., the date the asset is usable). The right-of-use asset is recognized at cost, less accumulated depreciation and impairment losses, and the value is adjusted when lease liabilities are revalued.

The cost of the right-of-use asset includes the value of the lease liabilities recognised, plus initial direct costs incurred, and lease payments made on or before the lease commencement date, less any lease incentives received. In the event that the group is not certain of obtaining ownership of the leased asset at the end of the contract period, the value of the right-to-use the recognized asset is depreciated on a straight-line basis over the useful life of the asset or the lease term, whichever is less. Right-of-use assets are subject to impairment testing.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Right to use the assets(continued)***

If the contract includes a transferring ownership of the leased asset to the Group at the end of the lease term, or if the rental cost reflects the right to exercise a purchase option at the end of the contract term, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are subject to impairment tests.

***Lease liabilities***

At the commencement date of the lease, the Group recognizes a lease liability at the present value of the lease payments to be made during the term of the lease. Lease payments include fixed payments (which includes payments that in substance are fixed lease payments) less lease incentives payable, variable lease payments that depend on agreed indicators or rates in accordance with the terms of the contract, and amounts expected to be collected under residual value guarantees. Lease payments also include the amount payable when a purchase option is exercised that the Group is certain to exercise and the amount of penalties for terminating the lease, if the Group intends to exercise the option to terminate in accordance with the terms of the contract.

Variable lease payments that do not depend on indicators or rates agreed upon in accordance with the terms of the contract are recognized as an expense in the period in which the event or condition that leads to the payment of those amounts occurs.

When calculating the present value of lease payments, the Group uses the borrowing rate at the lease starting date if the interest rate implicit in the lease is not determinable. After the start date, lease liabilities are increased to reflect the increased interest rate and lease payments paid. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in secured fixed lease payments, or a change in the purchase valuation of the asset.

***Short-term contracts and leases of low-value assets***

The Group applies the short-term lease recognition exemption to certain short-term leases (i.e., leases with a term of 12 months or less from the start date that do not contain a purchase option). It also applies to the recognition exemption for leases of low-value assets (less than \$5,000 annually). Short-term lease payments and low-value leases are recognized as an expense on a straight-line basis over the lease term.

The Group defines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is certain to be exercised, or any periods covered by an option to terminate the lease, if it is certain not to be exercised.

The Group has the option, under some leases, to lease the assets subject to additional terms. The Group applies judgment in assessing whether it is reasonably certain to exercise the option to renew.

That is, the group takes into account all relevant factors that create an economic incentive for the practice of renewal. After the start date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew (for example, a change in business strategy).

The Group included the renewal period as part of the lease term for its property and equipment leases because of the importance of these assets to its operations. These leases are of short duration and are non-cancellable and there will be a significant negative impact on production if an alternative is not readily available.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments in associates**

An associate is an entity over which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policies of the investee, but is not control or joint control over those policies.

The considerations used to determine joint control are somewhat similar to the considerations used to determine control over subsidiaries.

The Group's investment in the associate company is recognized under the equity method.

Under the equity method, investments in associates are stated at cost. The book value of the investments in the associate company is adjusted to record the Group's share in the changes in the net assets of the associate company on the date of acquisition. The goodwill generated by the associate company is recorded as part of the investment account and is not amortized nor is an impairment test conducted for it individually.

The consolidated statement of comprehensive income reflects the group's share of the results of the operations of the associate company, any changes in the statement of comprehensive income for this investment, and it is classified in the statement of comprehensive income of the group. In the event of a change in the equity of the affiliate company, these changes, if any, are shown in the statement of changes in the consolidated equity of the group. Profits and losses resulting from transactions between the Group and the associate companies are eliminated to the extent of the Group's interest in the associate company.

The Group's share of the associate company's profits or losses is shown in the consolidated statement of comprehensive income outside operating profits and represents profit or loss after tax and non-controlling interests in the affiliate company.

The financial statements of the associate company are prepared for the same financial period as the group and using the same accounting policies.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investing in instalment sales and financial leasing contracts**

Under the instalment sale contract, the Group purchases the asset and registers it in the name of the beneficiary against payments and mortgages the sold asset to the Group until all payments due are completed.

The investment in instalment sales contracts is initially recognized at its fair value and subsequently measured on amortized cost basis using the effective interest method and after deducting the provision for impairment in value. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original debt terms. The debtor's encounter with significant financial difficulties, the possibility of bankruptcy, the debtor's financial restructuring, default or delay in payments are all indicators of impairment in the accounts receivable. The amount of the provision represents the difference between the asset's book value and the present value of the expected cash flows, discounted at the market interest rate. The carrying amount of the assets is reduced using an allowance account, and the loss is recognized in the consolidated statement of comprehensive income. Uncollectible trade receivables are written off in the provision for impairment of trade receivables account, and in the event that receivables that were previously written off are collected, they are recorded in other income in the consolidated statement of comprehensive income.

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Other types of leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis based on the term of the relevant lease. Under a lease contract, the lessor, against payments, transfers to the lessee the right to use an asset for a limited period of time ending with the transfer of ownership to the lessee. Investments in finance lease contracts are shown at the net present value of finance lease payments after deducting the provision for doubtful receivables (if any).

All direct costs of finance leases are included in the net present value of investments in finance leases. The finance lease payments are divided between the lease revenues and the principal amount paid so that the finance lease income is distributed over the life of the contract so as to reflect a fixed periodic rate of return on the balance of the Group's net investment outstanding during the lease period.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial assets at fair value through income statement**

These are the financial assets that the Group purchased with the aim of selling them in the near future and making profits from short-term market price fluctuations or trading profit margins.

These assets are recorded at fair value upon purchase (acquisition expenses are recorded on the consolidated income statement upon purchase) and are subsequently re-evaluated at fair value. The change in fair value appears in the consolidated income statement, including the change in fair value resulting from translation differences of non-monetary asset items in foreign currencies. In the event that these assets or part thereof are sold, the resultant profits or losses are included in the consolidated statement of comprehensive income.

Dividends distributed or interest earned are recorded in the consolidated statement of comprehensive income.

**Financial assets at amortized cost**

They are the financial assets that the company's management, according to its business model, aims to keep in order to collect contractual cash flows, which are represented by payments of principal and interest on the outstanding debt balance.

Financial assets are recorded upon purchase at cost plus acquisition expenses, and the premium / discount is amortized using the effective interest method, debited to or in the interest account, and any provisions resulting from impairment are deducted in accordance with the calculation of the expected credit loss, and the expected credit loss is recorded in the consolidated statement of comprehensive income.

The amount of impairment in the value of financial assets at amortized cost represents the expected credit loss for financial assets at amortized cost.

It is not permissible to reclassify any financial assets from / to this item except in the cases specified in the International Financial Reporting Standards (and in the event that any of these assets is sold before its maturity date, the result of the sale is recorded in the consolidated income statement in a separate item and disclosed in accordance with the requirements of the reporting standards international finance in particular).

**Financial assets recognition date**

Purchases and sales of financial assets are recognized on the trade date.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts receivable**

Accounts receivable are stated at original invoice amount less an allowance for expected credit losses. The Group has applied a simplified approach to calculating expected credit losses.

The Group's management calculates the provision based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. A receivable is written off when the Group cannot reasonably expect to recover the contractual cash flows.

**Cash and Cash equivalent**

Cash and bank balances appearing in the consolidated statement of financial position represent cash on hand and at banks with maturities not exceeding three months, which do not include the risk of change in value.

**Loans**

Loans are recognized at fair value, less direct costs attributable to the loans. They are subsequently carried at amortized cost using the effective interest method.

Loan interests are charged to the consolidated statement of comprehensive income in the period in which these interests are realised, which includes the grace period, if any.

**Finance costs**

Finance costs are recognized as an expense in the consolidated income statement when incurred. Finance costs attributable to the acquisition, construction or production of qualifying assets are capitalized.

**Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services, whether billed by the supplier or not.

**Provisions**

Provisions are recognized when the company has a present obligation (legal or actual) resulting from a past event, and settlement of the obligations is probable and their value can be measured reliably.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income tax**

Tax expense represents the amount of tax owed and deferred tax.

The tax expenses are calculated on the basis of the taxable profits, and the taxable profits differ from the profits declared in the financial statements because the declared profits include non-taxable revenues or expenses that are not deductible in the fiscal year but rather in subsequent years or the accumulated losses that are taxable or items that are not subject to or Acceptable for tax purposes.

Taxes are calculated according to the tax rates established in accordance with the income tax law in the countries in which the group companies operate.

Deferred taxes are taxes that are 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. Deferred taxes are calculated using the statement of financial position liability method. Deferred taxes are calculated according to the tax rates that are expected to be applied when settling the tax liability or realizing the deferred tax assets.

The balance of deferred tax assets is reviewed on the date of the consolidated financial statements and is reduced in the event that it is expected that it is not possible to benefit from those tax assets partially or completely.

**Revenue Recognition**

The group recognizes transaction costs directly related to obtaining new contracts at the beginning at their fair value and is recorded within the value of investment in finance lease contracts or instalment sale receivables, according to the nature of the transaction originating through them, and is distributed later during the life of the related contract using the effective interest method.

Interest income is recognized using the effective interest method.

**Foreign currency**

Transactions in foreign currencies during the year are recorded at the prevailing exchange rates on the date of the transactions, and balances of financial assets and financial liabilities in foreign currencies are translated at the prevailing exchange rates on the date of the consolidated financial statements. Gains and losses arising from foreign currency translation are recorded in the consolidated statement of comprehensive income.

**Recognition of expenses**

Expenses are recognized on an accrual basis.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Impairment in the value of financial assets**

The application of International Financial Reporting Standard No. (9) (Financial Instruments) resulted in changing the accounting treatment for the impairment of the group's financial assets by replacing the accounting treatment from the incurred credit losses model to the expected credit losses model.

IFRS 9 requires the Group to record an allowance for expected credit losses on all debt instruments at amortized cost.

The Group applied the simplified method from the standard for recording expected credit losses on all debt instruments, and calculating expected credit losses over the entire life of the debt instruments. The Group has prepared a study based on the historical credit loss experience taking into account the forward-looking factors specific to the debtors and the economic environment.

**Impairment of non-financial assets**

The Group assesses at each reporting date whether there is evidence that assets are impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's collectible amount is the higher of the asset's fair value or cash-generating unit less costs to sell and its value in use and is determined for individual assets, unless the assets do not generate cash inflows that are largely independent of those from other assets or group assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

In assessing the fair value in use, the future cash flows are discounted to their present fair value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account if available. If it is not possible to identify such transactions, the appropriate valuation model is used. These calculations are corroborated by valuation multiples of traded subsidiaries' share prices or other available fair value indices.

**Segment information**

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

The geographical sector 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.

**(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- That there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

**Offsetting**

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

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**(7) INTANGIBLE ASSETS – NET**

The details of this item are as follows:

|                                         | Computer Programs |               |
|-----------------------------------------|-------------------|---------------|
|                                         | 2022              | 2021          |
|                                         | JD                | JD            |
| <b>Cost:</b>                            |                   |               |
| Balance at 1 January                    | 149,547           | 145,299       |
| Additions                               | 8,808             | 4,248         |
| Balance at 31 December                  | 158,355           | 149,547       |
| <b>Accumulated Amortization:</b>        |                   |               |
| Balance at 1 January                    | 125,500           | 115,491       |
| Amortization for the year               | 9,727             | 10,009        |
| Balance at 31 December                  | 135,227           | 125,500       |
| <b>Net book value as at 31 December</b> | <b>23,128</b>     | <b>24,047</b> |

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**(8) PROPERTY AND EQUIPMENT – NET**

|                                     | Land*            | Buildings        | Furniture<br>and fixtures | Solar<br>system | Computers     | Electronics<br>and<br>electrical<br>equipment | Decorations   | Vehicles       | Total            |
|-------------------------------------|------------------|------------------|---------------------------|-----------------|---------------|-----------------------------------------------|---------------|----------------|------------------|
|                                     | JD               | JD               | JD                        | JD              | JD            | JD                                            | JD            | JD             | JD               |
| <b>2022 -</b>                       |                  |                  |                           |                 |               |                                               |               |                |                  |
| <b>Cost:</b>                        |                  |                  |                           |                 |               |                                               |               |                |                  |
| Balance at 1 January                | 1,541,495        | 1,054,844        | 110,497                   | 25,000          | 64,680        | 155,736                                       | 44,335        | 221,238        | 3,217,825        |
| Additions                           | -                | 5,192            | 1,882                     | -               | 18,072        | 1,301                                         | 3,775         | 139,546        | 169,768          |
| Disposals                           | -                | -                | -                         | -               | -             | (16,160)                                      | (8,200)       | (140,320)      | (164,680)        |
| <b>Balance as at 31 December</b>    | <u>1,541,495</u> | <u>1,060,036</u> | <u>112,379</u>            | <u>25,000</u>   | <u>82,752</u> | <u>140,877</u>                                | <u>39,910</u> | <u>220,464</u> | <u>3,222,913</u> |
| <b>Accumulated depreciation:</b>    |                  |                  |                           |                 |               |                                               |               |                |                  |
| Balance at 1 January                | -                | 73,035           | 45,157                    | 6,458           | 61,151        | 60,049                                        | 30,948        | 125,101        | 401,899          |
| Depreciation for the year           | -                | 21,133           | 10,264                    | 2,500           | 3,393         | 16,303                                        | 9,984         | 41,730         | 105,307          |
| Disposals                           | -                | -                | -                         | -               | -             | (6,611)                                       | (7,891)       | (116,910)      | (131,412)        |
| <b>Balance as at 31 December</b>    | <u>-</u>         | <u>94,168</u>    | <u>55,421</u>             | <u>8,958</u>    | <u>64,544</u> | <u>69,741</u>                                 | <u>33,041</u> | <u>49,921</u>  | <u>375,794</u>   |
| <b>Book value as at 31 December</b> | <u>1,541,495</u> | <u>965,868</u>   | <u>56,958</u>             | <u>16,042</u>   | <u>18,208</u> | <u>71,136</u>                                 | <u>6,869</u>  | <u>170,543</u> | <u>2,847,119</u> |

\* The above land mortgaged against a loan in favour of Arab Jordan Investment Bank (Note 20).

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**(8) PROPERTY AND EQUIPMENT – NET (CONTINUED)**

|                                     | Land<br>JD       | Buildings<br>JD  | Furniture<br>and fixtures<br>JD | Solar<br>system<br>JD | Software<br>devices<br>JD | Electronics<br>and<br>electrical<br>equipment<br>JD | Decorations<br>JD | Vehicles<br>JD | Total<br>JD      |
|-------------------------------------|------------------|------------------|---------------------------------|-----------------------|---------------------------|-----------------------------------------------------|-------------------|----------------|------------------|
| <b>2021 -</b>                       |                  |                  |                                 |                       |                           |                                                     |                   |                |                  |
| <b>Cost:</b>                        |                  |                  |                                 |                       |                           |                                                     |                   |                |                  |
| Balance at 1 January                | 1,541,495        | 1,054,394        | 105,622                         | 25,000                | 65,929                    | 160,811                                             | 45,218            | 198,720        | 3,197,189        |
| Additions                           | -                | 450              | 7,343                           | -                     | 879                       | 3,337                                               | 3,630             | 69,168         | 84,807           |
| Disposals                           | -                | -                | (2,468)                         | -                     | (2,128)                   | (8,412)                                             | (4,513)           | (46,650)       | (64,171)         |
| <b>Balance as at 31 December</b>    | <u>1,541,495</u> | <u>1,054,844</u> | <u>110,497</u>                  | <u>25,000</u>         | <u>64,680</u>             | <u>155,736</u>                                      | <u>44,335</u>     | <u>221,238</u> | <u>3,217,825</u> |
| <b>Accumulated depreciation:</b>    |                  |                  |                                 |                       |                           |                                                     |                   |                |                  |
| Balance at 1 January                | -                | 51,944           | 37,667                          | 3,958                 | 53,443                    | 51,423                                              | 25,665            | 144,742        | 368,842          |
| Depreciation for the year           | -                | 21,091           | 9,958                           | 2,500                 | 9,836                     | 16,682                                              | 9,796             | 27,009         | 96,872           |
| Disposals                           | -                | -                | (2,468)                         | -                     | (2,128)                   | (8,056)                                             | (4,513)           | (46,650)       | (63,815)         |
| <b>Balance as at 31 December</b>    | <u>-</u>         | <u>73,035</u>    | <u>45,157</u>                   | <u>6,458</u>          | <u>61,151</u>             | <u>60,049</u>                                       | <u>30,948</u>     | <u>125,101</u> | <u>401,899</u>   |
| <b>Book value as at 31 December</b> | <u>1,541,495</u> | <u>981,809</u>   | <u>65,340</u>                   | <u>18,542</u>         | <u>3,529</u>              | <u>95,687</u>                                       | <u>13,387</u>     | <u>96,137</u>  | <u>2,815,926</u> |

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**(9) PROJECTS UNDER CONSTRUCTION**

The following is the movement of the projects under construction:

|                        | 2022<br>JD       | 2021<br>JD       |
|------------------------|------------------|------------------|
| Balance at 1 January   | 1,725,944        | -                |
| Additions              | 1,209,811        | 1,725,944        |
| Balance at 31 December | <u>2,935,755</u> | <u>1,725,944</u> |

Projects under construction consist of three buildings which include 12 flats, which are near the Fifth Circle on land No. (834) Basin (18/Wadi Saqra) located in Amman – Jordan. The land area is 2175 meters, and the estimated cost of completing the project is four million and five hundred thousand dinars. The project is expected to be completed during the second quarter of 2023.

**(10) INVESTMENT PROPERTIES – NET**

This item represents real estate owned by the Group, which includes lands and buildings. The movement of the investment properties balance during the year is as follows:

|                                         | 2022<br>JD       | 2021<br>JD       |
|-----------------------------------------|------------------|------------------|
| <b>Cost</b>                             |                  |                  |
| Balance as at 1 January                 | 3,938,554        | 3,988,554        |
| Revaluation of investment properties    | -                | (50,000)         |
| <b>Balance as at 31 December</b>        | <u>3,938,554</u> | <u>3,938,554</u> |
| <b>Accumulated depreciation</b>         |                  |                  |
| Balance as at 1 January                 | 949,904          | 893,994          |
| Depreciation for the year               | 55,910           | 55,910           |
| <b>Balance as at 31 December</b>        | <u>1,005,814</u> | <u>949,904</u>   |
| <b>Net book value as at 31 December</b> | <u>2,932,740</u> | <u>2,988,650</u> |

The management estimated the fair value of the real estate investments as at 31 December 2022, by appointing a licenced independent appraiser. Moreover, the fair value of the investment properties of JD 3,855,882, exceeded its book value as at 31 December 2022.

**(11) ASSETS SEIZED FOR DEBTS**

Below is the summary of the movement of assets seized for debts:

|                           | 2022<br>JD         | 2021<br>JD         |
|---------------------------|--------------------|--------------------|
| <b>Cost</b>               |                    |                    |
| Balance as at 1 January   | 4,005,870          | 4,554,780          |
| Additions                 | 1,695,500          | 2,934,710          |
| Disposals                 | <u>(1,354,100)</u> | <u>(3,483,620)</u> |
| Balance as at 31 December | <u>4,347,270</u>   | <u>4,005,870</u>   |

The Group valued these properties during 2022, and there was no impairment in the value of seized properties as at 31 December 2022.

**(12) INVESTMENT IN AN ASSOCIATE**

During the year, the Group, in cooperation with the National Bank of Iraq (private shareholding company), established Al-Ahly Al-Iraqi Company for Trading, Selling and Buying Cars, Machinery, Machinery and Equipment (a limited liability company in Iraq "Associate Company"). The Group's share percentage in the total capital is 49% against 51% for the National Bank of Iraq. The capital of the Associate Company was determined at 10,000,000,000 Iraqi Dinars, divided into 10,000,000,000 shares, with a nominal value of one Iraqi Dinar per share, which is equivalent to 4,826,530 Jordanian Dinars.

The Company has a significant influence on the Associate Company, since two out of five members of the board of directors of the Associate Company are representatives of the Company, and therefore the investment was recorded as an investment in an associate using the equity method.

The table below summarizes the percentage of investment in an associate:

|                                                                                                            | Country | Ownership percentage |           | Investment value |            |
|------------------------------------------------------------------------------------------------------------|---------|----------------------|-----------|------------------|------------|
|                                                                                                            |         | 2022<br>%            | 2021<br>% | 2022<br>JD       | 2021<br>JD |
| Al-Ahly Al-Iraqi Company for Trading, Selling and Buying Cars, Machinery and Equipment (Limited Liability) | Iraq    | 49%                  | -         | <u>2,365,000</u> | <u>-</u>   |

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**(13) INVESTMENT IN FINANCE LEASE CONTRACTS – NET**

This item represents investments in finance lease contracts relating to vehicles and properties. The details of this item are as follows:

|                                                                       | <u>2022</u>         | <u>2021</u>         |
|-----------------------------------------------------------------------|---------------------|---------------------|
|                                                                       | JD                  | JD                  |
| Total investment in long-term finance lease contracts (over one year) | 23,044,690          | 26,807,427          |
| Total investment in short-term finance lease contracts                | <u>20,731,724</u>   | <u>22,343,034</u>   |
| <b>Total</b>                                                          | 43,776,414          | 49,150,461          |
| Deferred revenues                                                     | <u>(5,409,605)</u>  | <u>(6,263,561)</u>  |
| Total before provision                                                | 38,366,809          | 42,886,900          |
| Provision for expected credit losses in finance lease contracts       | <u>(1,568,451)</u>  | <u>(1,273,081)</u>  |
|                                                                       | 36,798,358          | 41,613,819          |
| Less: Net investment in long-term finance lease contracts             | <u>(18,713,192)</u> | <u>(20,003,476)</u> |
| Net investment in finance lease contracts that are due in a year      | <u>18,085,166</u>   | <u>21,610,343</u>   |

The movement in the provision for expected credit losses in finance lease contracts during the year is as follows:

|                                               | <u>2022</u>      | <u>2021</u>      |
|-----------------------------------------------|------------------|------------------|
|                                               | JD               | JD               |
| Balance as at 1 January                       | 1,273,081        | 1,065,028        |
| Expense of provision for expected credit loss | 487,575          | 458,070          |
| Written-off debts                             | <u>(192,205)</u> | <u>(250,017)</u> |
| Balance as at 31 December                     | <u>1,568,451</u> | <u>1,273,081</u> |

The total investment in finance leases contracts is distributed according to geographical distribution and asset type as follows:

|             | <u>Outside Jordan</u> | <u>Inside Jordan</u> | <u>31 December 2022</u> | <u>31 December 2021</u> |
|-------------|-----------------------|----------------------|-------------------------|-------------------------|
|             | JD                    | JD                   | JD                      | JD                      |
| Vehicles    | 973,032               | 37,280,989           | 38,254,021              | 41,964,549              |
| Real estate | <u>2,579,051</u>      | <u>2,943,342</u>     | <u>5,522,393</u>        | <u>7,185,912</u>        |
|             | <u>3,552,083</u>      | <u>40,224,331</u>    | <u>43,776,414</u>       | <u>49,150,461</u>       |

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**(14) INVESTMENT IN INSTALMENT SALE RECEIVABLES – NET**

This item represents investments in instalment sale contracts relating to vehicles and properties. The details of this item are as follows:

|                                                                         | 2022<br>JD        | 2021<br>JD        |
|-------------------------------------------------------------------------|-------------------|-------------------|
| Total investment in long-term instalment sale contracts (over one year) | 15,112,580        | 15,185,622        |
| Total investment in short-term instalment sale contracts                | 15,981,610        | 17,821,673        |
| <b>Total</b>                                                            | <b>31,094,190</b> | <b>33,007,295</b> |
| Deferred revenues                                                       | (3,864,785)       | (4,406,330)       |
| Total before provision                                                  | 27,229,405        | 28,600,965        |
| Provision for expected credit loss in instalment sale contracts         | (1,435,087)       | (1,246,489)       |
|                                                                         | 25,794,318        | 27,354,476        |
| Less: Net investment in long-term instalment sale contracts             | (14,540,228)      | (16,112,019)      |
| Net investment in instalment sale contracts that are due in a year      | <u>11,254,090</u> | <u>11,242,457</u> |

The movement in the provision for expected credit losses in instalment sale contracts during the year is as follows:

|                                               | 2022<br>JD       | 2021<br>JD       |
|-----------------------------------------------|------------------|------------------|
| Balance as at 1 January                       | 1,246,489        | 1,025,115        |
| Expense of provision for expected credit loss | 305,254          | 375,648          |
| Written-off debts                             | (116,656)        | (154,274)        |
| Balance as at 31 December                     | <u>1,435,087</u> | <u>1,246,489</u> |

The total investment in instalment sale contracts is distributed according to geographical distribution and asset type as follows:

|             | Outside Jordan<br>JD | Inside Jordan<br>JD | 31 December<br>2022<br>JD | 31 December<br>2021<br>JD |
|-------------|----------------------|---------------------|---------------------------|---------------------------|
| Vehicles    | 2,148,499            | 27,545,230          | 29,693,729                | 31,438,634                |
| Real estate | 899,639              | 500,822             | 1,400,461                 | 1,568,661                 |
|             | <u>3,048,138</u>     | <u>28,046,052</u>   | <u>31,094,190</u>         | <u>33,007,295</u>         |

**(15) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT**

Financial assets at fair value through income statement represents shares in public shareholding companies listed in Amman Stock Exchange. The details of this item are as follows:

|                            | 2022<br>JD       | 2021<br>JD       |
|----------------------------|------------------|------------------|
| Shares of listed companies | <u>1,409,524</u> | <u>1,194,476</u> |

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**(15) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT (CONTINUED)**

The movement on financial assets at fair value through income statement is as follows:

|                                                                            | <u>2022</u>      | <u>2021</u>      |
|----------------------------------------------------------------------------|------------------|------------------|
|                                                                            | JD               | JD               |
| Balance as at 1 January                                                    | 1,194,476        | 376,940          |
| Purchase of financial assets at fair value through income statement        | 398,145          | 697,486          |
| Sales of financial assets at fair value through income statement           | (252,325)        | -                |
| Unrealized gain of financial assets at fair value through income statement | 69,228           | 120,050          |
| Balance as at 31 December                                                  | <u>1,409,524</u> | <u>1,194,476</u> |

The following are the details of the gains of financial assets at fair value through income statement that appear in the consolidated statement of comprehensive income:

|                                                                            | <u>2022</u>    | <u>2021</u>    |
|----------------------------------------------------------------------------|----------------|----------------|
|                                                                            | JD             | JD             |
| Gain of sale of financial assets at fair value through income statement    | 43,700         | -              |
| Unrealized gain of financial assets at fair value through income statement | 69,228         | 120,050        |
| Balance at 31 December                                                     | <u>112,928</u> | <u>120,050</u> |

**(16) FINANCIAL ASSETS AT AMORTIZED COST – NET**

Financial assets at amortized cost represent bonds in international markets. The details of this item are as follows:

|                                     | <u>2022</u>    | <u>2021</u> |
|-------------------------------------|----------------|-------------|
|                                     | JD             | JD          |
| Governmental Bonds (outside Jordan) | <u>201,143</u> | <u>-</u>    |

The movement on financial assets at amortized cost is as follows:

|                            | <u>2022</u>    | <u>2021</u> |
|----------------------------|----------------|-------------|
|                            | JD             | JD          |
| Balance as at 1 January    | -              | -           |
| Investment during the year | 235,601        | 747,242     |
| Repaid investments         | -              | (747,242)   |
| Expected credit loss       | (34,458)       | -           |
| Balance as at 31 December  | <u>201,143</u> | <u>-</u>    |

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**(17) TRADE AND OTHER RECEIVABLES**

|                                       | <u>2022</u>    | <u>2021</u>    |
|---------------------------------------|----------------|----------------|
|                                       | JD             | JD             |
| Deposits of sales of mortgaged assets | 553,950        | 477,126        |
| Prepaid expenses                      | 274,904        | 228,966        |
| Employees' receivables                | 10,937         | 25,272         |
| Sales tax deposits                    | -              | 21,172         |
| Refundable deposits                   | 13,128         | 9,764          |
| Others                                | 43,292         | 26,271         |
|                                       | <u>896,211</u> | <u>788,571</u> |

**(18) CASH AND CASH EQUIVALENTS**

|               | <u>2022</u>    | <u>2021</u>   |
|---------------|----------------|---------------|
|               | JD             | JD            |
| Cash on hand  | 7,280          | 7,567         |
| Cash at banks | 139,836        | 81,762        |
|               | <u>147,116</u> | <u>89,329</u> |

For the purposes of preparing the statement of cash flows, cash and cash equivalent includes the following:

|                           | <u>2022</u>        | <u>2021</u>        |
|---------------------------|--------------------|--------------------|
|                           | JD                 | JD                 |
| Cash at banks             | 147,116            | 89,329             |
| Bank overdrafts (Note 21) | (6,114,911)        | (6,895,506)        |
| Cash and cash equivalent  | <u>(5,967,795)</u> | <u>(6,806,177)</u> |

**(19) SHAREHOLDERS' EQUITY**

**Paid-in capital**

The authorized and paid-in capital of the Company amounted to 10,000,000 dinars as on 31 December 2019. The General Assembly decided, in its extraordinary meeting held on 10 February 2022, to increase the capital by an amount of 5,000,000 dinars, so that the Company's capital became 15,000,000 dinars as at 31 December 2022, with a nominal value JD 1 per share, through distributing free shares to shareholders, which constitute 50% of the capital, from the retained earnings, each in proportion to their contribution of the Company's capital. The Company's capital increase procedures were completed with the Ministry of Industry and Trade on 28 February 2022.

**Statutory reserve**

According to the Jordanian Companies Act, 10% of annual net income before tax is transferred to the statutory reserve, the Group can stop this annual transfer if the statutory reserve reaches 25% of the Group's capital. This reserve is not available for distribution to shareholders.

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**(20) LOANS**

|                                                               | 2022               |                    |                     | 2021               |                    |                     |
|---------------------------------------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|
|                                                               | Interest rate<br>% | Credit limit<br>JD | Balance<br>JD       | Interest rate<br>% | Credit limit<br>JD | Balance<br>JD       |
| Bank Al Etihad                                                | -                  | -                  | -                   | 7.50%              | 6,500,000          | 3,347,890           |
| Capital Bank of Jordan                                        | 9.75%              | 10,900,000         | 4,758,956           | 7.75%              | 8,400,000          | 7,101,862           |
| Capital Bank of Jordan<br>(formerly Societe Generale<br>Bank) | 9.75%              | 5,650,000          | 4,112,214           | 7.50%              | 5,650,000          | 4,580,378           |
| Jordan Commercial Bank                                        | 8.87%              | 8,200,000          | 7,432,683           | 7.75%              | 8,200,000          | 7,309,091           |
| Housing Bank for Trade And<br>Finance                         | 10.00%             | 12,016,000         | 8,419,765           | 7.55%              | 9,266,000          | 7,208,009           |
| Capital Bank of Jordan                                        | -                  | -                  | -                   | 8.25%              | 2,500,000          | 1,053,555           |
| Jordan Kuwait Bank*                                           | 8.25%              | 3,500,000          | 2,100,000           | -                  | -                  | -                   |
| Jordan Kuwait Bank                                            | 10.00%             | 11,930,000         | 5,958,812           | 8.00%              | 11,930,000         | 7,170,178           |
| Arab Jordan Investment Bank                                   | 10.00%             | 14,260,000         | 9,489,556           | 7.25%              | 12,310,000         | 10,444,682          |
| Arab Jordan Investment Bank**                                 | 9.00%              | 2,968,000          | 2,968,000           | 5.50%              | 843,327            | 843,327             |
| Egyptian Arab Land Bank                                       | 8.25%              | 2,250,000          | 2,150,126           | 7.50%              | 2,250,000          | 2,253,403           |
| Arab Banking Corporation                                      | 8.25%              | 1,800,000          | 1,692,212           | -                  | -                  | -                   |
| Total borrowings                                              |                    | <u>73,474,000</u>  | <u>49,082,324</u>   |                    | <u>67,849,327</u>  | <u>51,312,375</u>   |
| Less: Current portion                                         |                    |                    | <u>(17,196,446)</u> |                    |                    | <u>(22,159,442)</u> |
| Long-term portion                                             |                    |                    | <u>31,885,878</u>   |                    |                    | <u>29,152,933</u>   |

\* This loan was granted against land No. (834) Basin (18/Wadi Saqra) located in Amman – Jordan in accordance with the agreement signed with the Jordan Kuwait Bank (Note 9).

\*\* This loan was granted against land No. (74) Basin (21/Um Uthaina) located in Amman – Jordan according to the agreement signed with the Arab Jordan Investment Bank (Note 8).

The distribution of loans in short- and long-term installments is as follows:

|                                    | 31 December<br>2022<br>JD | 31 December<br>2021<br>JD |
|------------------------------------|---------------------------|---------------------------|
| Loan instalments due within a year | 17,196,446                | 22,159,442                |
| Long-term instalments              | <u>31,885,878</u>         | <u>29,152,933</u>         |
| Total                              | <u>49,082,324</u>         | <u>51,312,375</u>         |

The annual repayments amounts for long-term loans that mature after more than one year are as follows:

|                                   | JD                |
|-----------------------------------|-------------------|
| 1 January 2024 – 31 December 2024 | 13,565,604        |
| 1 January 2025 – 31 December 2025 | 10,186,574        |
| 1 January 2026 – 31 December 2026 | 7,783,700         |
| 1 January 2027 – 31 December 2027 | <u>350,000</u>    |
|                                   | <u>31,885,878</u> |

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**(21) BANK OVERDRAFTS**

|                                                         | 2022          |                   |                  | 2021          |                   |                  |
|---------------------------------------------------------|---------------|-------------------|------------------|---------------|-------------------|------------------|
|                                                         | Interest rate | Credit limit      | Balance          | Interest rate | Credit limit      | Balance          |
|                                                         | %             | JD                | JD               | %             | JD                | JD               |
| Bank Al Etihad                                          | -             | -                 | -                | 7.50%         | 1,050,000         | 257,715          |
| Capital Bank of Jordan                                  | 9.75%         | 2,850,000         | 1,665,444        | 7.75%         | 2,350,000         | 1,766,448        |
| Jordan Capital Bank<br>(formerly Societe Generale Bank) | 9.75%         | 500,000           | 299,743          | 7.50%         | 500,000           | 96,008           |
| Jordan Commercial Bank                                  | 8.87%         | 1,800,000         | 1,495,680        | 7.75%         | 1,800,000         | 1,315,004        |
| Capital Bank of Jordan                                  | 10.00%        | 1,963,000         | 787,543          | 7.55%         | 1,963,000         | 1,448,851        |
| Housing bank for trade and finance                      | -             | -                 | -                | 8.25%         | 500,000           | 202,512          |
| Capital Bank of Jordan                                  | 10.00%        | 1,763,000         | 695,540          | 8.00%         | 1,763,000         | 665,592          |
| Jordan Kuwait Bank                                      | 9.50%         | 855,000           | 351,231          | 7.25%         | 805,000           | 523,474          |
| Egyptian Arab Land Bank                                 | 8.25%         | 750,000           | 651,470          | 7.50%         | 750,000           | 619,902          |
| Arab Bank corporation                                   | 8.25%         | 200,000           | 168,260          | -             | -                 | -                |
| Total Overdrafts                                        |               | <u>10,681,000</u> | <u>6,114,911</u> |               | <u>11,481,000</u> | <u>6,895,506</u> |

**(22) TRADE AND OTHER PAYABLES**

|                                                          | 2022             | 2021             |
|----------------------------------------------------------|------------------|------------------|
|                                                          | JD               | JD               |
| Trade payables                                           | 301,832          | 318,059          |
| Payments received in advance – finance lease contracts   | 637,463          | 710,034          |
| Payments received in advance – instalment sale contracts | 357,669          | 387,138          |
| Employees' receivables                                   | 34,955           | 75,338           |
| Unpaid accrued expenses                                  | 16,460           | 23,189           |
| Sales tax payable                                        | 10,017           | -                |
| Social security payable                                  | 12,301           | 13,435           |
| Post-dated cheques                                       | 3,341            | 5,742            |
| Shareholders' payable                                    | 1,571            | 939              |
| Income tax payable                                       | 5,810            | 554              |
| Social committee payable                                 | 782              | 807              |
| Others                                                   | 24,126           | 9,216            |
|                                                          | <u>1,406,327</u> | <u>1,544,451</u> |

**(23) LEASE CONTRACTS**

The Group recognized the right-to-use assets against lease liabilities according to the long-term lease contracts signed between the Group and other parties.

According to the agreements signed between the Group and other parties, the long-term lease contracts are represented in nine contracts, which are contracts for the Group's branches in Jordan and Kurdistan, as the Group carries out all its operations in Jordan and Kurdistan. The duration of these contracts are between 5-10 years. The Group has the option to extend the duration of the contracts, but it is not mandatory and not guaranteed. Annual rental instalments are JD 238,572 and were payable during the year, the interest rate used is 9% included in the lease as a discount rate, which represents the interest rate adopted for late lease payments.

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**(23) LEASE CONTRACTS (CONTINUED)**

The table below shows the book value of the right-to-use assets and lease liabilities and their movement during the year ended on 31 December 2022:

|                                                    | Right-of-use<br>Assets | Lease liabilities |
|----------------------------------------------------|------------------------|-------------------|
|                                                    | JD                     | JD                |
| Balance at 1 January 2022                          | 344,702                | 353,171           |
| Additions                                          | 1,030,694              | 1,030,694         |
| Disposals                                          | (27,907)               | (30,500)          |
| Depreciation of right-of-use assets (note 27 & 28) | (192,955)              | -                 |
| Interests on lease liabilities (note 28 & 29)      | -                      | 68,850            |
| Payments of lease liabilities                      | -                      | (238,572)         |
| Balance at 31 December 2022                        | <u>1,154,534</u>       | <u>1,183,643</u>  |

The table below shows the book value of the right-to-use assets and lease liabilities and their movement during the year ended on 31 December 2021:

|                                                    | Right-of-use<br>Assets | Lease liabilities |
|----------------------------------------------------|------------------------|-------------------|
|                                                    | JD                     | JD                |
| Balance at 1 January 2021                          | 402,518                | 412,192           |
| Additions                                          | 83,654                 | 83,654            |
| Disposals                                          | (1,946)                | -                 |
| Depreciation of right-of-use assets (note 27 & 28) | (139,524)              | -                 |
| Interests on lease liabilities (note 28 & 29)      | -                      | 32,350            |
| Payments of lease liabilities                      | -                      | (175,025)         |
| Balance at 31 December 2021                        | <u>344,702</u>         | <u>353,171</u>    |

The details of the lease liabilities as of 31 December 2022 and 31 December 2021 are as follows:

|            | 2022             | 2021           |
|------------|------------------|----------------|
|            | JD               | JD             |
| Short-term | 212,811          | 111,956        |
| Long-term  | <u>970,832</u>   | <u>241,215</u> |
|            | <u>1,183,643</u> | <u>353,171</u> |

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**(24) INCOME TAX**

**(A) Reconciliation of the accounting profit with the taxable profit**

**Jordan:**

|                         | 2022      | 2021      |
|-------------------------|-----------|-----------|
|                         | JD        | JD        |
| Accounting income       | 4,292,507 | 5,100,418 |
| Non-taxable expenses    | 395,442   | 297,662   |
| Taxable income          | 4,687,949 | 5,398,080 |
| Income tax for the year | 1,111,677 | 1,316,820 |
| Statutory tax rates     | 21% - 28% | 21% - 28% |
| Effective tax rate      | 24%       | 24%       |

**Kurdistan- Iraq**

|                         | 2022    | 2021    |
|-------------------------|---------|---------|
|                         | JD      | JD      |
| Accounting income       | 195,603 | 116,014 |
| Non-taxable expenses    | -       | -       |
| Taxable income          | 195,603 | 116,014 |
| Income tax for the year | 29,340  | 17,402  |
| Statutory tax rates     | 15%     | 15%     |
| Effective tax rate      | 15%     | 15%     |

**(B) Income tax provision:**

The movement of income tax in Jordan is as follows:

|                                      | 2022        | 2021        |
|--------------------------------------|-------------|-------------|
|                                      | JD          | JD          |
| Balance at 1 January                 | 1,062,217   | 1,162,287   |
| Income tax paid                      | (1,307,006) | (1,416,890) |
| Income tax on the profit of the year | 1,111,677   | 1,316,820   |
| Balance at 31 December               | 866,888     | 1,062,217   |

The movement in the income tax of the Company's branch in Kurdistan- Iraq is as follows:

|                                      | 2022     | 2021     |
|--------------------------------------|----------|----------|
|                                      | JD       | JD       |
| Balance at 1 January                 | 17,402   | 20,161   |
| Income tax paid                      | (17,402) | (20,161) |
| Income tax on the profit of the year | 29,340   | 17,402   |
| Balance at 31 December               | 29,340   | 17,402   |

**(24) INCOME TAX (CONTINUED)**

**(B) Income tax provision (continued):**

Therefore, the total income tax expense for the current year and the income tax provision as at 31 December are as follows:

|                      | 2022      | 2021      |
|----------------------|-----------|-----------|
|                      | JD        | JD        |
| Income tax expense   | 1,141,017 | 1,334,222 |
| Income tax provision | 896,228   | 1,079,619 |

The income tax provision was calculated for the years ended 31 December 2022 and 31 December 2021 in accordance with the Income Tax Act No. (34) of 2014 and its amendments. The statutory income tax rate on Comprehensive Leasing Company is 28% and on Comprehensive Vehicle Trading Company and Comprehensive International Company for Financial Consulting is 21%. In relation with the Company's branch in Kurdistan-Iraq region, the statutory income tax reached 15%.

The Company obtained a final clearance from the Income and Sales Tax Department until the end of 2018. The self-assessment for the years 2019 until 2021 was submitted and has not been audited nor a final decision was issued by the Income and Sales Tax Department until the date of these consolidated financial statements.

Comprehensive Vehicle Trading Company (subsidiary) obtained a final clearance from the Income Tax Department until the end of 2020. The self-assessment for the year 2021 was submitted and has not been audited nor a final decision was issued by the Income and Sales Tax Department until the date of these consolidated financial statements.

In respect of the Comprehensive International Company for Financial Consulting (subsidiary), the Company obtained a final clearance from the Income Tax Department until the end of 2021.

As for the Kurdistan Region branch, the Group obtained a final clearance from the Income Tax Department until the end of 2021.

**(25) INCOME FROM FINANCE LEASE CONTRACTS – NET**

|                                           | 2022      | 2021      |
|-------------------------------------------|-----------|-----------|
|                                           | JD        | JD        |
| Total income from finance lease contracts | 6,606,366 | 7,591,025 |
| Less:                                     |           |           |
| Fees, licenses, stamps and commissions    | (123,013) | (88,238)  |
| Maintenance and repair                    | -         | (7,010)   |
|                                           | 6,483,353 | 7,495,777 |

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**(26) REVENUE FROM INSTALMENT SALE – NET**

|                                                                                                      | 2022             | 2021             |
|------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                      | JD               | JD               |
| Revenue from instalment sale                                                                         | 4,711,636        | 4,616,633        |
| Less: cost of insurance, stamps, commissions and transfer of the ownership of instalment sale assets | (75,266)         | (111,126)        |
|                                                                                                      | <u>4,636,370</u> | <u>4,505,507</u> |

**(27) ADMINISTRATIVE EXPENSES**

|                                                 | 2022             | 2021             |
|-------------------------------------------------|------------------|------------------|
|                                                 | JD               | JD               |
| Salaries and wages                              | 931,575          | 932,500          |
| Depreciations and amortizations (note 7 & 8)    | 115,034          | 106,880          |
| Donations                                       | 5,490            | 600              |
| Depreciation the rights-of-use assets (note 23) | 86,917           | 90,672           |
| Advertising and promotion                       | 117,253          | 49,366           |
| Company's contribution in social security       | 103,118          | 86,855           |
| Governmental fees                               | 59,803           | 32,935           |
| Professional fees and consultation              | 32,239           | 60,845           |
| Maintenance                                     | 26,003           | 25,092           |
| Board of directors' remuneration (note 31)      | 25,000           | 25,000           |
| Telephone and postage                           | 18,607           | 17,411           |
| Stationary                                      | 14,045           | 13,538           |
| Medical insurance                               | 11,768           | 11,330           |
| Rent                                            | 10,827           | 11,456           |
| Electricity and water                           | 13,733           | 11,177           |
| Hospitality                                     | 8,573            | 6,778            |
| Travel expenses                                 | 25,158           | 29,303           |
| Transportation                                  | 7,249            | 6,642            |
| Training courses                                | 3,628            | 700              |
| Others                                          | 18,796           | 16,455           |
|                                                 | <u>1,634,816</u> | <u>1,535,535</u> |

**(28) NET REVENUE FROM INVESTMENT PROPERTIES**

This item represents net income from investment properties as follows:

|                                                 | 2022           | 2021           |
|-------------------------------------------------|----------------|----------------|
|                                                 | JD             | JD             |
| Rental income                                   | 418,448        | 329,120        |
| <b>Less cost:</b>                               |                |                |
| Depreciation of investment properties (note 10) | (55,910)       | (55,910)       |
| Depreciation of rights-of-use assets (note 23)  | (106,038)      | (48,852)       |
| Interest of lease liabilities (note 23)         | (34,913)       | (5,513)        |
| Insurance fees                                  | (1,898)        | (1,507)        |
|                                                 | <u>219,689</u> | <u>217,338</u> |

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**(29) FINANCE COSTS**

|                                         | 2022             | 2021             |
|-----------------------------------------|------------------|------------------|
|                                         | JD               | JD               |
| Interest on loans and other commissions | 4,589,009        | 4,793,787        |
| Interest of lease liabilities (note 23) | 33,937           | 26,837           |
|                                         | <u>4,622,946</u> | <u>4,820,624</u> |

**(30) GEOGRAPHIC SEGMENT**

The Group's activities are concentrated in Jordan and Iraq. The financial information of Iraq which are included in the Group's statement of financial position as at 31 December are as follows:

|                                                 | 2022               | 2021               |
|-------------------------------------------------|--------------------|--------------------|
|                                                 | JD                 | JD                 |
| <b>Assets</b>                                   |                    |                    |
| Property and equipment                          | 39,241             | 8,135              |
| Rights-of-use assets                            | 58,302             | 76,739             |
| Investment in finance lease contracts – net     | 3,140,171          | 3,056,587          |
| Investment in instalment sale receivables – net | 2,232,582          | 1,710,188          |
| Trade and other receivables                     | 7,615              | 2,235              |
| Cash on hand and at banks                       | 97,897             | 34,675             |
| <b>Total assets</b>                             | <u>5,575,808</u>   | <u>4,888,559</u>   |
| <b>Equity and liabilities</b>                   |                    |                    |
| <b>Equity</b>                                   |                    |                    |
| Head office account                             | (3,622,135)        | (3,474,027)        |
| <b>Total equity</b>                             | <u>(3,622,135)</u> | <u>(3,474,027)</u> |
| <b>Liabilities</b>                              |                    |                    |
| Loans                                           | 8,455,807          | 7,570,552          |
| Bank overdrafts                                 | 584,560            | 587,154            |
| Lease liabilities                               | 57,416             | 74,833             |
| Trade and other payables                        | 70,820             | 112,645            |
| Income tax provision                            | 29,340             | 17,402             |
| <b>Total liabilities</b>                        | <u>9,197,943</u>   | <u>8,362,586</u>   |
| <b>Total equity and liabilities</b>             | <u>5,575,808</u>   | <u>4,888,559</u>   |

The financial information of Iraq which are included in the Group's statement of comprehensive income is as follows:

|                                                | 2022           | 2021           |
|------------------------------------------------|----------------|----------------|
|                                                | JD             | JD             |
| Revenue from finance lease contracts – net     | 496,912        | 464,060        |
| Revenue from instalment sale – net             | 418,329        | 304,591        |
| <b>Gross profit</b>                            | <u>915,241</u> | <u>768,651</u> |
| Administrative expenses                        | (205,750)      | (226,324)      |
| Other losses                                   | 20,058         | 498            |
| <b>Operating profit</b>                        | <u>729,549</u> | <u>542,825</u> |
| Finance costs                                  | (533,948)      | (426,807)      |
| <b>Profit for the year before tax</b>          | <u>195,601</u> | <u>116,018</u> |
| Income tax expense                             | (29,340)       | (17,402)       |
| <b>Profit for the year</b>                     | <u>166,261</u> | <u>98,616</u>  |
| Add: Other comprehensive income items          | -              | -              |
| <b>Total comprehensive income for the year</b> | <u>166,261</u> | <u>98,616</u>  |

**COMPREHENSIVE LEASING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2022**

**(30) GEOGRAPHIC SEGMENT (CONTINUED)**

The financial information of Iraq representing the details of administrative expenses of the Group are as follows:

|                                           | <u>2022</u>    | <u>2021</u>    |
|-------------------------------------------|----------------|----------------|
|                                           | JD             | JD             |
| Salaries and wages                        | 100,728        | 140,000        |
| Depreciation of rights-of-use assets      | 18,438         | 19,417         |
| Advertising and promotion                 | 24,168         | 8,530          |
| Rent                                      | 10,827         | 11,456         |
| Professional fees and consultation        | 7,939          | 9,645          |
| Depreciation and amortisation             | 7,270          | 1,674          |
| Travel expenses                           | 9,547          | 12,344         |
| Company's contribution in social security | 5,506          | 5,088          |
| Electricity and water                     | 5,830          | 4,072          |
| Telephone and postage                     | 2,493          | 2,053          |
| Governmental fees                         | 3,308          | 2,263          |
| Transportation                            | 2,292          | 2,805          |
| Hospitality                               | 642            | 1,164          |
| Stationary                                | 477            | 320            |
| Others                                    | 6,285          | 5,493          |
|                                           | <u>205,750</u> | <u>226,324</u> |

**(31) RELATED PARTY TRANSACTIONS**

Related party transactions represent transactions with subsidiaries, major shareholders, and key management personnel of the Group and companies of which they are principal shareholders. Pricing and policies and terms of These transactions are approved by the Group's management.

The following transactions were carried out with related parties represented by companies owned by some of the major shareholders during the year ended 31 December:

Below are the balances resulted from transactions with related parties:

|                                                                      | <u>2022</u>  | <u>2021</u>  |
|----------------------------------------------------------------------|--------------|--------------|
|                                                                      | JD           | JD           |
| <b>Due to related parties (within Trade and other payable item):</b> |              |              |
| Nicola Abu Khader& Sons Co. (Sister Company)                         | 3,580        | 755          |
| Motor Vehicles Trading Company (Sister Company)                      | 77           | -            |
| The Leading Vehicles Co. (Sister Company)                            | -            | 800          |
|                                                                      | <u>3,657</u> | <u>1,555</u> |

**(31) RELATED PARTY TRANSACTIONS (CONTINUED)**

The following is a summary of transactions with subsidiaries shown in the consolidated statement of comprehensive income:

|                                      | <u>2022</u> | <u>2021</u> |
|--------------------------------------|-------------|-------------|
|                                      | JD          | JD          |
| Revenue from finance lease contracts | 686,507     | 1,355,252   |
| Rental income                        | 418,448     | 329,120     |

During the year, the Group recognised the following remuneration, allowances and benefits for the directors and general manager:

|                                                                 | <u>2022</u> | <u>2021</u> |
|-----------------------------------------------------------------|-------------|-------------|
|                                                                 | JD          | JD          |
| Board of directors' remunerations (Note 27)                     | 25,000      | 25,000      |
| Salaries, bonuses and remunerations paid to the General Manager | 142,940     | 155,810     |

**(32) CONTINGENT LIABILITIES**

**Bank guarantees:**

As at 31 December 2022, the group has bank guarantees amounted to JD 8,000 (31 December 2021: JD 8,000).

**Lawsuits raised by the group:**

The group has no outstanding litigations filed against them as at 31 December 2022 (31 December 2021: 12,857JD).

**(33) DIVIDENDS DISTRIBUTION**

The General Assembly resolved in its extraordinary meeting held on 10 February 2022 to distribute JD 2,000,000 as cash dividends on the shareholders equivalent to 20% of the Company's share capital as at 31 December 2021 (31 December 2021: 2,000,000 JD).

**(34) EARNINGS PER SHARE FROM THE PROFIT FOR THE YEAR**

|                                                                                         | <u>2022</u> | <u>2021</u> |
|-----------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                         | JD          | JD          |
| Profit for the year attribute to shareholders                                           | 3,347,093   | 3,882,210   |
| Weighted average of shares during the year (share)                                      | 14,452,055  | 10,000,000  |
| Basic and diluted earnings per share from profit for the year attribute to shareholders | 23%         | 39%         |

The basic earnings per share from the net profit for the year equals the diluted earnings per share as the Group did not issue any financial instruments that may have an impact on the basic earnings per share.

**(35) RISK MANAGEMENT**

**Prices risk**

The Group is exposed to risks resulting from changes in share prices within the financial assets portfolio at fair value through income statement. The Group manages such risks by analysing the value that is exposed to losses and diversifying investment portfolios.

The following table shows the impact of any increase/decrease in the index of Amman Stock Exchange in which the Group invests on the profit for the year and shareholders' equity after income tax, assuming that the change is by 5%:

|                      | The effect of<br>change of the<br>statement of<br>Income<br>JD | Effect on<br>Shareholders'<br>equity<br>JD |
|----------------------|----------------------------------------------------------------|--------------------------------------------|
| <b>2022</b>          |                                                                |                                            |
| Amman Stock Exchange | 70,476                                                         | 70,476                                     |
| <b>2021</b>          |                                                                |                                            |
| Amman Stock Exchange | 59,724                                                         | 59,724                                     |

The financial effect of a decrease in the market index by the same percentage is expected to be equal and opposite to the effect shown above.

**Currency risk**

Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar exchange rate is fixed against the U.S. Dollar (US \$ 1.41 for JD 1).

**Interest rate risk**

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities such as Overdrafts and Loans.

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income of the effect of the possible changes in interest rates, with all other variables held constant as at 31 December 2022 and 2021.

| Currency    | Change in<br>interest rate<br>(Point) | Effect on<br>Profit of the year<br>JD |
|-------------|---------------------------------------|---------------------------------------|
| <b>2022</b> |                                       |                                       |
| JD          | 100                                   | (551,972)                             |
| <b>2021</b> |                                       |                                       |
| JD          | 100                                   | (582,079)                             |

**(35) RISK MANAGEMENT (CONTINUED)**

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or a damage to the Group's reputation.

The Group limits its liquidity risk by ensuring bank facilities are available.

The table below summarizes the maturities of the Group's financial liabilities at 31 December 2022 and 2021, based on contractual undiscounted payment.

|                                              | Less than<br>12 months<br>JD | More than<br>12 months<br>JD | Total<br>JD       |
|----------------------------------------------|------------------------------|------------------------------|-------------------|
| <b>2022-</b>                                 |                              |                              |                   |
| Trade payables and other current liabilities | 1,406,327                    | -                            | 1,406,327         |
| Lease liabilities                            | 231,964                      | 1,058,207                    | 1,290,171         |
| Banks Overdrafts                             | 6,665,253                    | -                            | 6,665,253         |
| Loans                                        | 18,744,126                   | 34,755,607                   | 53,499,733        |
| <b>Total</b>                                 | <u>27,047,670</u>            | <u>35,813,814</u>            | <u>62,861,484</u> |
| <b>2021-</b>                                 |                              |                              |                   |
| Trade payables and other current liabilities | 1,544,451                    | -                            | 1,544,451         |
| Lease liabilities                            | 122,032                      | 262,924                      | 384,956           |
| Banks Overdrafts                             | 6,665,253                    | -                            | 6,665,253         |
| Loans                                        | 24,153,792                   | 31,776,697                   | 55,930,489        |
| <b>Total</b>                                 | <u>32,485,528</u>            | <u>32,039,621</u>            | <u>64,525,149</u> |

**Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group believes that it is not exposed to a large degree of credit risk, as it sets a credit limit for clients, and this is monitored constantly. The Group also maintains balances with leading banking institutions.

**(36) FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and at banks, financial assets at fair value through income statement, financial assets at amortized cost, trade receivables and other current assets. Financial liabilities consist of trade payables, bank overdraft, loans, Lease liabilities and other current liabilities.

The fair values of financial instruments are not materially different from their carrying value.

### **(37) CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2022 and 2021.

Capital comprises of share capital, statutory reserve and retained earnings amounting to JD 22,968,178 as at 31 December 2022 against JD 21,621,085 as at 31 December 2021.

### **(38) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE**

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

#### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous

local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Group.

**(38) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE (continued)**

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

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

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

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

The amendments are not expected to have a material impact on the Group.

**Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

The amendments are not expected to have a material impact on the Group.

**Disclosure of Accounting Policies - Amendments to IAS1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

**(38) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE (continued)**

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

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

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

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

**(39) COMPARATIVE FIGURES**

Some of the consolidated financial statements figures for the year 2021 have been reclassified to match the classification of the consolidated financial statements figures for the year ending as at 31 December 2022. The reclassification did not result in any impact on the profit and equity for the year 2021.



#### Jordan Branches

|                   |                                                      |                      |
|-------------------|------------------------------------------------------|----------------------|
| Main Branch       | 207 Zahran Street                                    | Tel: +962 658 22 110 |
| Sport City Branch | 110 Sarh Al Shaheed Street                           | Tel: +962 658 02 185 |
| Al Wehdar Branch  | 40 Khawla Bint Al Azwar Street                       | Tel: +962 647 78 887 |
| Al Bayader Branch | Ahmad Ogla Al Nsour Steert – Sama Al Bayader Complex | Tel: +962 658 56 236 |
| Al Jubeiha Branch | 371 Queen Rania Street                               | Tel: +962 653 55 800 |
| Zarqa Branch      | 103 36th Street - Al Zarqa Al Jadida                 | Tel: +962 658 02 181 |
| Irbid Branch      | 6 Firas Al Ajlouni Street                            | Tel: +962 272 72 837 |

#### Kurdistan – Iraq Branches

|                     |                                      |                       |
|---------------------|--------------------------------------|-----------------------|
| Erbil Branch        | 250 20th Street Erbil - Bakhtiary    | Tel: +964 66 2100 774 |
| Sulaymaniyah Branch | Salim Street – Sulaymaniyah 01/11/26 | Tel: +964 53 1956 520 |



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