

**AL BILAD SECURITIES AND
INVESTMENT COMPANY**

**PUBLIC SHAREHOLDING COMPANY
AMMAN – JORDAN
INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE
PERIOD ENDED SEPTEMBER 30, 2021**

AL BILAD SECURITIES AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN – JORDAN
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
& REVIEW REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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INDEPENDENT AUDITORS REVIEW REPORT

**To the President and the Board of Directors
Al Bilad Securities and Investment CO. (P.L.C.)**

Introduction

We have reviewed the accompanying interim Consolidated financial statements for Al Bilad Securities and Investment Company (P.L.C.), which comprise the Financial Position as at September 30,2021, the Consolidated Comprehensive Income Statement, statement of Consolidated Changes in Shareholders' Equity and Consolidated Cash flows Statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with international financial reporting standard / international accounting standard No. 34 (interim financial reporting).

Our responsibility is limited to issue a conclusion on these interim financial statement based on our review.

Review Scope

We conducted our review in accordance with international standard related to the review operations No. 2410 (review of the interim financial statements by the independent auditor of the company). The review process of the interim financial statement consist basically on obtaining explanations from the persons responsible for the financial and accounting matters ,implement analytical review procedures .The scope of the review procedures is much less than the scope of audit according to the international auditing standards , therefore, the review procedures can not allow us to obtain evidence about all significant issues that can be determine through the audit procedures ,therefore we do not express an audit opinion on these statements.

Conclusion

Based on our review, nothing martial has come to our attention that the accompanying interim Consolidated financial statements do not give a true and fair view in accordance with the international accounting standard No. 34.

Al Qubbaj Public Accountants
Jawad R. Qubbaj
License no. 647

Amman-Jordan
(15/10/2021)



Al Bilad Securities and Investment Company
Public Shareholding Company
Interim Consolidated Financial Position

		30-Sep	Dec. 31
	Note	2021	2020
		JD	JD
<u>ASSETS</u>			
Non Current Assets:			
Financial Assets at Fair Value through Other Comprehensive Income	8	1,596,699	1,495,862
Property and Equipment-Net	12	34,014	52,005
Real Estate Investment	13	729,269	732,738
Right to Use Assets		93,460	124,600
Investments in Associates	11	2,568,547	2,434,167
Intangible Assets		734	1,742
Brokerage License		1	1
Deferred Tax Assets		1,165,098	1,165,098
Total Non Current Assets		<u>6,187,822</u>	<u>6,006,213</u>
Current Assets:			
Cash and Cash Equivalents	7	381,445	280,843
Other Debit Balances	10	366,198	353,119
Financial assets at Amortized Cost	9	2,689,906	2,706,886
Total Current Assets:		<u>3,437,549</u>	<u>3,340,848</u>
Total Assets		<u>9,625,371</u>	<u>9,347,061</u>
<u>LIABILITIES & SHAREHOLDERS EQUITY</u>			
Shareholders' Equity :			
Share Capital		10,000,000	10,000,000
Statutory Reserve		516,729	516,729
Accumulated Losses		(1,526,555)	(1,464,044)
Changes in Fair Value		(1,273,128)	(1,430,307)
Total Shareholders' Equity		<u>7,717,046</u>	<u>7,622,378</u>
Liabilities :			
Non - Current Liabilities:			
Lease Liability - Long Term Portion	18	59,061	96,206
Total Non - Current Liabilities		<u>59,061</u>	<u>96,206</u>
Current Liabilities:			
Brokerage Customers Payable	17	392,237	288,428
Other Credit Balances	19	251,383	222,999
Lease Liability - Short Term Portion	18	41,104	41,228
Bank Overdraft		1,164,540	1,075,822
Total Current Liabilities		<u>1,849,264</u>	<u>1,628,477</u>
Total Liabilities		<u>1,908,325</u>	<u>1,724,683</u>
Total Liabilities and Shareholders' Equity		<u>9,625,371</u>	<u>9,347,061</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE STATEMENTS.

Al Bilad Securities and Investment Company
Public Shareholding Company
Interim Consolidated Statements of Comprehensive Income

	Note	for the Period Ended Sep. 30	
		2021 JD	2020 JD
Revenue			
Brokerage Commission		183,776	82,876
Margin Trading Commission		3,447	4,545
Interest Revenue on Customers Margin Accounts		52,163	57,297
Deividends on Investements		33,421	0
Bank Interest Revenue		0	948
Company Share of profit from an Associate		85,000	174,985
Other Revenues	22	1,867	3,084
Total Revenues		359,674	323,735
General and admin. expenses	20	(285120)	(261173)
Financing Expenses	21	(77330)	(82693)
Depreciation and Amortization		(53913)	(55267)
Expected credit Losses Allowance		0	(500000)
Income Tax Surplus		0	140000
Net Income(loss) for the Period		(56,689)	(435,398)
Other Comprehensive Income			
Assets at Fair Value through Comprehensive Income		151,481	(312,049)
Gains (Losses) from Financial Assets Sale		(124)	43,232
Total Comprehensive Income for the Period		94,668	(704,215)
Earnings per Share:			
Earnings per Share- JOD/Share		(0.006)	(0.044)
Weighted Avarage for the Capital Shares Number		10,000,000	10,000,000

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE STATEMENTS

Al Bilad Securities and Investment Company
Public Shareholding Company
Interim Consolidated Statements of Shareholders Equity
for the Period Ended September 30, 2021 (Un Audited)

	paid - up Capital JD	Statutory Reserve JD	Financial Assets Fair Value Reserve JD	Accumulated Losses JD	Total JD
Balance as at 1/1/2021	10,000,000	516,729	(1,430,307)	(1,464,044)	7,622,378
Profits (losses) for the Period	0	0	0	(56,689)	(56,689)
Financial Asstes Sale Gain	0	0	0	(124)	(124)
Transfer from Fair Value Reserve	0	0	5,698	(5,698)	0
Change in Fair Value of the Financial Assets through Other Comprehensive Income	0	0	151,481	0	151,481
Balance as at 30/9/2021	10,000,000	516,729	(1,273,128)	(1,526,555)	7,717,046
Balance as at 1/1/2020	10,000,000	516,729	(1,256,872)	(905,247)	8,354,610
Profits (losses) for the Period	0	0	0	(435,398)	(435,398)
Gains (Losses) from Financial Assets Sale	0	0	0	43,232	43,232
Transfer from Fair Value Reserve	0	0	111,865	(111,865)	0
Change in Fair Value of the Financial Assets through Other Comprehensive Income	0	0	(312,049)	0	(312,049)
Balance as at 30/9/2020	10,000,000	516,729	(1,457,056)	(1,409,278)	7,650,395

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE STATEMENTS.

Al Bilad Securities and Investment Company
Public Shareholding Company
Interim Consolidated Statements of Cash Flows
for the Period Ended September 30, 2021 (Un Audited)

	2021 JD	2020 JD
Cash Flows from Operating Activities :		
Profits for the year	(56,689)	(575,398)
Adjustments for :		
Depreciation and Amortization	53,913	55,267
Financing Expenses	77,330	82,693
Company Share of Profits from Associates	(85,000)	(174,985)
Provision of expected Credit Losses	0	500,000
Gains (Losses) from Financial Assets Sale	(5,822)	(68,633)
Cash Flows from Operating Activities	(16,268)	(181,056)
Financial assets at Amortized Cost	16,980	(135,479)
Other Debit Balances	(13,079)	2,189
Brokerage Customers Payables	103,809	61,936
Other Credit Balances	28,384	4,955
Cash flows from (used in) operating activities	119,826	(247,455)
Financing Expenses Paid	(71,400)	(74,301)
Net Cash Flows from Operating Activities	48,426	(321,756)
Cash Flows from Investing Activities :		
Acquisition of fixed assets	(305)	0
Acquisition of Investment in Associates	(13,027)	3,779
Financial Assets through Other Comprehensive Income	19,989	279,205
Net Cash Flows from (used in) investing Activities	6,657	282,984
Cash Flows from Financing Activities :		
increase(decrease) rent contracts liabilities	(43,199)	0
increase(decrease) in credit banks	88,718	95,230
Net Cash Flows feom (used in) financing activities	45,519	95,230
Net Increase (Decrease) in cash	100,602	56,458
Cash on hand and at banks – beginning of period	280,843	178,524
Cash on Hand and at Banks – End of period	381,445	234,982

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART
OF THESE STATEMENTS

AL Bilad Securities and Investment Company
Public Shareholding Company
Notes to Interim Consolidated Financial Statements
for the Period Ended September 30,2021

1- General

AL Bilad Securities and Investment Company was established as public shareholding company, on 22 March 2006 and registered with the Ministry of Industry and Trade of the Hashemite Kingdom of Jordan under number (397), in the book of public shareholding stock companies with a capital of 10 million Jordanian dinar, and the most important goals of the company is acting as an intermediary in Amman stock exchange, according to the Jordan securities commission law and regulations.

On April 16 2009, the capital has increased from 10 million Jordanian dinar to 11.5 million dinar through capitalizing part from retained earnings. On May 5, 2010, the capital increased from 11.5 million Jordanian dinars to 12 million Jordanian dinars through capitalizing part from retained earnings.

On June 18, 2013, the capital has decreased from 12 million Jordanian dinars to 10 million Jordanian dinars through amortizing the full-accumulated losses.

The company shares are listed to the Amman Stock Exchange.

The condensed consolidated interim financial information was approved by the Board of Directors on October 27, 2021.

2- Basis of Preparation of the Condensed Consolidated Interim Financial Information

(a) Statement of Compliance

The condensed consolidated interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting" which selected explanatory notes are includes to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial

statements as at and for the year ended 31 December 2020 .These condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

(b) Basis of Consolidating the Condensed Consolidated Interim Financial Information.

The interim condensed consolidated financial information includes the interim condensed financial information of the Company and the following subsidiary, having eliminated transactions and balances between them. As at 30 September 2021, the Company has the following subsidiary:

<u>Company Name</u>	<u>paid In capital</u>	<u>Ownership percentage</u>	<u>Main Activity</u>	<u>place of work</u>	<u>Acquisition Date</u>
Siwar Al Sharq Trading- Ilc	1000	100%	acquisition of movable and Immoveable property	Jordan	June,30,2018

	<u>September 30, 2021</u>			
	<u>Assets</u>	<u>liabilities</u>	<u>Revenues</u>	<u>Expensses</u>
Jordanian Dinar				
Siwar AlSharq Trading	159000	(158500)	0	0

The operation's result of the subsidiary are consolidated in the condensed consolidated interim statement of profit or loss and other comprehensive income as of the date of its acquisition and this is the date that the actual transmission of the Company's control on the subsidiary.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in the condensed consolidated statement of profit or loss and other comprehensive income. Extra transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally

recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Non-controlling interest are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

On loss of control, the parent-subsidary relationship ceases to exist. The parent no longer controls the subsidiary's individual assets and liabilities and other elements of owner's equity related to the subsidiary and eliminated from the consolidated financial statements.

Any contingent consolidated payable is measured at fair value at the acquisition date if the contingent consolidated was classified as equity, as a result, any transactions are treated through equity. Otherwise subsequent changes in the fair value of the contingent consolidated are recognized in consolidated statement of profit or loss and other comprehensive income.

Gain or loss associated with the loss of control attributable to the former controlling interest are recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

(c) Estimates and Assumption.

The preparation of condensed consolidated interim financial information in accordance with international financial reporting standards requires management to make judgments, estimates and assumptions that effect the application of accounting policies, assets amounts, liabilities, income and expenses and that actual results may differ from these estimates.

We believe that the estimates and judgments adopted in the preparation of the consolidated condensed interim financial statements preparation for nine months period ended as at September 30,2021 are consistent with the estimates and judgments adopted in the preparation of the annual consolidated financial statement for the year ended December 31,2020 except for the following:

The Corona Virus (COVID 19) pandemic has spread across different geographical regions of the world, disrupting business and economic activities and caused doubts globally. For which financial and monetary

authorities, both domestic and international declared various support measures in all parts of the world to face the potential negative effects, as at the present time there is a significant increase of uncertainty in determining the economic impact that is manifested, for example, in the volume of liquidity and volatility in Assets prices, foreign currency exchange rates, a noticeable decrease in long term interest rates, an assessment of significant increase in credit risk and different macroeconomic factors. Accordingly, the company management has closely monitored the situation and has activated its business continuity plan and other risk management practices to manage any potential disruptions that the Corona Virus (COVID 19) outbreak may cause to the company's business, operations and financial performance.

The Company management has also preformed study over the potential impacts of the current economic fluctuations in determining the amounts recognized for the financial and non- financial assets of the Company, which represents the management best estimates based on the information available, knowing that, given the current situation, as a result the markets remain volatile and the recorded amounts continue to be sensitive to fluctuations.

- Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- 1- In the principal market for the asset or liability or,
- 2- In the absence of a principal market, in the most advantageous market for the assets or liability.

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

The asset or liability measured at fair value might be either of following:

A- Stand- alone asset or liability: or

B- Group of assets, a group of liabilities or group of assets and liabilities.

A number of The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values; this includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If information from a third party is used to measure fair value, such as transmission of media or pricing services, the evaluation team evaluates evidence obtained from the third party to support conclusions that such evaluations meet the requirements of IFRS including the fair value hierarchy that such assessments should be classified, the audit committee is notified of important evaluation issues.

Management believes that its estimates and assumptions are reasonable and sufficient.

3- Changes in Significant Accounting Policies.

The accounting policies adopted in the condensed interim consolidated financial statement for the nine months ended as at September 30, 2021 are consistent with those adopted for the year ended December 31, 2020.

The following new and revised standards, which became applicable in January 1" 2021:

- Amendments to interests prices – second phase, (amendments to International Reporting Standard 9, Accounting Standard 39, International Reporting Standard 7, International Reporting Standard 4 and International Reporting Standard 16 (applicable January 1, 2021 .**

The adoption of the above standards has not affected the amounts or disclosures in the condensed interim consolidated financial information.

4- New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations issued but not yet effective have not been applied in preparing this consolidated condensed interim financial information.

New standards

International financial reporting standard (17) Insurance Contracts (effective January 1st, 2023 with early adoption permitted only to companies that have adopted IFRS 9).

Amendments

- Contracts Incurred losses (a contract with gross cost required to fulfill the contract is higher than economic benefit from this contract.
- Contract cost (amendment to international accounting standard 37 (effective 1/1/2022.
- Annual amendments on international reporting standards 2018-2020 affective 1/1/2022.
- Properties and equipment: collected before required or intended use from the property and equipment (amendments to international accounting standard 16) affective 1/1/2022.
- Amendments to International financial reporting standards (3) reference to conceptual frame (effective January 1st, 2022)
- Amendments to International financial reporting standards (1) Classification of Liabilities as current or Noncurrent (effective January 1st, 2023)
- Management does not expect that there will be a material impact from adopting the above standards upon application.

5- Financial Risk Management and Capital Management

- Generally, the Group's objectives, policies and processes for managing risk are the same as those disclosed in its financial statements as of and for the year ended December 31, 2020.
- there have been no changes in the group approach to capital management during the current financial interim period neither the company is subject to externally imposed capital requirements.

6- Seasonality Activities

The considerations of measurement and recognition were applied in the consolidated condensed interim financial statements as of December 31,2020. Moreover, the company did not have transactions effected by seasonality events during the year.

7- CASH AND CASH EQUIVALENTS.

Jordanian Dinar	Sep. 30, 2021 (reviewed not audited)	December 31,2020 (Audited)
Cash at banks- current accounts	5292	6365
Cash at banks- customer current accounts	375486	274081
Cash on hand	667	397
Cash and cash equivalents as per condensed	<u>381445</u>	<u>280843</u>

8- Financial Assets in Fair Value Through Other Comprehensive Income.

Jordanian Dinar	Sep. 30,2021 (reviewed not audited)	December 31,2020 (Audited)
Shares of companies listed on Amman Stock Exchange		
Portfolio of financial assets	2253249	2273238
Net change in fair value	<u>(701035)</u>	<u>(821861)</u>
	<u>1552214</u>	<u>1451377</u>
Shares of companies not listed on Amman Stock Exchange		
Saraya Aqaba Real Estate Development Company	616578	616578
Net change in fair value	<u>(572093)</u>	<u>(572093)</u>
	<u>44485</u>	<u>44485</u>
Total	<u>1596699</u>	<u>1495862</u>

*Financial assets include shares of listed companies on Amman Stock Exchange with amounted to 1026398 JD at the date of the condensed consolidated financial statements are mortgaged to Jordan Commercial Bank for bank facilities. And

companies' shares listed in Amman Stock Exchange amounted 12700 at fair value were hold for Boards of Directors Memberships.

**The fair value Saraya Aqaba Real Estate Development Company shares are evaluated according to the net book value of the company's assets net of prefers stocks, and net of estimated impairment of group's management there is no impairment in its value, In addition the Company has a real estate project that is expected to be completed in 2022, The cost recovery depends on the completion of its implementation and the realization of cash flows in accordance with cash flows of this project.

9- FINANCIAL ASSETS AT AMORTIZED COST

This item represents broker customers as follows:

Jordanian Dinar	Sep. 30,2021	December 31,2020
	(reviewed not audited)	(Audited)
Brokerage customer's receivables	3801929	3773907
Margin customer's receivables	2977554	3045807
Related parties "receivables note"	<u>26177</u>	<u>2926</u>
	<u>6805660</u>	<u>6822640</u>
Less: Expected credit losses provision	<u>(4115754)</u>	<u>(4115754)</u>
	<u>2689906</u>	<u>2706886</u>

*The movement of Expected credit losses provision on receivables was as follows:

Jordanian Dinar	Sep. 30,2021	December 31,2020
	(reviewed not audited)	(Audited)
Balance at the beginning of the year	4115754	3612735
Additions during the period/year	0	503019
(Reversed) during the period /year of	<u>0</u>	<u>0</u>
Expected credit losses allowance	<u>4115754</u>	<u>4115754</u>

*The following is brokerage customer receivables aging.

A- The following table describes the aging for brokerage customer receivables:

Jordanian Dinar	Sep. 30, 2021	December 31,2020
	(reviewed not audited)	(Audited)
Less than 30 days	1602387	1566639
From 31 to 60 days	80169	158440
From 61 to 90 days	24742	18971
From 91 to 180 days	65688	0
More than 180 days	<u>2028943</u>	<u>2029857</u>
Balance at the end of year (A)	<u>3801929</u>	<u>3773907</u>

b- The following table describe the age of margin customers including related parties receivables:

Jordanian Dinar	Sep. 30, 2021 (reviewed not audited)	December 31,2020 (Audited)
Less than 30 days	9762	6600
From 31 to 60 days	35674	8641
From 61 to 90 days	0	7626
From 91 to 180 days	22903	22173
More than 180 days	<u>2935392</u>	<u>3003693</u>
Balance at the end of year (B)	<u>3003731</u>	<u>3048733</u>
Total (A) + (B)	<u>6805660</u>	<u>6822640</u>

- The brokerage customer's receivables and customer margin interest receivables aged for more than 90 days which are not covered by shares amounted to 722652 JD for the period ended as at Sep. 30,2021 (December 31,2020: 722652 JD) are secured by property amounted to fair value 4962125 JD (December 31,2020 :4962125 JD) assessed by an independent real estate value using input assess in the second level and the Company raised an executive case related to pledge on immovable property against account receivable amounted 900,000 and the case is still within the executive procedures. During 2018 there was an agreement to settle a Brokerage customer's receivable amounted 132502 Dinars by the partners of Siwar Al Shark by transferring there shares to Al Bilad Securities and Investment through Company's Control Department at 165560 Dinars value resulting in credit balance 30057 dinars included in the other credit balances in the financial position and real estate amounted 159000 Dinars , according to the Securities Commission instructions theses the company should get rid of these real estate investments within 4 years of acquisition.

10- OTHER DEBIT BALANCES

Jordanian Dinar	Sep. 30,2021 (reviewed not audited)	December 31,2020 (Audited)
Bank guarantees deposits	119075	119075
Settlements guarantees fund	25000	25000
Prepaid expenses	17957	25478
Accrued revenue	7945	7945
Employees receivable	6822	4325
Securities depository center receivable	41252	27511
Refundable deposits	3130	3130
Income tax on bank interest	406	406
Other receivables	189777	185415
Expected credit losses provision	<u>(45166)</u>	<u>(45166)</u>
Net	366198	353119

This item includes an amount of 144403 JD due from Inmaa Development and International Investment Company- Public Shareholding Company- as of September 30, 2021 (against: 140249 JD as at December 31, 2020) guaranteed by a first-class mortgage for the company in the amount of 900,000 JD.

11- Investment in Associate Company

This item includes the following:

Jordanian Dinar	Sep. 30, 2021 (reviewed not audited)	December 31, 2020 (Audited)
Fair value to invest in associates company	1858510	1862289
Addition(disposals) during the period/ year	<u>13027</u>	<u>(3779)</u>
Cost purchase/invest in associates company	<u>1871537</u>	<u>1858510</u>
The Company's shares of net assets of the associates (27.775% and 27.595%)		
Opening balance	2434167	2245266
Addition(disposals) during the period/year	13027	(3779)
Shares of profit during the period/year	85000	218716
Changes in fair value	36353	(36353)
Financial Assets in Fair value sales gains		
Through other comprehensive income	<u>0</u>	<u>10317</u>
Total	<u>2568547</u>	<u>2434167</u>
Company's profit from investing in associate	<u>85000</u>	<u>192680</u>

*Some of the shares of the associate company are mortgaged in favor of the Commercial Bank of Jordan and their fair value as at the date of the condensed consolidated financial information is 919410 JD

The Company's share of the associate's profit has been calculated based on unaudited interim financial information for the period ended September 30, 2021.

12- Property, Plant and Equipment

Addition on property, plant and equipment for the period ended as at September 30, 2021: 305 dinars. (Against 2478 JD as at December 31, 2020)

The depreciation expense on property, plant and equipment during the period ended as at September 30, 2021: 18296 JD (against: 18920 JD for the period ended as at September 30, 2020)

13- INVESTMENT IN PROPERTY

Investment in property consist of the following:

Land with a book value of 531549 JD with an average fair value of 548885 JD using second level inputs at the discretion of licensed property experts.

Apartments at a cost of 231251 JD with an average fair value of 247050 JD using inputs of the second level at the discretion of licensed property experts. The depreciation expense for the nine months ended as at September 30,2021 was 3469 JD (against 3469 JD September 30,2020).

14- RIGHT OF USE ASSETS

During the nine months period ended September 30,2021, the company involved in a lease contracts resulted in ROU Assets by 124600 JD (2020: 166120 JD), the amortization for nine months' period ended as in September 30,2021 amounted of 31140 JD (against: 31140 JD as at September 30,2020)

15- INTANGIBLE ASSETS

No additions on intangible assets during the nine months period ended as at September 30,2021. The amortization expense for nine months period ended as at September 30,2021: 1008 JD (against 1738 JD for the nine months period ended as at September 30,2020)

16- BROKERAGE LICENSE

Jordanian Dinar	Sep. 30,2021	December 31,2020
	<u>(reviewed not audited)</u>	<u>(Audited)</u>
Brokerage license	200000	200000
Accumulated amortization	<u>(199000)</u>	<u>(199000)</u>
	<u>1</u>	<u>1</u>

17- BROKRAK CUSTOMER PAYABLE

Jordanian Dinar	Sep. 30,2021	December 31,2020
	<u>(reviewed not audited)</u>	<u>(Audited)</u>
Brokerage customer payable	358021	248689
Due to related party	0	37818

Funding clients on margin	<u>34216</u>	<u>1921</u>
	<u>392237</u>	<u>288428</u>

18- LEASE LIABILITY

Jordanian Dinar	Sep. 30,2021	December 31,2020
	<u>(reviewed not audited)</u>	<u>(Audited)</u>
Leased liability -short term	41104	41228
Leased liability -long term	<u>59061</u>	<u>96206</u>
	<u>100165</u>	<u>137434</u>

The company has recorded the present value of its finance lease commitments using a discount rate equal to the interest rate on loans at the rate of 8.75%.

19- OTHER CREDIT BALANCES

Jordanian Dinar	Sep. 30,2021	December 31,2020
	<u>(reviewed not audited)</u>	<u>(Audited)</u>
Accrued expenses	65174	60425
Shareholders deposits	57883	57907
Provision for employee leave and end		
Of service compensation	49602	49999
Deposits for others- IPOs	36647	36647
Income tax deposits	13338	2186
Social security deposits	2000	1864
Others	<u>26739</u>	<u>13971</u>
	<u>251383</u>	<u>222999</u>

20- ADMINISTRATIVE EXPENSES

	<u>For the Nine months ended Sep. 30,</u>	
Jordanian Dinar	2021	2020
	<u>(reviewed not audited)</u>	<u>(Audited)</u>
Salaries and wages	174534	160214
Company contribution in		
social securities	11046	8210
Transportation	25200	25200
Fees and license	24486	23933
Rent	675	675
Medical insurance	7916	8835
Mail, phone and internet	3621	4463
Professional fees	9220	7980
Al Zarqa branch expenses	3602	3613
Water and electricity	552	3566
Cleaning and hospitality	2896	2655
Printings and stationery	1579	1132
Trading errors	94	106

Legal expenses	11500	1000
Cars Expenses	2814	1666
Maintenance Expenses	2308	2381
Donations	0	1500
Others	<u>3077</u>	<u>4044</u>
	<u>285120</u>	<u>261173</u>

21- Financial expenses

Jordanian Dinar	<u>For the Nine months ended Sep. 30,</u>	
	2021 <u>(reviewed not audited)</u>	2020 <u>(Audited)</u>
Banks fees	61703	63943
Banks commission	9697	10358
Interest -Finance charges	<u>5930</u>	<u>8392</u>
	<u>77330</u>	<u>82693</u>

22- Other Revenues

Jordanian Dinar	<u>For the Nine months ended Sep. 30,</u>	
	2021 <u>(reviewed not audited)</u>	2020 <u>(Audited)</u>
Settlement Fund Revenues	1320	2851
Other Revenues	<u>547</u>	<u>233</u>
	<u>1867</u>	<u>3084</u>

23- Contingent Liabilities

At the date of the condensed consolidated interim statement of financial position, the company has contingent liabilities of 650500 JD (December 31, 2020: 650500 JD)

24- Balances and Transactions with Related Parties

Transactions with related parties that are made with associates and key administrators & key partners in the company and institutions controlled in whole or in part or affect mainly on those entities related parties represent. Directors have approved the policy and conditions of transactions with related parties.

1- Due from related parties.

Jordanian Dinar	Nature of <u>transaction</u>	Nature of <u>relationship</u>	As of Sep. 30,2021 <u>(reviewed not audited)</u>	December31.2020 <u>(Audited)</u>
Sharif Al-Rawashdeh	<u>Trading</u>	<u>member of the board</u>	<u>26177</u>	<u>2926</u>

2- Due to related parties

<u>Jordanian Dinar</u>	<u>Nature of transaction</u>	<u>Nature of relationship</u>	<u>As of Sep. 30,2021 (reviewed not audited)</u>	<u>December31.2020 (Audited)</u>
Sadaf Al Bahar for -	Trading	Deputy of Chairman		
Property development		of the board	0	21592
Fahad Thnian	Trading	Contributor	<u>0</u>	<u>16226</u>
			<u>0</u>	<u>37818</u>

3- The volume of deals with related parties during the periods are as follows:

<u>Jordanian Dinar</u>	<u>Nature of transaction</u>	<u>For the nine months ended Sep. 30,</u>	
		<u>2021</u>	<u>2020</u>
Sharif Al-Rawashdeh	Brokerage commission	1038	40
Sadaf Al Bahar for -	Trading Brokerage commission	51	0
Property development			

4- Key management remuneration

Salaries and bonuses senior executive management short- term amounted to 123750 JD for the period ended in September 30,2021 compared to 123750 JD for the period ended in September 30, 2020.

25- Financial Risk Management.

-Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company receivables.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<u>Jordanian Dinar</u>	<u>Carrying value</u>	
	<u>Sep. 30,2021 (reviewed not audited)</u>	<u>December 31,2020 (Audited)</u>
Cash at Banks	381445	280843
Financial assets at amortized cost	2689906	2706886
Other debit balances	<u>366198</u>	<u>353119</u>
	<u>3437549</u>	<u>3340848</u>

-Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company 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 risking damage to the Company reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In additions, the company maintains line of credit from its bank for sudden cash requirements.

The following are the contracted maturities of financial liabilities, including estimated interest payments:

September 30,2021 (Reviewed not audited)

Jordanian Dinar	Carrying <u>Amount</u>	Contractual <u>Cash flows</u>	Less than <u>year</u>	More than a <u>year</u>
Due to banks	1164540	(1164540)	(1164540)	0
Brokerage customer	392237	(392237)	(392237)	0
Payable				
Other credit balances	251383	(251383)	(251383)	0
Lease liability	<u>100165</u>	<u>(100165)</u>	<u>(41104)</u>	<u>(59061)</u>
	<u>1908325</u>	<u>(1908325)</u>	<u>(1849264)</u>	<u>(59061)</u>

December 31,2020 (Audited)

Jordanian Dinar	Carrying <u>Amount</u>	Contractual <u>Cash flows</u>	Less than <u>year</u>	More than a <u>year</u>
Due to banks	1075822	(1075822)	(1075822)	0
Brokerage customer	288428	(288428)	(288428)	0
Payable				
Other credit balances	222999	(222999)	(222999)	0
Lease liability	<u>137434</u>	<u>(147300)</u>	<u>(49100)</u>	<u>(98200)</u>
	<u>1724683</u>	<u>(1734549)</u>	<u>(1636349)</u>	<u>(98200)</u>

-Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

-Currency risk

Most of the Company financial assets and liabilities are in Jordanian Dinar. Most of the Company transactions in general are in Jordanian Dinar accordingly, the company is not highly exposed to foreign currency risk.

-Market price risk

Equity price risk arises from financial assets at fair value through other comprehensive income held for meeting partially the unfunded portion of the Company obligation as well as investment at fair value through profit or loss. Management of the Company monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.

-The fair value

The fair value of financial assets and liabilities are not materially different from their carrying value in the statement of financial position.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for assets or liability that are not based on observable market data (unobservable inputs)

A- Assets and liabilities that are measured at fair value on a recurring basis:

Jordanian Dinar

<u>September 30, 2021</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>Total</u>
Financial assets measured at fair value	1552214	44485	0	1596699

December 31, 2020

Financial assets measured at fair value	1451377	44485	0	1495862
through other comprehensive income				

B- Assets and liabilities that are not measured at fair value:

With the exception of the table below, the Company management believes that the book value of financial assets and liabilities that appear in condensed consolidated interim financial statements approximate their fair value as a result of the maturity of the bonds in the short term or repricing of interest rates during the year:

<u>Jordanian Dinar</u>	<u>Book value</u>	<u>Fair value</u>		
<u>September 30, 2021</u>		<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
Cash and cash equivalents	381445	0	0	0
Financial assets at amortized Cost	2689906	0	0	0
Credit banks	(1164540)	0	0	0
Brokerage customer payable	(392237)	0	0	0
Lease liability	(100165)	0	0	0
<u>December 31, 2020</u>				
Cash and cash equivalents	280843	0	0	0
Financial assets at amortized Cost	2706886	0	0	0
Credit banks	(1075822)	0	0	0
Brokerage customer payable	(288428)	0	0	0
Lease liability	(137434)	0	0	0

Items described above have been identified at the second level of the fair value of financial assets and liabilities on the basis (agreed-upon pricing models to reflect the credit risk for the parties that deal with the company/ price offered for assets similar in an inactive market/ interest rates, the rate of return and volatility implied credit/ inputs and margins related to the market (market- related data).

C- Assets and liabilities of non- financial, which are not measured at fair value, which is disclosed at fair value in the financial statement:

<u>Jordanian Dinar</u>	<u>Book value</u>	<u>Fair value</u>		
<u>Sep. 30, 2021</u>		<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
Investment property	729269	0	795935	0
<u>December 31, 2019</u>				
Investment property	732738	0	795935	0

The items above clarify the fair value of assets and liabilities of non- financial. Which is determined on the basis of (a description of the valuation method used to measure the fair value): if the best use differs from current use, it is to say they use it in a way different from the best use)

26- Comparative Figures

The comparative figures represent the statement of financial position as of December 31,2020 in addition to the condensed interim statement of profit or Loss and other comprehensive income and Condensed Interim Statement of Changes in Shareholders Equity and Condensed Interim Statement of Cash Flow for the period ended September 30 ,2020.