

**AL BILAD SECURITIES AND INVESTMENT  
COMPANY**

**PUBLIC SHAREHOLDING COMPANY  
AMMAN – JORDAN**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE  
YEAR ENDED DECEMBER 31, 2021**

**AL BILAD SECURITIES AND INVESTMENT COMPANY**

**PUBLIC SHAREHOLDING COMPANY  
AMMAN – JORDAN  
CONSOLIDATED FINANCIAL STATEMENTS  
& AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>Auditors Report</b>	<b>1-6</b>
<b>Consolidated Statement of Financial Position</b>	<b>7</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>8</b>
<b>Consolidated Statement of Changes in Shareholders' Equity</b>	<b>9</b>
<b>Consolidated Statement of Cash Flows</b>	<b>10</b>
<b>Notes to Consolidated Financial Statements</b>	<b>11-26</b>

## INDEPENDENT AUDITORS REPORT

**To the President and the Board of Directors**

**Al Bilad Securities and Investment CO. (PLC)**

### **Opinion**

We have audited the accompanying consolidated financial statements of Al Bilad Securities and Investment CO. (PLC) , which comprise the Consolidated statement of financial position as of December 31, 2021, and the related consolidated statement of comprehensive income, consolidated statement of changes in owners' equity and consolidated statement of cash flows for the year then ended , notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Al Bilad Securities and Investment CO. (PLC) as of December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The management is responsible for other information which includes other information reported in the annual report, but not included in the consolidated financial statements and our audit report on it.

Our opinion does not include these other information, and we do not express any assertion over it.

Regarding our audit on consolidated financial statements we are obliged to review these other information, and while that, we consider the compatibility of these information with their consolidated financial statements or with the knowledge that we gained through audit procedure or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. Regarding this, we have nothing to report.



### **Key auditing matters**

Key audit matters, according to our professional judgment, are matters that had the significant importance in our auditing procedures that we performed to the consolidated financial statement. The basic auditing matters have been addressed in our auditing workflow to consolidated financial standers as we do not express separate opinions.

- The group holds investments in financial assets at fair value through other comprehensive income amounted to JD 2678971 and JD 1495862 as of December 31,2021 and December31,2020 respectively, provision for the fair value amounted JD 177872 and JD 1393954 as of December 31,2021 and December31,2020 respectively. The remaining amounted JD 2346137 and JD 2434167 as of December 31,2021 and December31,2020 respectively are investments in associate.
- The group has financial assets at amortized cost (net) amounted JD 2558797 and JD 2706886 as of December 31,2021 and December31,2020 respectively. A adequacy of the provisions depends on management estimates. Consequently, this matter is significant to our audit. In addition , the application of IFRS No.9 has affected the management's estimate in calculating the provision for the expected credit losses on these receivables.

Our audit procedures including the management providing the needed provisions according to the international standards for financial reports also audit procedures include evaluation of methodology used and appropriateness of evaluation models and inputs used to determine the fair value. ,

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, for internal control purposes, it is the management responsibility to determine the necessary elements to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee, 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.

**Legal requirements report**

The company maintains proper books of accounting records which are in agreement with the accompanying consolidated financial statements in the report of the Board of Directors in accordance with the correct accounts records, and recommends to the General Assembly approve them.

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



**Amman-Jordan**  
**(24/03/2022)**





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

**31-Dec**

	Note	2021 JD	2020 JD
<b><u>ASSETS</u></b>			
Non Current Assets:			
Financial Assets at Fair Value through Other Comprehensive Income	7	2,678,971	1,495,862
Property and Equipment-Net	11	25,293	52,005
Real Estate Investment	12	610,175	732,738
Right to Use Assets		83,080	124,600
Investments in Associates	10	2,346,137	2,434,167
Intangible Assets		399	1,742
Brokerage License		1	1
Deferred Tax Assets		1,165,098	1,165,098
Total Non Current Assets		6,909,154	6,006,213
Current Assets:			
Cash and Cash Equivalents	6	303,062	280,843
Other Debit Balances	9	417,502	353,119
Financial assets at Amortized Cost	8	2,558,797	2,706,886
Total Current Assets:		3,279,361	3,340,848
Total Assets		10,188,515	9,347,061
<b><u>LIABILITIES &amp; SHAREHOLDERS EQUITY</u></b>			(390,467)
Shareholders' Equity :			
Share Capital		10,000,000	10,000,000
Statutory Reserve		516,729	516,729
Accumulated Losses		(1,826,510)	(1,464,044)
Changes in Fair Value		(177,872)	(1,430,307)
Total Shareholders' Equity		8,512,347	7,622,378
Liabilities :			
Non - Current Liabilities:			
Lease Liability - Long Term	17	54,978	96,206
Total Non - Current Liabilities		54,978	96,206
Current Liabilities:			
Brokerage Customers Payable	16	380,454	288,428
Other Credit Balances	18	227,063	222,999
Lease Liability - Short Term	17	41,104	41,228
Bank Overdraft		972,569	1,075,822
Total Current Liabilities		1,621,190	1,628,477
Total Liabilities		1,676,168	1,724,683
Total Liabilities and Shareholders' Equity		10,188,515	9,347,061

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
PART OF THESE STATEMENTS.

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

	Note	for the Year Ended Dec .31	
		2021 JD	2020 JD
Revenue			
Brokerage Commission		235,519	124,200
Margin Trading Commission		5,485	5,266
Interest Revenue on Customers Margin Accounts		70,398	76,895
Dividends on Investments		33,421	0
Bank Interest Revenue		0	948
Company Share of profit from an Associate		(140,232)	218,716
Reversed from expected credit losses		0	3,019
Other Revenues	21	4,494	7,751
Total Revenues		209,085	436,795
General and admin. expenses	19	(394,847)	(390,467)
Financing Expenses	20	(103,097)	(109,718)
Depreciation and Amortization		(71,896)	(74,072)
Expected credit Losses Allowance		0	(503,019)
Income Tax Surplus		0	140,000
Net Income(loss) for the Period		(360,755)	(500,481)
Other Comprehensive Income			
net Change at Fair Value of the financial Assets at Fair Value through Comprehensive Income		1,243,232	(285,300)
Gains (Losses) from Financial Assets Sale		7,492	53,549
Total Comprehensive Income for the Period		889,969	(732,232)
Earnings per Share:			
Earnings per Share- JOD/Share		(0.036)	(0.050)
Weighted Average 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**  
**Consolidated Statements of Shareholders Equity**  
**for the Year Ended December 31**

	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 year	0	0	0	(360,755)	(360,755)
Financial Assets Sale Gain	0	0	0	7,492	7,492
Transfer from Fair Value Reserve Change in Fair Value of the Financial Assets through Other Comprehensive Income	0	0	9,203	(9,203)	0
Balance as at 31/12/2021	10,000,000	516,729	(1,243,232)	0	1,243,232
Balance as at 1/1/2020	10,000,000	516,729	(1,256,872)	(1,826,510)	8,512,347
Profits (losses) for the year	0	0	0	(905,247)	8,354,610
Gains (Losses) from Financial Assets Sale	0	0	0	(500,481)	(500,481)
Transfer from Fair Value Reserve Change in Fair Value of the Financial Assets through Other Comprehensive Income	0	0	111,865	53,549	53,549
Balance as at 31/12/2020	0	0	(285,300)	(111,865)	0
	10,000,000	516,729	(1,430,307)	0	(285,300)
				(1,464,044)	7,622,378

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
PART OF THESE STATEMENTS.



**Al Bilad Securities and Investment Company**  
**Public Shareholding Company**  
**Consolidated Statements of Cash Flows**  
**for the Year Ended December 31,2021**

	<b>2021 JD</b>	<b>2020 JD</b>
<b>Cash Flows from Operating Activities :</b>		
Profits for the year	(360,755)	(640,481)
Adjustments for :		
Depreciation and Amortization	71,896	74,072
Financing Expenses	103,097	109,718
Company Share of Profits from Associates	140,232	(218,716)
Provision of expected Credit Losses	0	500,000
Gains from selling financial asset through other comprehensive income	(1,711)	(68,633)
Gains (Losses) from selling Real Estate Investment	737	0
<b>Cash Flows from Operating Activities</b>	<b>(46,504)</b>	<b>(244,040)</b>
<b>Financial assets at Amortized Cost</b>	<b>148,089</b>	<b>(33,083)</b>
Other Debit Balances	(64,383)	(830)
Brokerage Customers Payables	92,026	109,271
Other Credit Balances	4,064	13,015
<b>Cash flows from (used in ) operating activities</b>	<b>133,292</b>	<b>(155,667)</b>
Financing Expenses Paid	(103,097)	(98,528)
<b>Net Cash Flows from Operating Activities</b>	<b>30,195</b>	<b>(254,195)</b>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of intangible assets	0	(592)
Acquisition of fixed assets	(495)	(2,478)
Acquisition of Real Estate Investment	120,000	0
Acquisition of Investment in Associates	(15,849)	3,779
Financial Assets through Other Comprehensive Income	32,973	275,992
<b>Net Cash Flows from ( used in ) investing Activities</b>	<b>136,629</b>	<b>276,701</b>
<b>Cash Flows from Financing Activities :</b>		
increase( decrease) rent contracts liabilities	(41,352)	0
increase( decrease) in credit banks	(103,253)	79,813
<b>Net Cash Flows from (used in ) financing activities</b>	<b>(144,605)</b>	<b>79,813</b>
<b>Net Increase ( Decrease ) in cash</b>	<b>22,219</b>	<b>102,319</b>
<b>Cash on hand and at banks – beginning of period</b>	<b>280,843</b>	<b>178,524</b>
<b>Cash on Hand and at Banks – End of period</b>	<b>303,062</b>	<b>280,843</b>

**THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART  
OF THESE STATEMENTS**



**AL Bilad Securities and Investment Company**

**Public Shareholding Company**

**Notes to Consolidated Financial Statements**

**for the Year Ended December 31,2021**

**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 dinars 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 company is located in Amman – The Hashemite Kingdom of Jordan.

The consolidated financial statements were approved by the Board of Directors on 27 March 2022 and are subject to general assembly approval.

**2- Basis of Preparation of the Consolidated Financial Statements.**

**(a) Statement of Compliance**

The consolidated financial statements preparation in accordance to International Financial Reporting Standards (IFRS).

**(b) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis expect for financial assets of fair value through other comprehensive income which we measured as fair value.

**(c) Functional and presentation currency**

The consolidated financial statements are presented in Jordanian Dinar, which is the group's functional currency.

#### **(d) Basis of consolidating financial statements**

The consolidated financial statements include the consolidated financial statement of the Company and the following subsidiary, after the elimination of transactions and balances between them. As at 31 December 2021, the Company has the following subsidiary:

Jordanian Dinar	<u>December 31, 2021</u>			
	<u>Assets</u>	<u>liabilities</u>	<u>Revenues</u>	<u>Expenses</u>
Siwar Al- Sharq Trading	159000	(158000)	0	0

Siwar Al- Sharq for Trading Company has been consolidated according to a settlement agreement for brokerage customer's receivables, through which previous owners shares have been waived to the Group against these receivables.

The Company accounts for business combinations of a subsidiary in the consolidated statement of profit or loss and other comprehensive income starting from the date of the acquisition which is the date when control is transferred from the company to the group.

The group accounts for business combinations using the acquisition method when control is transferred to the Group. 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 purchase is recognized in consolidated statement of profit or loss and other comprehensive income immediately. Transactions costs are expensed as incurred in the consolidated statement of profit or loss and other comprehensive income 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 consolidated statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as shareholders' equity. Then it is not re-measured, and settlement is accounted for within shareholder's equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the consolidated statement of profit or loss and other comprehensive income.

Non-controlling interests are measured at their proportionate share of the acquire identifiable net assets at the acquisition date.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the consolidated statement of profit or loss and other comprehensive income.



Balances, transactions and unrealized profits and expenses resulted from transactions within the Group are eliminated when preparing these consolidated financial statements.

#### **(e) Use of judgments and estimates.**

In preparing of consolidated financial statements, management has made judgements and estimates that effect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

- **Judgments**

The following are the most significant judgments that have a material effect on the amounts of assets and liabilities in the consolidated financial statements:

- Classification of financial assets: Valuation of the business model under which the assets is to be held and determining whether the contractual terms of the SPPI are on the outstanding balance.
- The development of new criteria to determine whether financial assets have declined significantly since initial recognition and determine the methodology of future expectations and methods of measuring expected credit loss.
- Coronavirus (COVID 19) spread out widely over many geographical areas around the world causes disturbances to the business and economic activities. The International and local financial and monetary authorities announce supporting procedures all over the world to force the expected negative effects and uncertain increase in the economic effect on liquidity volume and prices. The company management and governance responsible employees will continue evaluating the status, reporting updates to interested parties according to the laws and regulations.

#### **Measurement of fair values:**

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. Under the following conditions:

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

The asset or liability may be associated with fair value in the following two cases:

- A- When the assets or liability exists in itself.
- B- When there is Group of assets or a group of liabilities or group of assets and liabilities (for example a cash- generating unit or a business) and number of the groups accounting policies and disclosures require measuring the fair value of both financial and non-financial assets and liabilities.

The Group 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 third party information, such as broker quotes or pricing services, is used to measure fair values. Then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Board of Directors. When measuring the fair value of an asset or liability, the group uses observable market data as far as possible. Fair value is categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an assets or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of reporting period during which the change has occurred.

The managements believe that the accounting estimates and assumptions used are reasonable and sufficient.



### **3- Significant Accounting Policies.**

- The accounting policies applied by the Group in these consolidated financial statement for the year ended as at December 31, 2021 are the same as those applied by the Group in its consolidated financial statements for the year ended December 31, 2020.
- Amendment of Interest prices, second stage (amendments to IFRS 9, IFRS 39, IFRS 7, IFRS 4 and IFRS 16 that become effective on January 1, 2021 .

New Standards and explanations and amendments issued and not implemented by the company

Some new Standards , explanations and amendments issued but not effective were not implemented in these financial statements ,these standards and explanations are as follows:

#### **New standards**

- IFRS 17 Insurance Contracts, only companies who implement IFRS 9 are allowed to implement this standard (effective date 01/01/2023).

#### **Amendments**

- Losing Contracts ( cost of implementing the contract is higher than the economic benefit of this contract )
- Contract implementation cost ( IFRS 37) effective date 1/1/2022
- Yearly amendments for IFRS 2018-2020 effective date 1/1/2022
- Property and equipment collected before the use of these properties (IFRS16) effective date 1/1/2022
- Amendment to IFRS 3 effective date 1/1/2022
- Amendment to IAS 1 effective date 1/1/2023

Implementing these amendments will not martially affecting the amounts and disclosures in these financial statements.

### **4- Financial Risks and Capital management**

In general the Group objectives and policies in Financial Risks that the company faces Management are the same to what has been disclosed in the company financial statements as at and for the year ended December 31, 2021.

No changes in the company Capital Management during the year and the Company did not requested by any other party regarding Capital.

## 5- Operations Seasonality

Measurement and recognition applied as at and during the year ended December 31, 2021 Considerations has been taken and no seasonal effect on the Company Operations during the year

## 6- Cash and cash equivalents

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Cash at banks- current accounts	9525	6365
Cash at banks- customer current accounts	293302	274081
Cash on hand	<u>235</u>	<u>397</u>
Total	<u>303062</u>	<u>280843</u>

## 7-Financial Assets in Fair Value Through Other Comprehensive Income.

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
<u>Shares of companies listed on Amman Stock Exchange</u>		
Portfolio of financial assets	2240265	2273238
Net change in fair value	<u>394221</u>	<u>(821861)</u>
	<u>2634486</u>	<u>1451377</u>
<u>Shares of companies not listed on Amman Stock Exchange</u>		
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>2678971</u>	<u>1495862</u>

Financial assets include shares of listed companies in Amman Stock Exchange with fair value amounted to as of 31 December 2021: 1738089 JD at the date of the consolidated financial statements are mortgaged to Jordan Commercial Bank for bank facilities (Note 17).

Financial assets include shares of listed companies in Amman Stock Exchange with fair value amounted to as of 31 December 2021: 13300 JD are mortgaged against board membership.

The fair value of Saraya Aqaba Real Estate Development Company shares are evaluated according to the net book value of the Company's asset since they are not listed in financial market Securities, in the opinion of the 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 the cash flows of this project.



## 8- FINANCIAL ASSETS AT AMORTIZED COST

This item represents broker customers as follows:

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Brokerage customer's receivables	3693592	3773907
Margin customer's receivables	2980959	3045807
Related parties "receivables note"	<u>0</u>	<u>2926</u>
	<u>6674551</u>	<u>6822640</u>
Less: Expected credit losses provision	<u>(4115754)</u>	<u>(4115754)</u>
	<u>2558797</u>	<u>2706886</u>

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

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
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	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Less than 30 days	282965	1566639
From 31 to 90 days	70363	177411
From 91 to 180 days	1248037	0
More than 180 days	<u>2092227</u>	<u>2029857</u>
Balance at the end of year (A)	<u>3693592</u>	<u>3773907</u>

b- The following table describe the age of margin customers including related party's receivables:

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Less than 30 days	5968	6600
From 31 to 90 days	12161	16267
From 91 to 180 days	17264	22173
More than 180 days	2945566	3003693
Balance at the end of year (B)	<u>2980959</u>	<u>3048733</u>
Total (A) + (B)	<u>6674551</u>	<u>6822640</u>

-The brokerage customers receivables and customer margin interest receivables aged for more than 90 days which are not covered by shares amounted to 722,652 JOD for the year ended December 31, 2021, (2020: JOD 755,652) are secured by property amounted to fair value as of 31 December 2021: 4,962,125 JOD, (2020: JOD 4,962,125) assessed by an independent real estate valuator 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 JD and the case is still within the executive procedures.

-During the year ended December 31, 2018, a receivable settlement agreement was signed at the Company's Financial Brokerage Department amounting to 132,502 JD. The partners of Siwar Al Sharq Trading Company, registered at the Companies Controller as a limited liability company under No. (30101), waived the amount of their shares in the said company in favour of Al-Bilad for Securities and Investment Company with a total value of 165,560 JD against the above-mentioned bad debt settlement, resulting in a full reduction in the value of the debt and recording the amount due for this investment of 30,057 JD under other credit balances. In accordance with the instructions of the Securities Commission, the investment property amounted to 159,000 JOD must be disposed of within two years from the date of acquisition.

## 9- OTHER DEBIT BALANCES

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Bank guarantees deposits	122258	119075
Settlements guarantees fund	25000	25000
Prepaid expenses	24319	25478
Accrued revenue	7945	7945
Employees receivable	4636	4325
Securities depository center receivable	92277	27511
Refundable deposits	2610	3130
Income tax on bank interest	406	406
Other receivables	183217	185415
Expected credit losses provision	<u>(45166)</u>	<u>(45166)</u>
Total	<u>417502</u>	<u>353119</u>

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

## 10- Investment in Associate Company

This item includes the following:

	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Fair value to invest is associates company	1858510	1862289
Addition(disposals) during the period/ year	<u>15849</u>	<u>(3779)</u>
Cost purchase/invest in associates company	<u>1874359</u>	<u>1858510</u>
The Company's shares of net assets of the associates (27.812% and 27.656%)		
Opening balance	<u>2434167</u>	<u>2245266</u>
Addition(disposals) during the period/year	15849	(3779)
Shares of profit during the period/year	(140232)	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>2346137</u>	<u>2434167</u>



Company's profit from investing in associate (103879)

192680

Some of the shares of the associate company are mortgaged in favour of the Commercial Bank of Jordan, with their fair value as of 31 December 2021: 965380 JD. The Group's share of the interests of the associate was calculated based on the audited financial statements for the year ended 31 December 2021.

In addition, the shares of the associate company include shares of companies listed in the Amman security exchange commission whose fair value as of December 31, 2021: 2520 dinars are reserved in exchange for membership of the board of directors.

## 11- Property and equipment

Additions to property and equipment during the year ended December 31, 2021 JD 495 (JD 2478 during the year ended December 31, 2020). Depreciation expenses during the year ended December 31, 2021 JD 24408 (JD 25536 during the year ended December 31, 2020). And disposals during the year ended December 31, 2021 JD 24774 with JD 21975 accumulated depreciation for the disposed properties .

## 12- Investment properties

Investment property represents :-

- Lands with book value 531549 and average fair value 548885 by using the second level input according to independent real-estate experts evaluation.
- Flats with JD 92500 cost and average fair value 98820 by using the second level input according to independent real-estate experts evaluation. Depreciation expense for these flats during the year ended December 31, 2021 JD 4625 (JD 4625 during the year ended December 31, 2020).

## 13- Right to use Asset

- The Company registered right to use assets from rent contract JD 83080 during the year ended December 31, 2021 (JD 124600 during the year ended December 31, 2020). Amortization for this right JD 41520 during the year ended December 31, 2021 (JD 41520 during the year ended December 31, 2020)

## 14- Intangible Assets

- No additions to Intangible assets during the year ended December 31, 2021. Amortization JD 1343 during the year ended December 31, 2021 (JD 2391 during the year ended December 31, 2020)

## 15- Brokerage license

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31, 2020</u>
Brokerage license	<u>200000</u>	<u>200000</u>
Accumulated amortization	<u>(199000)</u>	<u>(199000)</u>
	<u>1</u>	<u>1</u>

## 16- Brokerage Customer Payable

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Brokerage customer receivables	358500	248689
Due to related party	16226	37818
Finance customers on margin receivables	<u>5728</u>	<u>1921</u>
	<u>380454</u>	<u>288428</u>

### 17- Lease Liability

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Leased liability -short term	41104	41228
Leased liability -long term	54978	96206
	96082	137434

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%.

### 18-Other Credit Balances

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Accrued expenses	52639	60425
Shareholders deposits	57617	57907
Provision for employee leave and end		
Of service compensation	58727	49999
Deposits for others- IPOs	36647	36647
Income tax deposits	10443	2186
Social security deposits	2000	1864
Others	<u>8990</u>	<u>13971</u>
	<u>227063</u>	<u>222999</u>

### 19- Administrative Expenses

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Salaries and wages	233993	218413
Company contribution in		
social securities	14977	11874
Transportation	33600	33600
Fees and license	31906	32596
Rent	900	900
Medical insurance	10504	12268



Mail, phone and internet	4712	6180
Professional fees	16470	18420
Al Zarqa branch expenses	5211	6106
Water and electricity	851	3748
Cleaning and hospitality	3902	3607
Printings and stationery	2673	1353
Trading errors	809	252
Legal expenses	11500	18500
Cars Expenses	3684	2358
Maintenance Expenses	3059	3371
Staff leave and end-of-service		
Compensation	9125	9128
Apartment Expenses	1608	1608
the General Authority Expenses	910	1315
Donations	0	1500
Others	<u>4453</u>	<u>3370</u>
	<u>394847</u>	<u>390467</u>

## 20- Financial expenses

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Banks fees	82154	84699
Banks commission	13071	13829
Interest -Finance charges	<u>7872</u>	<u>11190</u>
Total	<u>103097</u>	<u>109718</u>

## 21- Other Revenues

Jordanian Dinar	<u>Dec. 31, 2021</u>	<u>Dec 31,2020</u>
Rent revenues	3198	4530
Settlement Fund Revenues	1320	2851
Opening accounts revenue	590	270
Other Revenues	123	100
Gain or loss of sell investments		
Property	<u>(737)</u>	<u>0</u>
Total	<u>4494</u>	<u>7751</u>

## 22- Contingent liabilities

The Group has JD 650500 outstanding letters of guarantee as at December 31,2021 (JD 650500 as at December 31,2020).

## 23- Balances and Transaction with related parties

Transactions with related transactions that are made with associates and key administrators and 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.

### Due from related parties.

<u>Jordanian Dinar</u>	<u>Nature of Transaction</u>	<u>Nature of relationship</u>	<u>As of Dec. 30,2021</u>	<u>December31.2020</u>
Sharif Al-Rawashdeh	Trading	member of the board	-	2926

### Due to related parties

<u>Jordanian Dinar</u>	<u>Nature of transaction</u>	<u>Nature of relationship</u>	<u>As of Dec. 30,2021</u>	<u>Dec 31.2020</u>
Sadaf Al Bahar for -	Trading	Deputy of Chairman		
Property development		of the board	0	21592
Fahad Thnian	Trading	Contributor	16226	16226
			16226	37818

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 year ended Dec. 31,</u>	
		<u>2021</u>	<u>2020</u>
Sharif Al-Rawashdeh	Brokerage commission	4008	40
Sadaf Al Bahar for Trading	Brokerage commission	260	0
Dom Al-Riad company	Brokerage commission	2431	0

### Key management remuneration

Salaries and bonuses senior executive management short- term amounted to 173250 JD for the year ended in December 31,2021 compared to 162532 JD for the year ended in December 31, 2020.



## 24- 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's cash at bank cheques under collection, trade receivables and other debit balances.

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:

Jordanian Dinar	<u>December 31,2021</u>	<u>December 31,2020</u>
Cash at Banks	303062	280843
Financial assets at amortized cost	2558797	2706886
Other debit balances	<u>417502</u>	<u>353119</u>
	<u>3279361</u>	<u>3340848</u>

### - Liquidity risk

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

The Group 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 addition, 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:

<u>December 31,2021</u>				
Jordanian Dinar	Carrying Amount	Contractual Cash flows	Less than year	More than year
Due to banks	972569	(972569)	(972569)	0
Brokerage customer Payable	380454	(380454)	(380454)	0
Other credit balances	227063	(227063)	(227063)	0

Lease liability	<u>96082</u>	<u>(96082)</u>	<u>(41104)</u>	<u>(54978)</u>
	<u>1676168</u>	<u>(1676168)</u>	<u>(1621190)</u>	<u>(54978)</u>

**December 31, 2020**

Jordanian Dinar	Carrying Amount	Contractual Cash flows	Less than year	More than a year
Due to banks	1075822	(1075822)	(1075822)	0
Brokerage customer Payable	288428	(288428)	(288428)	0
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 market prices, such as foreign exchange rates, interest rate and equity prices will affect the Group's 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 Group's financial assets and liabilities are in Jordanian Dinar. Most of the Group's transactions in general are in Jordanian dinar accordingly, the Group 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 Group's obligations as well as investments at fair value through profit or loss. Management of the Group 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.

**- Sensitivity analysis for equity price risk**

A change of 5% in fair value of the securities at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

**- 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 asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset 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>December 31, 2021</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>Total</u>
Financial assets measured at fair value through other comprehensive income	2634486	44485	0	2678971

December 31, 2020

Financial assets measured at fair value through other comprehensive income	1451377	44485	0	1495862
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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 re-pricing of interest rates during the year:

Jordanian Dinar		<u>Fair value</u>		
	<u>Book value</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
<u>December 31, 2021</u>				
Cash and cash equivalents	303062	0	0	0
Financial assets at amortized Cost	2558797	0	0	0
Credit banks	(972569)	0	0	0
Brokerage customer payable	(380454)	0	0	0
Lease liability	(96082)	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).

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

Jordanian Dinar	Book value	Fair value		
<u>December 31, 2021</u>		LEVEL 1	LEVEL 2	LEVEL 3
Investment property	610175	0	795935	0

#### December 31, 2020

Investment property	732738	0	795935	0
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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

## **25- Income tax**

The Company Finalize its tax status with Income and Sales tax Department until 2019.

## **26- Comparative Figures**

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