

First Finance Company
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Consolidated condensed interim financial statements
as of March 31, 2022
(Reviewed not audited)

Index

	<u>Page</u>
Independent auditors' report on review of consolidated condensed interim financial statements	1
Statement of consolidated condensed interim financial position	2
Statement of consolidated condensed interim of comprehensive income	3
Statement of consolidated condensed interim of change in owners' equity	4
Statement of consolidated condensed interim of cash flows	5
Notes to consolidated condensed interim financial statements	6-18



Report on the review of the consolidated condensed interim financial statements

104 22 01

To the Board of Directors of

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying consolidated condensed interim financial statements of **First Finance Company – public shareholding company** which comprising , statement of consolidated condensed interim financial position as at March 31, 2022, and statement of consolidated condensed interim of comprehensive income, statement of consolidated condensed interim of changes in owners' equity and statement of consolidated condensed interim of cash flows for the three-month ended March 31, 2022 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34 – *Condensed interim Financial Reporting*. Our responsibility is to express a conclusion on these consolidated condensed interim consolidated financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of Condensed Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

Emphasis of matters

Without qualified, as stated in Note No. (7) about the attached consolidated financial statements, accounts receivable - financing activities as on March 31, 2022 include investment plots of land worth JD 3,966,262 that are not registered in the name of the company, but are registered in the name of persons under an agreement and in the name of related party. The company's ownership of these lands is proven through first-class mortgage bonds in favor of First Finance Company.

Obeidat & alsalih Co.

Nabeel Moh'd Obeidat

License No. 877



Amman in

April 28, 2022

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Statement of consolidated condensed interim financial position
as of March 31, 2022 (reviewed not audited)**

	Note	31-Mar-2022	31-Dec-2021
		JD (Reviewed)	JD (Audited)
<u>Assets</u>			
Cash on hand and at banks		1,835,719	1,955,525
Accounts receivable from financing activities - net	6	27,699,016	29,524,149
Due from related parties	18 A	15,908	15,821
Financial assets at fair value through income statement	7	4,020,421	4,099,742
Other debit balances - net	8	5,385,499	4,641,699
Financial assets at fair value through comprehensive income st.	9	4,032,029	4,604,710
Deffered tax assets	10	6,006,564	5,729,644
Property , plant & equipments - net		218,882	239,767
Real-estate investments		383,033	386,937
The right to use assets	11	667,027	686,642
Total assets		50,264,098	51,884,636
<u>Liabilities & owners' equity</u>			
Customers' investment accounts	12	1,714,706	2,074,248
Income tax provision	13	313,687	300,726
Rent contracts' liabilities - short term	11	659,539	739,580
Other credit balances	14	2,634,521	3,659,407
Total liabilities		5,322,453	6,773,961
<u>Owners' equity</u>			
Capital		35,000,000	35,000,000
Statutory reserve		3,702,005	3,702,005
Voluntary reserve		229,851	229,851
Fair value reserve for financial assets		(1,626,537)	(1,213,612)
Retained earnings		7,392,431	7,392,431
Profit for the period		243,895	-
Net owners' equity		44,941,645	45,110,675
Total liabilities & owners' equity		50,264,098	51,884,636

The accompanying notes form from (1) To (21) is an integral part of these statements

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Statement of consolidated condensed interim of comprehensive income****for the three months ended March 31, 2022 (reviewed not audied)**

	<u>Note</u>	<u>31-Mar-2022</u> <u>JD</u> (Reviewed)	<u>31-Mar-2021</u> <u>JD</u> (Reviewed)
<u>Revenues</u>			
Finance revenues		891,017	533,263
Less: share of customers' investment accounts		(21,313)	(127,613)
Company's share of revenues		869,704	405,650
Other revenues		134,312	174,131
Total revenues		1,004,016	579,781
General & administrative expenses		(266,189)	(252,627)
Expected credit losses	6	(418,442)	-
Depreciation		(21,093)	(29,917)
Depreciation of the right to use assets	11	(19,615)	(39,457)
Rent contracts liabilities interests	11	(9,739)	(9,823)
Unrealized (loss) from financial assets at fair value through income		(50,125)	(46,558)
Profit for the period before tax		218,813	201,399
Income tax surplus / expense	13	25,082	(113,306)
Profit for the period		243,895	88,093
<u>Add: other comprehensive income items</u>			
Net changes in fair value for financial assets through comprehensive income statement		(412,925)	6,992
Total comprehensive income for the period		(169,030)	95,085
		Fils/Dinar	Fils/Dinar
Basic and diluted earning per share for the period	15	0.007	0.003

The accompanying notes form from (1) To (21) is an integral part of these statements

First Finance Company
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated condensed interim of changes in owners' equity
for the three months ended March 31, 2022 (reviewed not audited)

Description	Capital	Statutory reserve	Voluntary reserve	Fair value reserve for financial assets*	Retained earnings **	Profit for the period	Total retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<u>For the three months ended March 31, 2022</u>								
Balance as of January 1, 2022 - audited	35,000,000	3,702,005	229,851	(1,213,612)	7,392,431	-	7,392,431	45,110,675
Profit for the period after tax	-	-	-	-	-	243,895	243,895	243,895
Fair value reserve	-	-	-	(412,925)	-	-	-	(412,925)
Total comprehensive income	-	-	-	(412,925)	-	243,895	243,895	(169,030)
Balance as of March 31, 2022 - reviewed	35,000,000	3,702,005	229,851	(1,626,537)	7,392,431	243,895	7,636,326	44,941,645
<u>For the three months ended March 31, 2021</u>								
Balance as of January 1, 2021 - audited	35,000,000	3,554,085	229,851	(1,003,917)	8,081,151	-	8,081,151	45,861,170
Net prior years' income & tax	-	-	-	-	40,926	-	40,926	40,926
Adjusted opening balance	35,000,000	3,554,085	229,851	(1,003,917)	8,122,077	-	8,122,077	45,902,096
Profit for the period after tax	-	-	-	-	-	88,093	88,093	88,093
Fair value reserve	-	-	-	6,992	-	-	-	6,992
Total comprehensive income	-	-	-	6,992	-	88,093	88,093	95,085
Balance as of March 31, 2021 - reviewed	35,000,000	3,554,085	229,851	(996,925)	8,122,077	88,093	8,210,170	45,997,181

* In accordance with the instructions of Securities Commission , it is prohibited to dispose fair value reserve & Unrealized retained earnings through dividends to shareholders or capitalization or loss amortization or anything else .

** Consolidated retained earnings include an amount of JD **6,006,564** representing the value of deferred tax assets as of **March 31,2022** (JD **5,729,644** as of **December 31, 2021**) , which is restricted from use in accordance with the Securities Commission Regulation.

The accompanying notes form from (1) To (21) is an integral part of these statements

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Statement of consolidated condensed interim of cash flows****for the three months ended March 31, 2022 (reviewed not audited)**

	Note	31-Mar-2022 JD	31-Mar-2021 JD
<u>Cash flows from operating activities</u>		(Reviewed)	(Reviewed)
Profit for the period before tax		218,813	201,399
Depreciation		21,093	29,917
Expected credit losses	6	418,442	-
Depreciation of the right to use assets	11	19,615	39,457
Rents' contracts liabilities costs	11	9,739	9,823
Unrealized loss loss from financial assets at fair value through income statement		50,125	46,558
Capital loss		(5,041)	-
Net of prior years' revenues & income tax		-	40,926
Operating income before changes in working capital		732,786	368,080
<u>(Increase) decrease in current assets</u>			
Accounts receivable from financing activities		1,406,691	2,130,239
Due from related parties		(87)	-
Other debit balances		(744,330)	(355,019)
<u>Increase (decrease) in current liabilities</u>			
Customers' investment accounts		(359,542)	447,102
Other credit balances		(1,024,886)	(46,900)
Net cash provided from operating activities before paid tax		10,632	2,543,501
Paid tax	13	(79,121)	-
Net cash (used in) provided from operating activities		(68,489)	2,543,501
<u>Cash flows from investing activities</u>			
Acquisitions of property , plant & equipments		(1,743)	(14,919)
Proceeds from sales of property , plant & equipments		10,480	-
Proceeds from sales of financial assets through income		29,196	35,914
Net cash provided from investing activities		37,933	20,995
<u>Cash flows from financing activities</u>			
Net rent payments	11	(89,250)	(99,250)
Net cash (used in) financing activities		(89,250)	(99,250)
Net (decrease) increase in cash		(119,806)	2,465,246
Cash on hand and at banks at beginning of period		1,955,525	2,726,565
Cash on hand and at banks at end of period		1,835,719	5,191,811

The accompanying notes form from (1) To (21) is an integral part of these statements

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the consolidated condensed interim financial statements - reviewed not audited

1- Company's registration and objectives

The **First Finance Company** was established & registered as a public shareholding company under number (390) on **March 5, 2006**, the company was established with an authorized capital of 50 million share/JD, the company started its activities from the date of September 3, 2006.

In accordance with the resolution of the general assembly of shareholders, in its extraordinary meeting held on April 14, 2011, and after the approval of the Ministry of Industry and Trade on September 22, 2011, the company reduced its authorized and paid-in capital by 15 million Share / JD to write-off the accumulated losses. Consequently, the company's capital has become 35 million share / JD instead of 50 million share / JD.

One of the company's objectives is to carry out financing for natural and legal persons in accordance with the provisions of Islamic law, and this includes, for example, direct financing of consumer and durable goods, real estate financing, including financing of lands, housing, buildings and constructions, and financing the establishment of private and public projects. .

It also aims to mediate between banks, local lending and financing institutions, international and regional development funds and banks, and between the beneficiaries of the programs of these institutions.

It also aims to manage the money of others in the financial and investment fields in exchange for specific fees or shares of the returns of these funds, as well as the management of property, real estate and other movable and immovable properties owned by others.

The consolidated condensed interim financial statements were approved by the board of directors at its meeting held on **April 28, 2022**, these financial statements aren't subject to the approval of the general assembly of shareholders .

2- Basis of preparation of interim financial statements

These condensed interim financial statement have been prepared in accordance with international accounting standards ((IFRS) IAS 34))(Interim Financial Reporting).

The condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

The condensed interim financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

These condensed interim financial statements do not include all the information required for a complete set of IFRS financial statements, However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31, 2021**, in addition, The results for the three months period ended **March 31, 2022** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2022**, and no appropriation was made for the three months profit ended **March 31, 2022** since it made at the year-end .

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the consolidated condensed interim financial statements - reviewed not audited

3- Use of estimates

The preparation of financial statements and the application of accounting policies require the company's management to make estimates and judgments that affect the amounts of financial assets and liabilities and to disclose potential liabilities, and these estimates and judgments affect revenues, expenses and provisions, as well as changes in fair value that appear within equity, and in particular requires the The company's management issues important judgments and judgments to estimate the amounts and times of future cash flows. The mentioned estimates are necessarily based on multiple assumptions and factors that have varying degrees of estimation and uncertainty, and that the actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

The company's management believes that the estimates of the financial statements are reasonable and detailed as follows: The company records allowances for expected credit losses for all Murabaha financing instruments and debt financial assets that are not held at fair value through the income statement, all of which are referred to (financial instruments). The fiscal year is charged with its income tax expense in accordance with the regulations and laws. The management periodically re-estimates the useful lives of tangible assets for the purposes of calculating annual depreciations depending on the general condition of those assets and estimates of the expected useful lives in the future, and the impairment loss (if any) is taken into the statement of comprehensive income.

A provision is made for cases filed against the university based on a legal study prepared by the company's lawyer, according to which potential risks are identified in the future, and those studies are reviewed periodically. The management periodically reviews the financial assets that appear at cost to estimate any impairment in their value, and this impairment is taken into the statement of comprehensive income for the period.

4- Significant accounting policies

Changes in accounting policies

Accounting policies followed in the consolidated condensed interim financial statements' preparation for this period are consistent with the policies followed the last year, except for the company's application of the following standards :

Standards effective for financial periods beginning on or after January 1, 2022 and that did not materially affect the amounts and disclosures included in the company's consolidated condensed interim financial statements:

- Amendments to International Financial Reporting Standard No. (3)
- Concepts Reference Amendments to International Accounting Standard No. (37) - Overburdened Contracts
- Cost of Contract Fulfillment Amendments to International Accounting Standard No. (16)
- Property, Plant and Equipment - Proceeds before the intended use

Annual Improvements to IFRS 2018 - 2020

- International Financial Reporting Standard No. 1 - Application of International Financial Reporting Standards for the first time

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the consolidated condensed interim financial statements - reviewed not audited

- International Financial Reporting Standard No. (9) - Financial Instruments
- International Accounting Standard No. (41) - Agriculture

Issued and not valid

- IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17), where the amendments are applied retrospectively for annual periods beginning on or after January 1, 2023.

- Amendments to International Financial Reporting Standard No. (10) and International Accounting Standard No. (28) - Sale or sharing of assets between an investor and his associate or joint venture, where the effective date has not yet been determined and early application is allowed Amendments to International Accounting Standard No. 1 Classify liabilities as current or non-current. The amendments are applied retrospectively to annual periods beginning on or after January 1, 2023, with early application permitted.

- Amendments to International Accounting Standard No. (1) - Presentation of Financial Statements and Statement of Practice for International Financial Reporting Standard No. (2)

- Issuance of Relative Judgments - Disclosure of Accounting Policies, to be applied on January 1, 2023 with early application allowed and to be applied with effect retroactive

- Amendments to International Accounting Standard No. (12) - Taxes - Deferred taxes related to assets and liabilities arising from a single transaction, to be applied on January 1, 2023, with early application allowed

The company's management expects to apply these new standards, interpretations and amendments in the company's consolidated condensed interim financial statements when they are applicable, and the adoption of these new standards, interpretations and amendments may not have any material impact on the company's consolidated condensed interim financial information in the initial application period.

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****5- Basis of consolidation of the financial statements**

- The consolidated financial statements consist of assets , liabilities , revenues & expnses of **First Finance Company** and **1** subsidiary as follows :

Company's name	Legal form	Date of control	Capital	Ownership rate	Company's share of subsidiary's (loss)	Investment's net book value
		JD	JD	%	JD	JD
Sukok Leasing Company	L.L.C	April 19,2017	1,000,000	100	8,807	933,772

- Summary for subsidiary's assets & liabilities & revenues & profit :

Company's name	Assets	Liabilities	Revenues	Profit for the period
	JD	JD	JD	JD
Sukok Leasing Company	939,086	5,314	25,086	8,807

Control realized when company has ability of control the financial and operation policies for subsidiaries for obtained benifets from its activities .

Subsidiaries' income results is being consolidated in statement of consolidated income from date of control up to stop that control on subsidiaries when the actual control on subsidiaries move to company or from company .

The financial statements for the mother company and subcdiaries are prepared for the period of the same accounting policies which used in the mother company (First Finance Company) , if subsidiary used differnet policies some adjusting must made on its financial statements to be applicable to the policies used in the mother company .

Minority interests represents part non owned by company from subsidiaries' owner's equity , minority interests stated in net company's assets as a separated item from shares owner's equity of the company .

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****6- Accounts receivable from financing activities - net**

A. This item consists of :

	31-Mar-2022	31-Dec-2021
	JD	JD
	(Reviewed)	(Audited)
Finance receivables (note 6b , 6c)	52,352,716	57,644,688
Finance lease receivables (note 6b , 6c)	5,436,248	188,902
Deduct: unrealized returns on financing contracts (note 6b)	(9,024,511)	(7,303,927)
Net	48,764,453	50,529,663
Deduct: provision for expected credit losses (note 6d, 6e)	(19,189,822)	(18,771,380)
Deduct: pending returns (note 6f)	(1,875,615)	(2,234,134)
Net	27,699,016	29,524,149

B. The details of accounts receivables from financing activities after deducting unrealized revenues are as follows:

	receivable from financing and leasing activities	Unrealized returns	Net	Net
	JD	JD	JD	JD
			(Reviewed)	(Audited)
<u>Corporates</u>				
Corporate financing - goods	23,775,304	3,602,347	20,172,957	24,556,506
Bills of loading financing	2,528,336	-	2,528,336	2,528,336
Corporate financing - real-estae	3,033,460	633,436	2,400,024	2,663,278
Total	29,337,100	4,235,783	25,101,317	29,748,120
<u>Individuals</u>				
Individuals financing - goods	1,093,632	14,153	1,079,479	1,102,819
Stock financing	2,819,879	-	2,819,879	2,819,537
Real-estate financing	12,501,168	3,344,891	9,156,277	6,188,388
Vehicles & machinery	12,037,185	1,429,684	10,607,501	10,670,799
Total	28,451,864	4,788,728	23,663,136	20,781,543
Total	57,788,964	9,024,511	48,764,453	50,529,663

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the consolidated condensed interim financial statements - reviewed not audited

C. The movement of receivables from financing activities is summarized as follows:

	31-Mar-2022				31-Dec-2021
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed)	(Audited)
Balance at beginning of period/year	10,945,637	4,163,340	42,535,838	57,833,590	66,773,777
New financings	6,381,839	29,860	290,230	6,701,929	3,785,823
Paid financings	(1,929,520)	(443,361)	(4,373,674)	(6,746,555)	(12,054,896)
Transferred to the first stage	1,029,778	(725,287)	(304,491)	-	-
Transferred to the second stage	(941,188)	1,357,512	(416,324)	-	-
Transferred to the third stage	(15,260)	(484,952)	500,212	-	-
Changes resulting from adjustments	-	-	-	-	(671,114)
The total effect on the volume of exposures as a result of changing the classification between the stages	73,330	147,272	(220,603)	-	-
Balance at ending of period/year	10,945,637	4,163,340	42,535,838	57,788,964	57,833,590

D. The movement of impairment debts during thje period as follow:

	31-Mar-2022	31-Dec-2021
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of period / year	18,771,380	19,619,183
Additions for the period / year	418,442	85,552
Disposals of the period / year (returned to income)	-	(933,355)
Balance at ending of period / year	19,189,822	18,771,380

E. The movement of provision for expected credit losses is summarized as follows:

	31-Mar-2022				31-Dec-2021
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed)	(Audited)
Balance at beginning of period/year	218,568	182,118	18,370,694	18,771,380	19,619,183
Impairment loss on new financings	62,891	4,078	1,240,641	1,307,610	191,690
Recovered from impairment loss on new financings	(88,063)	(38,410)	(818,984)	(945,457)	(514,178)
Transferred to the first stage	45,856	11,446	(57,301)	-	-
Transferred to the second stage	(5,044)	25,860	(20,816)	-	-
Transferred to the third stage	(153)	(80,266)	80,418	-	-
Changes resulting from adjustments	-	-	-	-	(674,265)
Effect on the provision resulting from adjustments	(73,127)	63,024	66,392	56,289	148,950
Balance at ending of period/year	160,928	167,850	18,861,044	19,189,822	18,771,380

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****F. The movement of profit in suspense during the period as follow:**

	<u>31-Mar-2022</u>	<u>31-Dec-2021</u>
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of period / year	2,234,134	1,888,284
Revenues in suspense for the period / year	154,243	808,909
Revenues in suspense transferred to revenues for the period / year	(512,762)	(463,059)
Balance at ending of period / year	1,875,615	2,234,134

7- Financial assets at fair value through income statement**A. This item consists of :**

	<u>31-Mar-2022</u>	<u>31-Dec-2021</u>
	JD	JD
	(Reviewed)	(Audited)
Accounts receivable - financing activities (note 7 b)	3,966,262	3,995,458
Listed financial assets	54,159	104,284
Total	4,020,421	4,099,742

B. Accounts receivable - financing activities are represented in plots of land invested under agreements for the purposes of sorting, developing and selling, with a total area of 183.9 dunums. The lands are not registered in the name of the company, but are registered in the name of people under an agreement and in the name of a related party. The company's ownership of these lands is proven through first-class mortgage bonds in favor of First Finance Company.

8- Other debit balances**This item consists of :**

	<u>31-Mar-2022</u>	<u>31-Dec-2021</u>
	JD	JD
	(Reviewed)	(Audited)
Assets devolved to the company in payment of		
outstanding debts	3,713,756	3,164,980
Other debts	1,667,940	1,551,919
Refundable deposits	385,859	320,377
Prepaid expenses	41,304	27,783
Total	5,808,859	5,065,059
Deduct: provision for expected credit losses (note 8 b)	(423,360)	(423,360)
Net	5,385,499	4,641,699

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****B. The movement of provision for expected credit losses is summarized as follows:**

	31-Mar-2022	31-Dec-2021
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period / year	423,360	-
Additions for the period / year	-	423,360
Balance ending of the period / year	423,360	423,360

9- Financial assets at fair value through comprehensive income**A. This item consists of :**

	31-Mar-2022	31-Dec-2021
	JD	JD
	(Reviewed)	(Audited)
<u>Public shareholding companies (listed)</u>		
Financial Asset Portfolio - national (Note 9b, 9c)	2,115,029	2,819,453
Financial Asset Portfolio - international	75,998	79,304
<u>Limited liabilities companies (un-listed)</u>		
Financial Asset Portfolio - national	1,622,709	1,487,660
Financial Asset Portfolio - international	218,293	218,293
Fair value	4,032,029	4,604,710

B. The financial assets portfolio (national - listed) includes shares mortgaged in favor of Safwa Islamic Bank against a ceiling of credits granted to the company in favor of its customers, which numbered **1,232,080** shares, with a market value of JD **1,673,321** as on **March 31, 2022** (JD **1,577,630** as on **December 31, 2020**).

C. For the purposes of the company's membership in the boards of directors of the invested companies (national - listed), the reserved shares of the shares owned amounted to **35,200** shares and a market value of JD **39,630**.

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****10- Deferred tax assets**

This item consists of :

	31-Mar-2022				31-Dec-2021	
Included accounts	Balance at beginning of the period JD	Amounts released JD	Amounts added JD	Balance at ending of the period JD	Deffered tax assets JD (Reviewed)	Deffered tax assets JD (Audited)
Impairment debts	19,109,188	-	418,442	19,527,630	5,467,737	5,350,573
Fair value reserve	2,177,119	(572,681)	-	1,604,438	538,827	379,071
Total	21,286,307	(572,681)	418,442	21,132,068	6,006,564	5,729,644

The deferred tax assets for the investment valuation reserve are calculated by taking into account domestic investments at a rate of **28%** and foreign investments at **10%**.

- Transaction of deferred tax assets during the period represents of :

	31-Mar-2022 JD (Reviewed)	31-Dec-2021 JD (Audited)
Balance beginning of the period/year	5,729,644	5,789,250
Additions for the period / year	276,920	201,733
Disposals during the period / year	-	(261,339)
Balance ending of the period/year	6,006,564	5,729,644

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the consolidated condensed interim financial statements - reviewed not audited

11- The right to use assets & rent contracts liabilities

The movement of the right to use assets & rent contracts liabilities during the period as follow :

	The right to use assets	Rent contracts' liabilities
	JD	JD
Balance beginning of period / year	686,642	739,580
Depreciation of the right to use assets	(19,615)	-
Payments on rents liabilities contracts	-	(89,250)
Rent liabilities contracts costs	-	9,739
Prepaid rent liabilities contracts costs	-	(530)
Balance ending of period / year	667,027	659,539

12- Customers' investment accounts

This item represents investment agencies received from clients that mature within a period of **12** months to **78** months from the date of deposit, until they are invested in the company's activity, and the rate of profit paid to clients according to the amount and duration of the investment ranges from **4%** to **6%** as On **December 31, 2021** (from **3.5%** to **6.625%** as on **December 31, 2020**).

13- Income tax provision

A. Transaction of income tax provision during the period represents of :

	31-Mar-2022	31-Dec-2021
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of period/year	300,726	202,038
Tax of the period/year (note 13 C)	92,082	368,172
Paid tax during the period/year	(79,121)	(269,484)
Balance ending of period/year	313,687	300,726

- B. The income tax of the parent company has been reviewed for the end of **2019** and a final clearance has been obtained. A self-assessment statement has been submitted for the year **2020** and has not yet been reviewed by the Income and Sales Tax Department. As for the year **2021**, a self-assessment statement has not yet been submitted.

The income tax has been accepted for the subsidiary company for the years **2017, 2019** and **2020**, and the income tax self-assessment statement has been submitted for the years **2018**, while in **2021** the self-assessment statement has not yet been submitted.

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****C. The income tax expenses shown in the consolidated comprehensive income is as follow''**

	31-Mar-2022	31-Dec-2021
	JD	JD
	(Reviewed)	(Audited)
Income tax due on the profits for the year - the parent company	88,657	366,283
Income tax due on the profits for the year - the subsidiary company	3,425	1,889
Total income tax payable for the profit for the period/year	92,082	368,172
The effect of deferred tax assets	(117,164)	142,799
Total income tax	(25,082)	510,971

14- Other credit balances

This item consists of :

	31-Mar-2022	31-Dec-2021
	JD	JD
	(Reviewed)	(Audited)
Due to shareholders	1,456,593	1,459,491
Due to investment agency	-	1,000,000
Unearned revenues	529,043	529,543
Unpaid dividends from investment agencies	10,916	9,450
Due to others	391,802	399,436
Accrued expenses	35,662	35,525
Provision for remuneration of members of the Board of Directors	45,000	45,000
Mortgage release deposits	60,065	50,525
Provision of cases	82,966	82,966
Due to sale tax	25	6,521
Accounts payable	22,449	40,950
Total	2,634,521	3,659,407

15- Basic and diluted earning per share for the period

This item consists of :

	31-Mar-2022	31-Mar-2021
	JD	JD
Profit for the period after tax (JD)	243,895	88,093
Weighted average shares (share)	35,000,000	35,000,000
Basic and diluted earning per share for the period	0.007	0.003

The diluted earning per share is equal to the basic earning per share .

16- Contingent liabilities

At the date of financial statements there were contingent liabilities represented of :

	31-Mar-2022	31-Dec-2021
	JD	JD
	(Reviewed)	(Audited)
Banks guarantees	242,300	242,300
Deduct: Banks' gurantees deposits	(132,300)	(132,300)
Net	110,000	110,000

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the consolidated condensed interim financial statements - reviewed not audited

17- Legal situation

There are cases filed by the parent company against third parties (the company's clients) with a value of **23,834,060**.

There are cases filed by third parties against the parent company, amounting to JD **4,728,322**, and most of them are cases related to preventing the company from claiming them.

In the opinion of the company's legal advisor, the above cases are still under consideration and sufficient provisions have been made for them in the records.

There is a case filed by the subsidiary company against a customer with a value of JD **154,080**, and the necessary provisions for it have been booked under the provision for expected credit losses.

18- Related parties transactions

Related parties include key shareholders, key management personnel, key managers, associates and subsidiaries and controlled companies. The company's management has approved the pricing policies and terms of transactions with related parties.

A. Details of due from related parties appear on financial position

	31-Mar-2022			31-Dec-2021
	Company's employees	Others	Total	Total
	JD	JD	JD	JD
			(Reviewed)	(Audited)
Ibn Alhaytham Hospital Company	-	10,280	10,280	10,193
Arab Int'l Food & Factories & Investments Co.	-	2,484	2,484	2,484
Alomana Company for Investment and Portfolio Management	-	144	144	144
University of Applied Sciences Club	-	3,000	3,000	3,000
Total	-	15,908	15,908	15,821
Accounts receivable from financing activities	63,518	-	63,518	65,290
Grand total	63,518	15,908	79,426	81,111

Murabaha rates on receivables from financing activities from related parties range from 5% to 7%.

B. Details of due to related parties appear on financial position

	31-Mar-2022			31-Dec-2021
	Company's employees	Others	Total	Total
	JD	JD	JD	JD
			(Reviewed)	(Audited)
Customers' investment accounts	261,000	603,500	864,500	873,885

The rates of return on investment accounts for clients from related parties range from **3.5%** to **6%**.

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****18- Related parties transactions****B. Details transactions with related parties appear on comprehensive income**

	31-Mar-2022			31-Mar-2021
	Executive management	Company's employees	Other related parties	Total
	JD	JD	JD	JD
Revenues from financing activities	-	769	-	769
Share of customers' investment accounts	2,012	90	-	2,102
				5,818
				94,219

C. Wages , allowances and other benefits for senior excutive managements :

	31-Mar-2022	31-Mar-2021
	JD	JD
Wages & other benefits	85,183	71,734

19- Risk management

The company is exposed in general to financial risks, credit risks, liquidity risks and market risks, especially in light of the Corona pandemic, and in general, the goals and policies of the company in managing the financial risks to which the financial statements are exposed, and they have been disclosed in the financial statements as well as the financial statements of the company as well On **December 31, 2021**.

20- Subsequent events

There are no subsequent events may have material affects to financial position .

21- Comparative figures

Some of the comparative figures have been reclassified to suit the classification of the current fiscal period figures. The reclassification and did not result in any impact on the profit or property rights of the previous year.