



شركة الأمل للإستثمارات المالية
AI -Amal Financial Investment Co



2022

18TH Annual Report

Al-Amal Financial Investments Company

Public Limited Shareholding Co.



شركة الأمل للاستثمارات المالية
Al-Amal Financial Inv. Co

Certified financial broker at the Amman Stock Exchange

18th Annual Report

Financial Statements

as on

31/12/2022



His Majesty King Abdullah II Ibn Al-Hussein



Crown Prince, His Highness Prince Hussein bin Abdullah II

Board of Directors

31/12/2022

- H.E. Mr. Omar Zuheir Abdel Fattah Malhas – Chairman of the Board
- Mr. Ali Hussein Ali Al-Sada – Vice Chairman

Members:

- H.E. Mr. Hussain Hazaa Barakat Al Majali
- Mr. Maan Omar Suleiman Al-Masry
- Mr. Thabet Issa Ayed Alwar
- Mr. Ammar Khaldoun Abdel Fattah Malhas
- Mr. Daa Ahmed Mahmoud Nasser

Auditor

- Ernst and Young

Chairman's Statement

Honorable shareholders,

I am pleased to present the Company's 18th Annual Report that outlines our achievements, financial results, and future plans. Despite the global economic and political conditions that impacted the global money and capital markets, including Jordan, the company was able to achieve satisfactory results during 2022 through proper planning, careful follow up and the adoption of flexible and prudent business practices.

During 2022, Alamal Financial Investment Co. continued with endeavors to collect receivables including carrying out appropriate legal collection procedures aiming at maximizing collections in order to strengthen the financial status, enhance liquidity, improve ability to compete and achieve revenues. At the same time the company captured nearly 1% of the trading volume at Amman Stock Market in 2022. All this reflected positively on the Company's financial performance as net profit before tax amounted to 0.881 million JOD. The Board worked diligently to improve the administrative, organizational, and digital transformation activities of the company.

I would like to thank the Securities Commission and the Amman Financial Market for their important role in managing the capital market diligently, effectively, and efficiently. I also thank the Companies Controller for their continuous efforts.

Sincere thanks to our shareholders and customers for their valuable trust and support. Special appreciation to my fellow members of the Board for their vital role and continued patronage .

May God bless and protect Jordan under the leadership of His Majesty King Abdullah II.

Respectfully yours,

Chairman

Omar Z. Malhas

Company Information

1. A - Main activities

Alamal Financial Investment Company is a broker at the Amman Stock Exchange, for both proprietary and clients. It also trades stocks on margin and can trade on foreign exchanges for clients.

B - Location and Staff

Branch/Office	number of Staff	Location
Main Offices	9	4 th floor, the Commercial Complex - Shmeisani – Amman / Jordan
Board and Administrative Office	-	3 rd floor, the Commercial Complex - Shmeisani – Amman / Jordan
Total	9	

There are no other branches inside or outside Jordan.

C - Capital investments:

The company's capital investments amounted to 2.4 million JOD.

2. There are no affiliates.

3.A. Profile of Board Members

Name	H.E. Mr. Omar Zuheir Abdel Fattah Malhas
Position	Chairman of the Board of Directors
Membership date	28-3-2019
Date and place of birth	Salt – Jordan 30-3-1960
Academic Qualifications	<ul style="list-style-type: none"> • 1991 Masters of Business Administration / International Banking and Finance from the University of Birmingham / UK. • 1982 BA in Business Administration / Economics from the University of Louisiana / USA
Current Board Memberships	<ul style="list-style-type: none"> • Chairman: Credit Card Services Company.
Important positions held	<ul style="list-style-type: none"> • 2015-2018 Minister of Finance. • 2010-2015 General Manager of the Housing Bank / Jordan. • 2009-2010 Head of Banking Group at Housing Bank / Jordan. • 2004-2009 Executive Manager of Treasury and Investment Department at Housing Bank / Jordan.

Name	H.E. Mr. Omar Zuheir Abdel Fattah Malhas
	<ul style="list-style-type: none"> • 2002-2004 Executive Manager at the Foreign Relations and Investment Department at the Housing Bank / Jordan. • 200-2002 Senior Manager at the Alliance Capital Management / Bahrain Office (one of the largest investment institutions in the world). • 1999-2000 Deputy General Manager at Doha Bank / Qatar. • 1998-1999 Executive Manager of Treasury, Investment and Private Banking Services at Doha Bank / Qatar. • 1997-1998 Manager of the International Investments Center at the Housing Bank / Jordan. • 1995-1997 Manager of the Treasury Center at the Housing Bank / Jordan. • 1991-1995 Head of Correspondent Banking and International Banking Operations Unit at Housing Bank / Jordan. • 1988-1990 Head of the Investment Unit at the Housing Bank / Jordan. • 1987-1988 Head of the Foreign Relations and Investment Unit at the Housing Bank / Jordan. • 1986-1987 Member of the Branch Operations Development Group at Housing Bank / Jordan in cooperation with Citibank / New York. • 1985-1986 Staff member in the Foreign Relations Department of the Housing Bank / Jordan. • 1984-1985 Audit Officer at the Housing Bank / Jordan. • 1982-1984 Conscript - Jordan Armed Forces.
<p>Previous board memberships</p>	<ul style="list-style-type: none"> • Member: Al- Tajamouat Company for Tourism Projects (representative of Al-Amal Company for Financial Investments). • Member: Royal Jordanian Airlines • Chairman: The Electricity Distribution Company. • Vice Chairman: The Specialized Leasing Company (a subsidiary of the Housing Bank). • Vice Chairman: Kingdom Group for Investment. • Member: Jordan International Bank / London (a bank affiliated to the Housing Bank). • Member: The International Bank for Trade and Finance / Syria (a bank affiliated to the Housing Bank). • Member: The Housing Bank for Trade and Finance / Algeria (a bank affiliated to the Housing Bank). • Member: International Financial Center / Jordan (a brokerage company affiliated with the Housing Bank). • Member: King Abdullah II Center for Design and Development (KADDB). • Member: Social Security Investment Fund. • Member: Association of Banks in Jordan. • Member: Institute of Banking Studies / Jordan.

Name	Mr. Ali Hussein Ali Al-Sada
Position	Vice Chairman of the Board of Directors
Membership date	28-3-2019
Date of birth	22-1-1962
Academic qualifications	<ul style="list-style-type: none"> • 1984 Bachelor of Islamic Sciences - Qatar University.
Practical experience	<ul style="list-style-type: none"> • From 1998 until now, Member of the Board of Directors and General Manager of Al-Ruwais Real Estate and Investments Company - State of Qatar. • From 2008 until now, a board member and owner of the largest stake in Dlala Brokerage and Investment Company in the Qatar Stock Exchange - Qatar. • From 2008 until now, Vice Chairman of the Board of Directors and founding member of Tharawat Investment House / Kingdom of Bahrain. • From 2008 until now, Chairman of the Executive Committee of Tharawat Investment House / Kingdom of Bahrain • From 2021 until now, a member of the Board of Directors of Suhail Marine Services Company. • 1998-2022 Member of the Board of Directors of Qatar National Bank - State of Qatar. • 1998-2022 Member of the Special Executive Committee of Qatar National Bank - State of Qatar. • One of the major shareholders and investors in the Stock Exchange {Qatar & Dubai & Abu Dhabi}. • Founder of the First Financial Brokerage Company / Syria. • 2006-2021 Member of the Executive Committee of Al-Safwa Financial Services Company / Dubai - UAE. • 2006-2021 Member of the Board of Directors and Founder of Al Safwa Financial Services Company - Dubai - UAE. • Until 2018, Member of the Board of Directors of Ras Al Khaimah Cement Company - UAE. • From 2001 to 1/2019, Member of the Board of Directors of Halul Marine Services Company - State of Qatar. • From 2009 to 2015, Chairman of the Board of Directors of the Syrian Qatari Company for Investment and Development / Syrian Arab Republic.

Name	H. E. Mr. Hussein Hazaa Barakat Al Majali
Position	Member of the Board of Directors
Membership date	19-5-2021
Date of birth	Karak-Jordan 1960
Academic Qualifications	<ul style="list-style-type: none"> • Master's degree in military sciences / Mutah University 2000. • BA in Military Administration / Mutah University 1994. • BA in Political Science / USA 1981.
Important positions held	<ul style="list-style-type: none"> • Minister of Interior from 30/3/2013 to 18/5/2015.

Name	H. E. Mr. Hussein Hazaa Barakat Al Majali
	<ul style="list-style-type: none"> • General / Director of Public Security - from 10/5/2010 till 30/3/2013. • The Kingdom's ambassador to the Kingdom of Bahrain from January 2005 to May 2010. • Major General in the Jordanian Armed Forces on July 1, 2002. • Senior private security officer in the Royal Private Guard. • Military escort of His Highness Prince Mohammed bin Talal. • Commander of the Hamza bin Abdul Muttalib Brigade (Master of the Martyrs), the Royal Guard. • Commander of the Royal Military College. • Land Forces Director - Royal War College.
Decorations and badges	<ul style="list-style-type: none"> • The Order of the Rising Sun (Golden and Silver Star) - awarded to him by His Majesty the Emperor of Japan. • Administrative and technical competence. • Badge and medal badge of the Summit of Accord and Agreement. • Fourth Class Military Merit Medal. • Medal of Independence, first class • Medal of Independence, second degree. • Sincere Service Appreciation Badge. • Training Proficiency Badge. • Leadership competency badge. • Premium Security Badge. • Judicial Police Badge. • Jordan International Center badge.

Name	Mr. Ammar Khaldoun Abdel Fattah Malhas
Position	Member of the Board of Directors
Membership date	28-3-2019
Place and date of birth	Salt – Jordan 8/6/1959
Academic Qualifications	<ul style="list-style-type: none"> • 1981MSc in Structural Engineering from the University of Wisconsin - Milwaukee / America. • 1980Bachelor's in Civil Engineering from the University of Wisconsin - Milwaukee / America.
Practical experiences	<ul style="list-style-type: none"> • 2014 to date Member of the Board of Directors of Al-Hayat Pharmaceutical Industries (Public Shareholding). • 1984 to date, Chairman and Partner of the Jordanian Ammon Construction Company (Limited Liability). • 2008-2011 Member of the Board of Trustees at Franklin University - Lugano / Switzerland • 2008-2010 General Manager and Chairman of the Board of Directors of Ammon Emirates Construction Company / Abu Dhabi - UAE.

Name	Mr. Ammar Khaldoun Abdel Fattah Malhas
	<ul style="list-style-type: none"> • 2003-2006 Member of the Board of Trustees and Chairman of the Buildings Committee at the King's Academy • 2001-2006 Engineering Adviser in the Royal Hashemite Court • Work experience of nearly 40 years in the fields of administration, engineering, and construction

Name	Mr. Maan Omar Suleiman Al-Masry
Position	Member of the Board of Directors
Membership date	28-3-2019
Date of birth	15-9-1958
Academic Qualifications	1974 high school diploma
Practical experiences	1976 till now: Businessman in general trade and building materials.

Name	Mr. Thabet Issa Ayed Alwar
Position	Member of the Board of Directors
Membership date	4-18-2019
Date of birth	February 11, 1957
Academic Qualifications	1980 Bachelor's Degree / Agricultural Machinery Engineering from Oklahoma State University / USA
Current positions	<ul style="list-style-type: none"> • Chairman of the Board of Directors of the First Sabeel Investment Projects Company • The International Water Company (Qatar) • Aqua Investments Company.
Previous Memberships	<ul style="list-style-type: none"> • President of the Investment Authority • Chairman of the Board of Directors of the Zarqa Chamber of Industry • Member of the Board of Directors of the Jordan Chamber of Industry • Member of the Board of Directors / Social Security Corporation • Member of the Board of Directors of the Housing Bank for Trade and Finance • Member - Scientific Research Council / University of Jordan • Member of the Board - Al-Rai Newspaper

Name	Mr. Diaa Ahmed Mahmoud Nasser
Position	Member of the Board of Directors
Membership date	12-1-2020
Date of birth	23-9-1963

Name	Mr. Diaa Ahmed Mahmoud Nasser
Academic degrees	1986 bachelor's degree in business administration / University of Kashmir.
Practical experience	Investment manager in Qatar Bank.

3.B.1 Senior management profile

Name	Mr. Safwat Ismail Ahmad Abu Shammalh
Position	General Manager
Appointment Date	27-4-2021
Date of birth	4-14-1974
Academic Qualifications	<ul style="list-style-type: none"> • 2009 Bachelor of Accounting - University of Petra. • 1994 Diploma in Banking and Financial Sciences - Intermediate University College.
Practical experience	<ul style="list-style-type: none"> • General Manager of Al-Amal Financial Investments Company from 27/4/2021. • Acting General Manager of Al-Amal Financial Investments Company from 1/9/2019-27/4/2021. • Brokerage Manager for Al-Amal Financial Investments Company from 1/1/2012-1/9/2019. • The course of trading in foreign exchanges and currency trading (FOREX) • Qualification course for the Jordanian chartered accountant exam. • 1995 - 2005 Al-Amal Financial Investments Company LLC. • 2005 - until now, a financial broker in Al-Amal Financial Investments Company PJSC. • 1-1-2012 to 1-9-2019 Brokerage Manager at Al-Amal Financial Investments Company Eng. p. • 9-1-2019 to 04-27-2021 Acting General Manager at Al-Amal Financial Investments Company PJSC. • 27-4-2021 General Manager of Al-Amal Financial Investments Co. PJSC

Name	Mr. Moutaz Farouk Sulaiman Alshami
Position	Deputy General Manager
Appointment Date:	2022-2-8
Date of birth	5-11-1982
Academic degrees	Bachelor of Computer Science
Practical experience	<ul style="list-style-type: none"> • Secretary of the Board and Committees from 1/5/2020 • Head of Trading at Al-Amal Financial Investments Co from 1/9/2019. • Certified financial broker.

Name	Samia Mahmoud Suleiman Al-Shahed
Position	Chief Financial Officer
Appointment Date	3-7-2022
Date of birth	8-9-1977
Academic Qualifications	<ul style="list-style-type: none"> • 2007 Master of Accounting from the Arab Academy for Financial and Banking Sciences - Jordan • 1999 Bachelor of Accounting, University of Applied Sciences • JCPA
Practical experience	<ul style="list-style-type: none"> • 12-2021 to 6-2022 Al Bushra Audit & Tax Consultancy Company - Auditor and Accounting Consultant. • 10-2020 to 8-2021 Intisar Al-Kayed Office for Auditing, Tax Consulting and Feasibility Study - Auditor and Accounting Consultant. • 2-2020 to 10-2020 Jordan Association of Certified Public Accountants-Accountant. • 3-2007 to 1-2020 First International Securities Company Financial Manager • 2000-2006 United Financial Investments Company - Financial Manager.

Name	Mrs. madeha Muhammad Ali Bani Saeed
Position	compliance officer
Appointment Date	11-17-2021
Date of birth	1-4-1981
Academic Qualifications	<ul style="list-style-type: none"> • 2003 bachelor's degree in Finance and Banking - Yarmouk University
Practical experience	<ul style="list-style-type: none"> • 3/ 2017 - 9/2018 Department of Statistics • 7/2015 – 5/2016 Sales Executive at Edarah.com

3.B.2 Brief about the names and ranks of the former senior management and an introduction to each of them:

Name	Mr. Faisal Hussain Shehadeh Tarkhan
Position	Chief Financial Officer
Appointment Date:	1-9-2019 – he resigned on February 6 th 2022
Date of birth	11-5-1976
Academic degrees	<ul style="list-style-type: none"> • 1998-2000 master's degree in finance, Banking and Accounting - Arab Academy for Banking and Financial Studies, Amman, Jordan • 1994-1998 BA in Accounting - College of Economics and Administrative Sciences - University of Applied Sciences - Amman – Jordan
Practical experience	<ul style="list-style-type: none"> • 3/2008 - 8/2019 Financial Manager at Al Yasmeen Company for Securities and Investment. • 11/2005 – 3/2008 Financial Manager at Al-Wamid Financial Services and Investment Company.

Name	Mr. Faisal Hussain Shehadeh Tarkhan
	<ul style="list-style-type: none"> • 8/2005 – 11/2005 Customer services in OCADO LIMITED. • 12/2003 – 7/2005 CUCINA EXPRESS. • 8/2001 – 11/2003 K&E ENTERPRISES LTD. • 1/1999 – 1/2001 Financial and Accountant Manager at Al-Aseel Factory. • 5/1998 – 12/1998 Accountant of Al-Nahda Plastic Factory.

Name	Mr. Awad Adel Awad Qura'an
Position	Acting CFO
Appointment Date:	2022/6/14-2022/2/8
Date of birth	2/6/1990
Academic degrees	<ul style="list-style-type: none"> • 2019 master's in accounting / Al Elbait University – Jordan • 2014 bachelor's in accounting / Jadara University – Jordan
Practical experience	<ul style="list-style-type: none"> • Senior Accountant – Nice Card Printing Co. – Dubai, UAE • Senior Accountant – Al-Bajis for Natural Herbs and Honey • Senior Accountant – Fifty- Fifty Restaurants Co.

4. Major shareholders and their holdings compared to the previous year:

S/N	Name	Holdings as at 31/12/2021	Percentage	Holdings as at 31/12/2022	Percentage
1	Ali Hussain Ali Al-Sada	6,901,005	46.007	8,555,741	57.038
2	Badr Ali Hussain Ali Al-Sada	1,220,814	8.139	1,409,290	9.395
3	Abdullah Ali Hussain Ali Al-Sada	1,225,905	8.173	1,223,682	8.158

5. Company's competitive position and its share in the Amman Stock Exchange:

Year	Total trading volume (JOD)	Company's share	ranking among brokers in terms of trading volume
2018	134,126,684	2.90%	7
2019	157,470,679	4.80%	4
2020	43,313,885	1.99%	20
2021	25,866,011	0.64%	37
2022	24,780,038	0.62%	39

6. There is no dependence on specific suppliers or major domestic and external customers who constitute (10%) or more of the total purchases and / or sales.

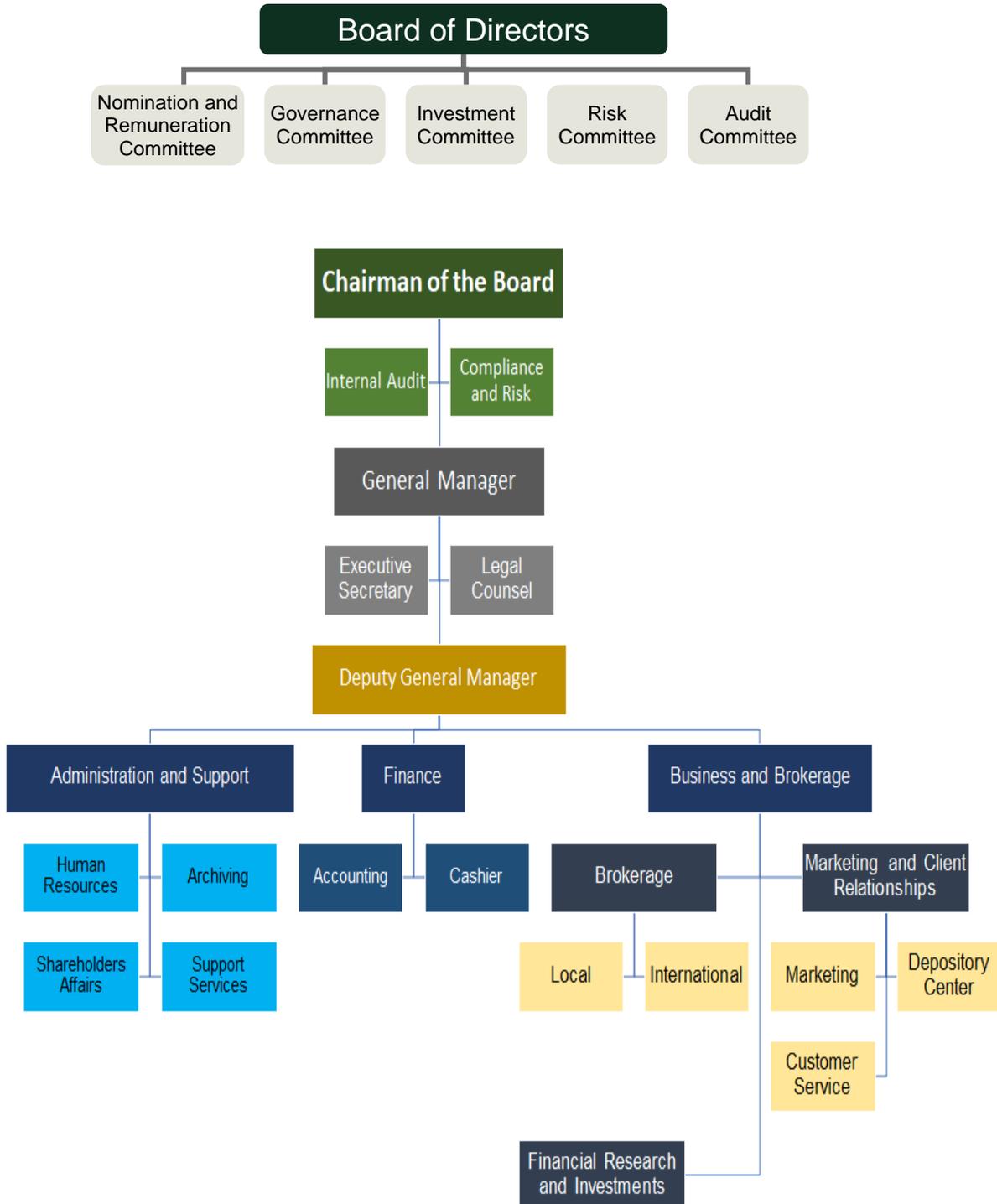
7.A- There is no governmental protection or privileges for the company or any of its products under laws and regulations or others.

B- There are no patents or franchises obtained by the company.

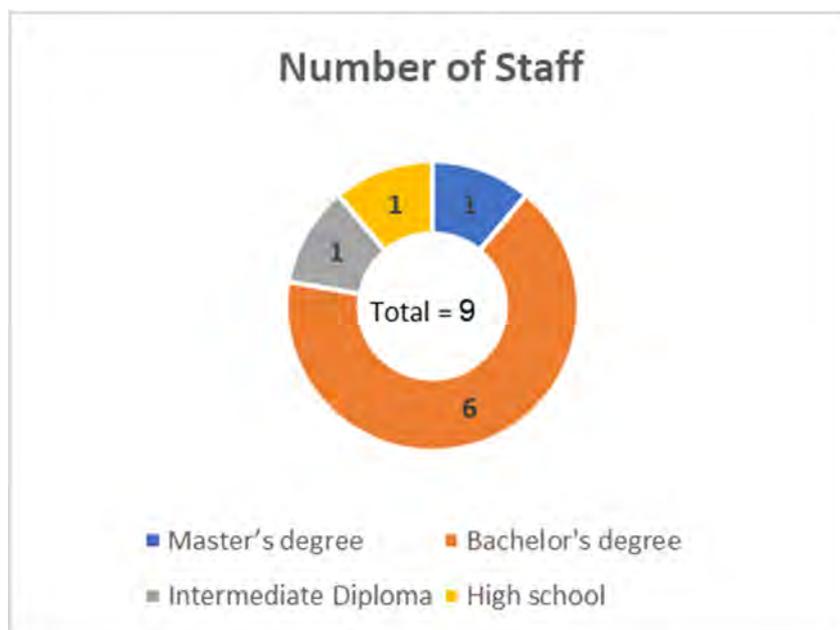
8.A- There are no decisions issued by the government, international organizations, or others that have a financial impact on the company's business, its products, or its competitiveness.

B- International quality standards do not apply to the company.

9.A- Company's organizational structure:



9.B- Number of Staff and academic qualifications:



9.B- Qualification and training programs for company staff:

#	Qualification and Training Programs	Number of Staff
1	Excel in Accounting and Financial Analysis	5
2	A virtual remote training workshop (XBRL electronic disclosure)	2
3	FATCA- Foreign Account Tax Compliance	9
4	Global Financial Compliance	1
5	Combating Financial Crimes	4
6	Trading rules applicable in the Amman Stock Exchange	2
7	Anti-money laundering and terrorist financing requirements in cooperation with the Securities Commission	2
8	Skills of checking and detecting forged signatures and matching them	5

10. Risks that the company may be exposed to during the following fiscal year that may be material are volatility of stock prices and credit risk that may arise due to non-payment by debtors which may cause a fall in available liquidity.

11. Achievements of the company during 2022:

- Improve IT solutions at the company to include:
 - Implement an advanced optical archiving system company wide, and optically archived over one million documents.

- Implement cloud data backup.
 - Implement an electronic bank accounts reconciliation system.
 - Implement advanced trading system limit controls as part of the overall applied risk management standards. This relates to both cash and margin accounts.
 - Electronically link to external databases related to anti-money laundering and anti-terrorist financing, to allow daily monitoring.
 - Further expand service channels by implementing a smart phone electronic trading service (E-Trade) for trading at Amman Financial Market.
- Invest in human capital through numerous training programs. Staff were subjected to 30 training opportunities.
 - Al-Amal strived to collect receivables. Due to this and the ambitious business development plan, diversification of investments and yield enhancements, Al-Amal's net profit before tax amounted to 0.88 million JOD and shareholders' equity amounted to 13.1 million JOD.

12. There were no financial impacts on operations due to non-recurring events in 2022.

13. Time series of profits or losses, shareholders' equity, share price and dividends:

Amounts in JOD

Time Series	2018	2019	2020	2021	2022
Net Profit (Loss)	(761,590)	417,792	781,801	1,353,405	444,408
Dividends	-	-	-	-	-
Shareholders' Equity	10,301,741	10,845,949	11,626,962	12,929,540	13,104,000
Share closing price	0.50	0.67	0.64	1.00	0.95

14. Analysis of the company's financial position and results in 2022:

Data/Ratio	2021	2022
Share Book Value JOD	0.86	0.87
cash ratio %	9.71	13.97
Return on shareholders' equity %	10.47	3.39
Cash to current liabilities ratio	5.97	7.32
Earnings per share JOD	0.09	0.03
Market to book value	1.16	1.10
Price Earnings Ratio	11.10	31.67

The company was listed as a public shareholding company on the Amman Stock Exchange on 4/1/2006.

15. The company's future plan:

2022 proved to be full of challenges, the world went through political and economic fluctuations and events that led to an acceleration in interest rate hikes and inflation rates. These fluctuations and events impacted most world economies, including the Jordanian economy. We still believe that the Jordanian economy is on the right track to recovery and growth, and simultaneously will improve the performance of Amman Financial Market. 2023 will still be full of difficulties, and our future plan was structured to enhance the competitive position of the company and to increase its market share in terms of turnover on Amman Stock Market and diversify its business to include brokerage in international capital markets, propriety book investment management, economic research. The strategic plan has four main pillars:

Financial Pillar:

1. Achieve continuous growth in profits and increase value of shareholders' equity.
2. Improve return on equity.
3. Increase revenues through managing proprietary investments and increase the daily trading turnover.
4. Enhance the efficiency of collection through all available means, including legal proceedings.
5. Rationalization of expenditures in all areas of work.

Market and Customer Pillar:

1. Digital transformation through the continuous development of service channels and increase usage and utilization of such channels.
2. Focus on spot dealing to improve cash flow.
3. Improve marketing efficiency and strengthen relations with clients, and continuously communicate with them in order to meet their needs and expectations as much as possible.
4. Improve the level of customer service.
5. Enhance social responsibility.

Operations Pillar:

1. Develop systems to improve business quality and facilitate services provided to clients and investors and develop and improve efficiency of digital channels.
2. Implement Front, Middle and Back Office systems and integrate them with HR, digital archiving, and call recording systems.
3. Use cloud technology for systems high availability and backup.
4. Continue to improve operating procedures and matrix of authorities to enable development and acceleration of workflow processes.

Human Capital Pillar:

1. Conduct staff training on AML/CFT, compliance, risk, investment management, capital markets and financial analysis.
2. Staff training to improve business skills, communication skills and performance.
3. Implement staff duties and responsibilities to increase quality and efficiency.

16. Audit fees:

Audit fees paid for the financial year ending 2022 was 20,560JOD.

17.A- Number of shares owned by board members as at December 31, 2022 compared to the previous year

S/N	Name	Position	Nationality	Shares				Ownership and names of companies controlled by any of
				31/12/2021		31/12/2022		
				Number	PCT	Number	PCT	
1	H.E. Mr. Omar Zuheir Abdel Fattah Malhas	Chairman	Jordanian	129,000	0.86%	129,300	0.86%	-
2	Mr. Ali Hussain Ali Al-Sada	Vice Chairman	Qatari	6,901,005	46.01%	8,555,741	57.04%	-
3	H.E. Mr. Hussein Hazaa Barakat Al Majali	Member	Jordanian	42,059	0.28%	42,059	0.28%	-
4	Mr. Maan Omar Suleiman Al-Masry	Member	Jordanian	212,725	1.42%	25,000	0.17%	-
5	Mr. Thabet Issa Ayed Alwar	Member	Jordanian	25,000	0.17%	25,000	0.17%	-
6	Mr. Ammar Khaldoun Abdel Fattah Malhas	Member	Jordanian	615,594	4.10%	249,304	1.66%	-
7	Mr. Diaa Ahmed Mahmoud Nasser	Member	Jordanian	393,863	2.63%	393,863	2.63%	-

17.B- Number of shares owned by senior executive management as at December 31, 2022 compared to the previous year

S/N	Name	Position	Nationality	Shares				Ownership and names of companies controlled by any of them
				31/12/2021		31/12/2022		
				Number	PCT	Number	PCT	
1	Mr. Safwat Ismail Ahmad Abu Shammalh	General Manager	Jordanian	-	-	-	-	-
2	Mr. Moutaz Farouk Suleiman Alshami	Deputy General Manager	Jordanian	-	-	-	-	-
3	Mrs. Samia Mahmoud suliman AlShahid	CFO From the date of 3-7-2022	Jordanian	-	-	-	-	-
4	Mrs. madeha Mohammad Ali Bani Saeed	Compliance Officer	Jordanian	-	-	-	-	-

The number of securities owned by former senior management persons during the fiscal year 2022 compared to the previous year:

S/N	Name	Position	Nationality	Shares				Ownership and names of companies controlled by any of them
				31/12/2021		31/12/2022		
				Number	PCT	Number	PCT	
1	Mr. Faisal Hussain Shehadeh Tarkhan	CFO untill 6/2/2022	Jordanian	-	-	-	-	-
2	Mr. Awad Adel Awad Qurran	CFO (Acting) from 8-2-2022 to 14/6/2022	Jordanian	-	-	-	-	-

17.C- Number of securities owned by relatives of members of the Board of Directors and relatives of senior executive management:

- securities owned by Board member relatives.

Name	Position	Nationality	Shares				Ownership and names of companies controlled by any of them
			31/12/2021		31/12/2022		
			Number	PCT	Number	PCT	
Mrs. Maysoon Abdel-Moati Eid Al-Tamimi	The wife of a member of the Board of Directors, Mr. Maan Omar Suleiman Al-Masry	Jordanian	-		100	0	-

- No securities owned by senior management relatives.

D- There are no companies controlled by the Chairman and members of the board of directors and their relatives .

E- There are no companies controlled by senior management persons and their relatives.

18.A- Benefits and bonuses paid to the Chairman and members of the Board of Directors in 2022.

S/N	Name	Position	Annual Benefits and Bonuses JOD				Total
			Total Annual Salaries	Transportation	Bonus	Travel	
1	H.E. Mr. Omar Zuheir Abdel Fattah Malhas	Chairman		115,000			115,000
2	Mr. Ali Hussain Ali Al-Sada	Vice Chairman		9,000			9,000
3	H.E. Mr. Hussein Hazaa Barakat Al Majali	Member		9,000			9,000
4	Mr. Maan Omar Suleiman Al-Masry	Member		9,000			9,000
5	Mr. Thabet Issa Ayed Alwar	Member		9,000			9,000
6	Mr. Ammar Khaldoun Abdel Fattah Malhas	Member		9,000			9,000
7	Mr. Daa Ahmed Mahmoud Nasser	Member		9,000			9,000

18.B- Benefits and bonuses paid to current senior executive management in 2022:

S/N	Name	Position	Annual Salaries, Benefits and Bonuses JOD				Total
			Total Annual Salaries	Transportation	Bonus	Travel	
1	Mr. Safwat Ismail Ahmad Abu Shammalh	General Manager	44,464		25,000		69,464
2	Mr. Moutaz Farouk Suleiman Alshami	Head of Brokerage	21,308		22,400		43,708
3	Mrs. Samia Mahmoud Suliman AlShahid	CFO From the date of 3-7-2022	10,224				10,224
4	Mrs. madeha Mohammad Ali Bani Saeed	Compliance Officer	10,710				10,710

Benefits and bonuses paid to previous senior management who resigned during 2022:

S/N	Name	Position	Annual Salaries, Benefits and Bonuses JOD				Total
			Total Annual Salaries	Transportation	Bonus	Travel	
1	Mr. Faisal Hussain Shehadeh Tarkhan	CFO untill 6-2-2022	3,820		8,400		12,220
2	Mr. Awad Adel Awad Qurran	CFO (Acting) from 8-2-2022 to 14-6-2022	4,000				4,000

19. Donations and grants in 2022:

Donations	Amount JOD
Al al-Bayt University - Ma'raq governaret - Donation to the University's International Cultural Tourism Festival for the year 2022	1,000
Labbaik Ya Watan Charity - Ma'an Governorate - Donation to support poor families in the winter season.	1,500
Total	2,500

20. There are no contracts, projects, or engagements that the issuing company has concluded with subsidiary or affiliate companies, or chairman of the board, or board members, or general manager, or any employee of the company or their relatives.

21. Environment Protection

- In its efforts to transition to a paperless business environment, the company implemented a full state of the art company-wide optical archiving system.
- Recycle papers to contribute to environmental protection.

Corporate Social Responsibility

In addition to the donations outlined in item 19 above, which are part of the Company's CSR efforts, several university students were trained aiming at helping them and serving local communities.

Board of Directors Report on Corporate Governance for the year 2022

A. Details and Information regarding the application and implementation of Corporate Governance rules and regulations.

Based on corporate governance regulations of public shareholding companies, the Board thoroughly believe in full adherence and observation of corporate governance rules and regulations in order to improve performance, enhance disclosure, transparency and preservation of shareholders rights .

The Board implements mandatory governance regulations issued by the Securities Commission in 2017, and along with the Governance Committee work on disclosing information to shareholders and investors in accordance with applicable rules and regulations.

Board's Nominations and Remuneration Committee evaluated the Board's and Committees' performance and disclosed the information to the Governance Department at the Securities Commission

B. Names of current and resigned members of the Board of Directors during the year and status.

Board Member	Position	independent/non-independent	executive/ non-executive	condition
H.E. Mr. Omar Zuheir Abdel Fattah Malhas	Chairman	non-independent	non-executive	Current member
Mr. Ali Hussain Ali Al-Sada	Vice Chairman	non-independent	non-executive	Current member
H.E. Hussein Hazaa Barakat Al Majali	member	non-independent	non-executive	Current member
Mr. Maan Omar Suleiman Al-Masry	member	independent	non-executive	Current member
Mr. Thabet Issa Ayed Alwar	member	independent	non-executive	Current member
Mr. Ammar Khaldoun Abdel Fattah Malhas	member	independent	non-executive	Current member
Mr. Diaa Ahmed Mahmoud Nasser	member	independent	non-executive	Current member

C. Representatives of legal/corporate board members and status.

There were no legal/corporate board members in 2022.

D. Senior management as in 2022-12-31

Name	Position
Mr. Safwat Ismail Ahmad Abu Shammalh	General Manager
Mr. Moutaz Farouk Suleiman Alshami	Deputy General Manager
Mrs. Samia Mahmoud Suliman AlShahid	CFO From the date of 3-7-2022
Mrs. madeha Mohammad Ali Bani Saeed	Complaine Officer

Senior management who resigned in 2022.

Name	Position
Mr. Faisal Hussain Shehadeh Tarkhan	CFO untill 6/2/2022
Mr. Awad Adel Awad Qurran	CFO (Acting) from 8-2-2022 to 14/6/2022

E. Memberships of board members in other public shareholding companies

Name	position	Public Shareholding Company	Status
Mr. Ammar Khaldoun Abdel Fattah Malhas	member	Al Hayat Pharmaceutical Industries	Curent member
H.E. Mr. Omar Zuheir Abdel Fattah Malhas	Member of the Board of Directors (representative of Al-Amal Company for Financial Investments) from 28-4-2021 to 21-6-2022	Al-Tajamouat for Touristic Projects, Plc	Resigned on 21-6-2022

F. Name of the corporate governance liaison officer.

Mr. Moutaz Farouk Suleiman Al Shami.

G. Board of Directors Committees.

- Audit Committee
- Nomination and Remuneration Committee
- Investment Committee
- Governance Committee
- Risk Committee

H. Chairman and members of the Audit Committee and summary of their qualifications.

Chairman of Audit Committee	Mr. Thabet Issa Ayed Alwar
Academic Qualifications	1980 Bachelor's Degree / Agricultural Machinery Engineering from Oklahoma State University / USA
Current positions	<ul style="list-style-type: none"> • Chairman of the Board of Directors of the First Sabeel Investment Projects Company • The International Water Company (Qatar) • Aqua Investments Company.
Previous Memberships	<ul style="list-style-type: none"> • President of the Investment Authority • Chairman of the Board of Directors of the Zarqa Chamber of Industry • Member of the Board of Directors of the Jordan Chamber of Industry

Chairman of Audit Committee	Mr. Thabet Issa Ayed Alwar
	<ul style="list-style-type: none"> • Member of the Board of Directors / Social Security Corporation • Member of the Board of Directors of the Housing Bank for Trade and Finance • Member - Scientific Research Council / University of Jordan • Member of the Board - Al-Rai Newspaper

Member	H. E. Mr. Hussein Hazaa Barakat Al Majali
Academic Qualifications	<ul style="list-style-type: none"> • Master's degree in military sciences / Mutah University 2000. • BA in Military Administration / Mutah University 1994. • BA in Political Science / USA 1981.
Important positions held	<ul style="list-style-type: none"> • Minister of Interior from 30/3/2013 to 18/5/2015. • General / Director of Public Security - from 10/5/2010 till 30/3/2013. • The Kingdom's ambassador to the Kingdom of Bahrain from January 2005 to May 2010. • Major General in the Jordanian Armed Forces on July 1, 2002. • Senior private security officer in the Royal Private Guard. • Military escort of His Highness Prince Mohammed bin Talal. • Commander of the Hamza bin Abdul Muttalib Brigade (Master of the Martyrs), the Royal Guard. • Commander of the Royal Military College. • Land Forces Director - Royal War College.

Member	Mr. Ammar Khaldoun Abdel Fattah Malhas
Academic Qualifications	<ul style="list-style-type: none"> • 1981MSc in Structural Engineering from the University of Wisconsin - Milwaukee / America. • 1980Bachelor's in Civil Engineering from the University of Wisconsin - Milwaukee / America.
Practical experiences	<ul style="list-style-type: none"> • 2014 to date Member of the Board of Directors of Al-Hayat Pharmaceutical Industries (Public Shareholding). • 1984 to date, Chairman and Partner of the Jordanian Ammon Construction Company (Limited Liability). • 2008-2011 Member of the Board of Trustees at Franklin University - Lugano / Switzerland • 2008-2010 General Manager and Chairman of the Board of Directors of Ammon Emirates Construction Company / Abu Dhabi - UAE. • 2003-2006 Member of the Board of Trustees and Chairman of the Buildings Committee at the King's Academy • 2001-2006 Engineering Adviser in the Royal Hashemite Court

Member	Mr. Ammar Khaldoun Abdel Fattah Malhas
	<ul style="list-style-type: none"> Work experience of nearly 40 years in the fields of administration, engineering and construction

I. Name of the Chairman and members of the Nomination and Remuneration Committee, the Investment Committee, the Governance Committee, and the Risk Management Committee.

Nomination and Remuneration Committee

- Mr. Diaan Ahmed Mahmoud Nasser - Chairman of the Committee
- Mr. Maan Omar Suleiman Al-Masry - Member
- H.E. Mr. Omar Zuheir Abdel Fattah Malhas - Member

Investment Committee

- Mr. Diaan Ahmad Mahmoud Nasser - Chairman.
- H.E. Mr. Omar Zuheir Abdel Fattah Malhas - member.
- Mr. Ali Hussain Ali Al-Sada - Member
- Mr. Ammar Khaldoun Abdel Fattah Malhas- Member

Governance Committee

- Mr. Maan Omar Suleiman Al-Masry - Chairman
- Mr. Diaan Ahmad Mahmoud Nasser - Member
- Mr. Ali Hussein Ali Al-Sada - Member

Risk Committee

- Mr. Ammar Khaldoun Abdel Fattah Malhas - Chairman
- H.E. Mr. Hussein Hazaa Barakat Al Majali – Member
- Mr. Thabet Issa Ayed Alwar - Member.

J. The number of meetings of each committee during the year with an indication of the members present.

Audit Committee

7 meetings in 2022

Name	Position	Meeting 1 8\2\2022	Meeting 2 15\3\2022	Meeting 3 27\4\2022	Meeting 4 15\5\2022	Meeting 5 24\7\2022	Meeting 6 9\8\2022	Meeting 7 23\10\2022
Mr. Thabet Issa Ayed Alwar	Chairman	Attended	Attended	Attended	Attended	Attended	Attended	Attended
H.E. Mr. Hussein Hazaa Barakat Al Majali	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ammar Khaldoun Abdel Fattah Malhas	Member	Absent	Attended	Attended	Absent	Attended	Attended	Attended

Nomination and Remuneration

3 meetings in 2022

Name	Position	Meeting 1 2\3\2022	Meeting 2 28\6\2022	Meeting 3 27\12\2022
Mr. Diaan Ahmed Mahmoud Nasser	Chairman	Attended	Attended	Attended
H.E. Mr. Omar Zuheir Abdel Fattah Malhas	Member	Attended	Attended	Attended
Mr. Maan Omar Suleiman Al-Masry	Member	Attended	Attended	Attended

Governance Committee

2 meetings in 2022

Name	Position	Meeting 1 21\6\2022	Meeting 2 27\12\2022
Mr. Maan Omar Suleiman Al-Masry	Chairman	Attended	Attended
Mr. Diaa Ahmed Mahmoud Nasser	Member	Attended	Attended
Mr. Ali Hussain Ali Al-Sada	Member	Attended	Attended

Risk Committee

2 meetings in 2022

Name	Position	Meeting 1 19\6\2022	Meeting 2 29\12\2022
Mr. Ammar Khaldoun Abdel Fattah Malhas	Chairman	Attended	Attended
H.E. Mr. Hussein Hazaa Barakat Al Majali	Member	Attended	Attended
Mr. Thabet Issa Ayed Alwar	Member	Attended	Attended

A. Number of meetings of the audit committee with the external auditor during the year.

Audit Committee held 4 meeting with external auditors during 2022.

B. Number of board meetings during the year and attendance

Board of Directors

6 meetings in 2022

Name	Position	Meeting 1 8\2\2022	Meeting 2 27\4\2022	Meeting 3 24\7\2022	Meeting 4 23\10\2022	Meeting 5 26\12\2022	Meeting 6 28\12\2022
H.E. Mr. Omar Zuheir Abdel Fattah Malhas	Chairman	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ali Hussain Ali Al-Sada	Vice Chairman	Attended	Attended	Attended	Attended	Attended	Attended
H.E. Mr. Hussein Hazaa Barakat Al Majali	member	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Maan Omar Suleiman Al-Masry	member	Attended	Attended	Absent	Attended	Attended	Attended
Mr. Thabet Issa Ayed Alwar	member	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ammar Khaldoun Abdel Fattah Malhas	member	Absent	Attended	Attended	Attended	Attended	Attended
Mr. Diaa Ahmed Mahmoud Nasser	member	Attended	Attended	Absent	Attended	Attended	Attended

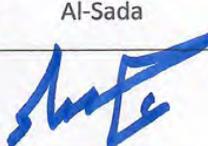
Chairman of the Board of Directors

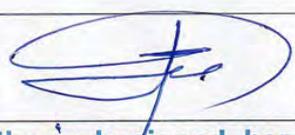
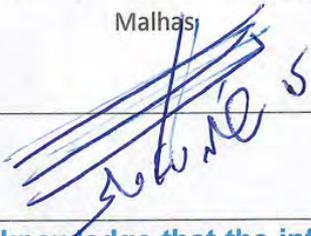
Omar Z. Malhas



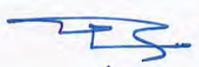
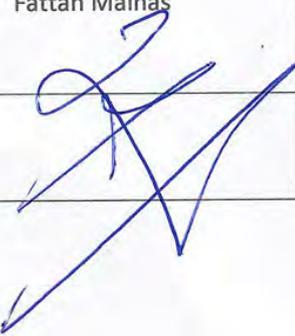
Required Affidavits:

- Aside from receivables due from clients that were not duly collected by the previous management which may fundamentally affect the continuity of the company, the Board acknowledges, within the limits of the information available to it in the company's records, that there are no additional fundamental matters that may affect the company's continuity during the following financial year.
- The Board of Directors acknowledges responsibility for the preparation of financial statements and instating an effective control system in 2022.

Chairman	Vice Chairman	member	member
H.E. Mr. Omar Zuheir Abdel Fattah Malhas	Mr. Ali Hussain Ali Al-Sada	Mr. Maan Omar Suleiman Al-Masry	H.E. Hussein Hazaa Barakat Al Majali
			

member	member	member
Mr. Diaa Ahmed Mahmoud Nasser	Mr. Ammar Khaldun Abdel Fattah Malhas	Mr. Thabeet Issa Ayad Alwar
		

- We, the undersigned, hereby acknowledge that the information and data contained in the 2022 annual report are correct, accurate, and complete.

CFO	General Manager	Chairman
Mrs. Saima Mahmoud Suliman AlShahid	Mr. Safwat Ismail Ahmad Abu Shammalh	H.E. Mr. Omar Zuheir Abdel Fattah Malhas
		

AL AMAL FINANCIAL INVESTMENTS COMPANY

PUBLIC SHAREHOLDING COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Al Amal Financial Investments Company
Public Shareholding Company
Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al Amal Financial Investments Company P.L.C (the Company), which comprise the statement of financial position as at 31 December 2022, and the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

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

1. Adequacy of expected credit losses allowance for trade receivables and margin receivables.	
<p>Key Audit matter</p> <p>Trade receivables are considered significant for the Company, as it represents 27% of the total assets of the Company as of 31 December 2022.</p> <p>The expected credit losses allowance for trade receivables and margin receivables is set based on the Company’s policy which is in line with IFRS (9).</p> <p>The risks related to the accuracy of the booked impairment consist of the use of incorrect information or unrealistic assumptions, these assumptions include determining the recoverability of receivables, which depends on management estimates.</p> <p>The management takes into consideration when preparing these assumptions specific factors including the age of receivables, disputes with customers, collection patterns for previous periods and any other information available about the creditworthiness of the customers. Management uses this information to determine the ECL from customers and whether there is a need to record a provision for receivables either for a specific transaction or for the entire customer balance.</p> <p>Our focus on this matter is as a result of the fact that this provision is based on management’s estimates in this regard, and that the provision to be recorded may have a material impact on the Company’s profits.</p> <p>Trade receivables (Note 4) amounted to JD 2,574,360 and the expected credit losses allowance amounted to JD 2,354,149. Margin receivables (Note 5) amounted to JD 4,522,641 and the expected credit losses allowance amount to JD 1,106,550 as of 31 December 2022.</p> <p>The expected credit loss policy is presented in the accounting policies used in the preparation of these financial statements in (Note 2).</p>	<p>Scope of Audit procedures to Address the key audit matter</p> <p>Audit procedures includes the following:</p> <p>We have read and understood the Company’s policy in estimating provisions compared with the requirements of IFRS (9).</p> <p>We have evaluated the Company’s expected credit loss model, with a special focus on the suitability of the Company’s expected credit losses model and the methodology with the requirements of IFRS (9).</p> <p>We have examined a sample of trade and margin receivables individually, and we have performed the following procedures to assess the below:</p> <ul style="list-style-type: none"> - Evaluate the reasonableness of estimates and assumptions used by the Company’s management in regard to the mechanism used for estimating the allowance expected credit losses. - Examine and compare the market value of customers investment portfolios compared to their book value. - We have tested a sample of key items from trade and margin receivables to assess their recoverability based on management’s estimates. We have also checked whether these balances exceeded the due date and collection date for the customer and if any payments were received after the end of the year up to the date of completing our audit procedures.

Other information included in the AI Amal for Financial Investments Company 2022 annual report.

Other information consists of the information included in The Company's Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary 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.

Auditor's 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 auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 exist, we are required to draw attention in our auditor's 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 auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

The partner in charge of the audit resulting in this auditor's report was Waddah Issam Barkawi; license number 591.

Amman – Jordan
28 February 2023

ERNST & YOUNG
Amman - Jordan

AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022	2021
		JD	JD
<u>ASSETS</u>			
Cash on hand and at banks	3	3,562,335	2,588,093
Trade receivables	4	220,211	2,439,144
Margin receivables	5	3,416,091	2,775,112
Other current assets	6	142,178	160,445
Financial assets at fair value through income	8	3,234,177	1,621,328
Financial assets at fair value through other comprehensive income	8	1,235,166	1,522,128
Investment properties held for sale	14	1,163,995	1,181,449
Property and equipment	7	181,417	203,004
Deferred tax assets	12	434,886	872,278
Total assets		13,590,456	13,362,981
<u>LIABILITIES AND EQUITY</u>			
Liabilities			
Trade payables	9	339,254	183,105
Other current liabilities	10	147,202	243,979
Income tax provision	12	-	6,357
Total liabilities		486,456	433,441
Equity			
Paid in capital	1	15,000,000	15,000,000
Statutory reserve	11	1,975,855	1,887,675
Fair value reserve	8	(494,957)	(226,215)
Accumulated losses		(3,376,898)	(3,731,920)
Net equity		13,104,000	12,929,540
Total liabilities and equity		13,590,456	13,362,981

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them

AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Notes</u>	<u>2022</u> JD	<u>2021</u> JD
Revenues			
Brokerage commissions		75,907	96,304
Margin finance commissions		24,069	5,082
Margin finance interest and interest income		361,081	554,151
Interest income		65,820	51,077
Dividends revenue		85,400	8,386
Other revenue		36,605	1,095
Reversal of provision for expected credit losses	4,5	1,280,004	1,987,243
Gain from revaluation of financial assets at fair value through income		-	261,712
Total revenues		<u>1,928,886</u>	<u>2,965,050</u>
Expenses			
Salaries, wages and benefits		(184,596)	(343,745)
Stock exchange fees		(39,280)	(37,826)
Finance cost		(3,143)	(6,668)
General and administrative expenses	15	(524,421)	(450,097)
Impairment loss on investment properties	14	(9,282)	-
Provision for expected credit losses	4,5	(87,032)	(317,443)
Losses of financial assets at fair value through income		(199,332)	-
Total expenses		<u>(1,047,086)</u>	<u>(1,155,779)</u>
Profit for the year before income tax		881,800	1,809,271
Income tax expense	12	(437,392)	(455,866)
Profit for the year		<u>444,408</u>	<u>1,353,405</u>
		<u>Fils /JD</u>	<u>Fils /JD</u>
Basic and diluted earnings per share from profit for the year	21	<u>0/030</u>	<u>0/09</u>

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them

AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>2022</u>	<u>2021</u>
	JD	JD
Profit for the year	444,408	1,353,405
Add: Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods		
Unrealized losses on revaluation of financial assets at fair value through other comprehensive income	<u>(269,948)</u>	<u>(50,827)</u>
Total comprehensive income for the year	<u><u>174,460</u></u>	<u><u>1,302,578</u></u>

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them

FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)
CHANGES IN EQUITY
ENDED 31 DECEMBER 2022

	Paid in capital	Statutory reserve	Fair value reserve	Accumulated losses
	JD	JD	JD	JD
As of 1 January 2022	15,000,000	1,887,675	(226,215)	(3,731,920)
Comprehensive income for the year	-	-	(269,948)	444,408
From the sale of financial assets	-	-	1,206	(1,206)
From comprehensive income (Note 12)	-	88,180	-	(88,180)
As of 31 December 2022	<u>15,000,000</u>	<u>1,975,855</u>	<u>(494,957)</u>	<u>(3,376,898)</u>
As of 1 January 2021	15,000,000	1,706,748	(177,439)	(4,902,347)
Comprehensive income for the year	-	-	(50,827)	1,353,405
From the sale of financial assets	-	-	2,051	(2,051)
From comprehensive income	-	180,927	-	(180,927)
As of 31 December 2021	<u>15,000,000</u>	<u>1,887,675</u>	<u>(226,215)</u>	<u>(3,731,920)</u>

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them

AL AMAL FINANCIAL INVESTMENTS COMPANY (PUBLIC SHAREHOLDING COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 JD	2021 JD
<u>Operating Activities</u>			
Profit for the year before income tax		881,800	1,809,271
Adjustments for -			
Reversal of provision for expected credit losses	4,5	(1,192,972)	(1,669,800)
Depreciation	7,14	55,686	29,225
Bank fees and commissions		3,143	6,668
Loss on disposal of property and equipment		-	7,180
Losses (gains) from revaluation of financial assets at fair value through income		199,332	(261,712)
Dividends revenue		(85,400)	(8,386)
Margin finance interest income		(361,081)	(554,151)
Interest Income		(65,820)	(51,077)
Impairment loss on investment properties	14	9,282	-
Working capital changes -			
Change of customers' accounts		(133,640)	80,866
Margin receivables		130,166	(54,191)
Trade receivables		2,640,760	2,569,824
Other current assets		18,267	(21,400)
Trade payables		156,149	(184,593)
Other current liabilities		(96,777)	93,068
Income tax paid	12	(6,357)	(60,506)
Net cash flows from operating activities		2,152,538	1,730,286
<u>Investing Activities</u>			
Purchases of property and equipment	7	(25,927)	(69,789)
Proceeds from sale of property and equipment		-	2,666
Investment properties held for sale		-	(47,513)
Margin finance interest income received		361,081	554,151
Interest income received		65,820	51,077
Dividends received		85,400	8,386
Proceeds from sale of financial assets at fair value through income		-	241,011
Proceeds from sale of investments at fair value through the statement of other comprehensive income		17,014	4,950
Purchases of financial assets at fair value through the statement of other comprehensive income		-	(1,059,994)
Purchases of financial assets at fair value through income		(1,812,181)	(1,229,685)
Net cash flows used in investing activities		(1,308,793)	(1,544,740)
<u>Financing Activities</u>			
Bank fees and commissions		(3,143)	(6,668)
Net cash flows used in financing activities		(3,143)	(6,668)
Net increase in cash and cash equivalent		840,602	178,878
Cash and cash equivalent at the beginning of the year		2,384,960	2,206,082
Cash and cash equivalent at the end of the year	3	3,225,562	2,384,960

The accompanying notes from 1 to 23 are part of these financial statements and should be read with them

1- General

Al-Amal Financial Investments Company (“the Company”) is a Jordanian Public Shareholding Company registered on 17 October 2005 under commercial registration number (370) after the change of its legal form, from a Limited Liability Company to a Public Shareholding Company. The Company’s paid in capital is JD 15,000,000 divided into 15,000,000 shares; with a par value of one JD per share.

The main activities of the Company are to perform commission brokerage business, dealing with securities for its own account, providing financial consulting, leasing and mortgage of movable and immovable assets for the purposes of achieving the Company’s objectives, borrowing from banks, buying, renting, pledging and importing any of movable and immovable assets or any rights or privileges deemed necessary by the Company or suitable for their purposes, including land, building, machinery, means of transport or goods and to establish, assess, act and make necessary changes when necessary or appropriate for the purposes and objectives of the Company.

The financial statements were approved by the board of directors on 19 February 2023.

The Company’s headquarter is located in Amman, Housing Bank Complex, Queen Noor Street.

2- Accounting Policies

(2-1) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through income that have been measured at fair value on the date of the financial statements.

The financial statements are presented in Jordanian Dinar, which represents the functional currency of the Company.

(2-2) Significant accounting policies:

Changes in accounting policies

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

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

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

These amendments had no material impact on the company.

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

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

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

These amendments had no material impact on the company.

IFRS 9 Financial Instruments – Fees in the ‘10 percent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that the company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the company.

(2-3) Accounting Policies

Trade Receivables and Margin Receivables -

Trade and margin receivables are stated at original invoice amount less an allowance for any expected credit losses. The expected credit losses are calculated using the simplified method in accordance to IFRS 9.

Property and Equipment -

Property and equipment are stated at cost less accumulated depreciation. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income.

Property and equipment are depreciated using the straight-line method according to the estimated useful life of assets as follows:

	<u>Annual depreciation rate</u>
Furniture and fixture	10%
Tools and equipment	15%
Decorations	20%
Computer software	25%

When the recoverable amounts of any property and equipment is less than its net book value, its value is reduced to the recoverable amount and the lowest value is recorded in the statement of income.

The useful life of the property and equipment is reviewed at the end of each year, if the expected useful life differs from the previously established estimates, the change in estimate is recorded and accounted for on prospective basis.

Projects in progress -

Projects in progress are stated at cost less impairment of value, if any. Cost includes the cost of construction, equipments and other direct costs. Projects in progress are not depreciated until they are completed or substantially completed and become ready for use after which they are transferred to property and equipment or investment properties.

Accounts payable and Accruals -

The liabilities for future reimbursable amounts are recognized for goods and services received whether or not claimed by the supplier.

Provisions -

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Income tax -

Tax expense represents the taxes payable.

Current income tax is calculated based on the tax rates and laws that are applicable at the statement of financial position date. As the declared profits include non-taxable income or expenses that are not deductible in the fiscal year but in subsequent years, or items that are not subject or deductible for tax purposes.

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and tax losses and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Revenue Recognition -

The Company conducts brokerage activities and financial services, where the revenue is generated at the date of trading, which reflects the required revenue recognition criteria in accordance with IFRS 15.

Interest revenue is recognized on a time basis, by reference to the outstanding principal balance.

Other revenues are recognized on an accrual basis.

Financial assets at fair value through the statement of other comprehensive income -

These financial assets represent Investments in equity instruments for the purpose of long-term retention.

These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the statement of comprehensive income within equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets. In case those assets – or part of them – were sold, the resultant gain or loss is recorded in the statement of comprehensive income within equity and the fair value reserve for the sold assets is directly transferred to the retained earnings and not through the statement of profit or loss.

These financial assets are no longer subject to impairment testing except for classifying debt instruments as financial assets at fair value through other comprehensive income and the impairment loss is measured according to expected credit loss.

Dividends are recognized in the statement of income.

Financial assets at fair value through income -

These assets represent investments in equity instruments for the purpose of profiting from price changes in those stocks.

These assets are recognized upon purchase at fair value in addition to acquisition costs, and subsequently re-valued at fair value.

Financial assets at fair value through income are recorded in the statement of financial position at fair value. The change at fair value is recognized in the income statement.

Dividend income from equity instruments at fair value through income statement is recognized as revenue when the right to payment is established.

Impairment of financial assets -

An overview of expected credit losses

The adoption of IFRS (9) has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach as of January 1, 2019.

Calculation of expected credit losses

The Company has applied the simplified approach of the standard for recording expected credit losses on all financial assets exposed to credit risk and calculating the expected credit loss over the maturity period of these assets. The company prepared a study based on historical experience of credit loss, taking into consideration future factors of debtors and the economic environment.

The financial assets of the company consist of balances and deposits with banks with a credit rating listed within an investment rating (good and very good) classified by accredited investment risk rating agencies, and accordingly, the balances and deposits with banks are considered to have low credit risks. Thus, credit losses for these accounts are measured every 12 months or the maturity date, whichever is earlier. In addition to customers' receivables, which are classified through the company's internal classification system, where credit losses are calculated for good receivables every 12 months and for doubtful receivables over the maturity period of these receivables.

Impairment of non-financial assets -

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Foreign Currency -

Transactions in currencies other than JOD (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary financial assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined and declared by the central bank of Jordan.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Gains or losses that resulted from the retranslation of the foreign currencies are recognized in statement of income.

Exchange differences that resulted from the retranslation of the Non-monetary assets and liabilities (such as shares) are recorded as a change of the fair value.

Cash and Cash Equivalent –

Cash and cash equivalent represent cash on hand and at banks and financial institutions that are due within a three-month period.

Offsetting –

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

Investments properties –

Investments properties are measured at cost after deducting the accumulated depreciation (except for lands). Gains or losses arising from changes in the fair values of investments properties are included in the statement of income in the period in which they arise. Operating revenues or expenses for these investments are recorded in the statement of income.

Fair value -

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the date of financial statements.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Company needs to acquire opportunities to access the active market or the best fit market.

The Company measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Company uses valuation techniques that are appropriate and commensurate with the circumstances and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable and minimizes the use of inputs that are not directly observed.

The Company uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Company classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

Current vs Non-current

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

An asset is classified as current when it is:

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

Other assets classified as non-current asset. A liability is current when:

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

Other liabilities classified as non-current liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(2-4) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in other comprehensive income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

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Management believes that the assessments adopted in the financial statements are reasonable, the main estimates were as follows:

- Expected credit loss: Requires the Company's management to determine the expected credit loss for all accounts receivable through establishing significant decisions to estimate future cash flow amounts and duration, in addition to any substantial increase in the credit risk of financial assets after initial recognition. Furthermore, taking into consideration information for future measurement of expected credit losses.
- Income tax provision: Income tax expense for the year is calculated in accordance with the applicable laws, regulations and accounting standards, in addition to calculating the required deferred tax assets, liabilities and income tax provision.
- Useful life of property and equipment: Management periodically reassesses the economic useful lives of tangible assets for the purpose of calculating annual depreciation based on the general status of these assets and the assessment of their useful economic lives expected in the future. Impairment loss (if any) is taken to the statement of income.

3- Cash on hand and at banks

	<u>2022</u>	<u>2021</u>
	JD	JD
Cash on hand	-	48
Bank balances – Current accounts	450,562	1,359,912
Bank balances – Customers' accounts	336,773	203,133
Bank balances – Deposits*	2,750,000	1,000,000
Brokerage guarantee fund deposit **	<u>25,000</u>	<u>25,000</u>
	<u>3,562,335</u>	<u>2,588,093</u>

* This account represents deposits with Jordan Commercial Bank in Jordanian dinars which the Company holds on a monthly basis depending to the Company's cash needs. The annual interest rate on these deposits was 3.7% for the year ending 31 December 2022 (31 December 2021: 3.5%).

** This account represents the value of the cash contribution paid by the Company as a financial broker in the Amman Stock Exchange to the settlement guarantee fund in accordance with the Fund's bylaws for the year 2004, which is based on the provisions of Article (90) of the securities Law No. (76) of 2002 which aims to:

- a. Cover the cash deficit of the fund's buyer member for securities.
- b. Cover the deficit in the balance of securities that appears to the member of the seller fund as a result of the trade securities in the market.

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The Fund shall at the end of every three months, recalculate the cash contribution amount for each Broker in accordance with the Fund's bylaws, whereby the difference between the Fund and the Broker (if applicable) shall be settled by either increasing, decreasing, or maintaining the Fund's balance as unchanged.

The Cash and cash equivalents as at 31 December 2022 and 2021 and as shown in statement of cash flows represents cash on hand and at banks balance after deducting customers' accounts balance as follows:

	<u>2022</u>	<u>2021</u>
	JD	JD
Cash and cash equivalent at the end of the year	3,562,335	2,588,093
Bank balances – Customers' accounts	<u>(336,773)</u>	<u>(203,133)</u>
Net cash and cash equivalents in the statement of cash flows	<u>3,225,562</u>	<u>2,384,960</u>

4- Trade receivables

	<u>2022</u>	<u>2021</u>
	JD	JD
Trade and brokerage receivables	2,574,360	4,060,799
Amounts due from related parties (Note 13)	<u>-</u>	<u>1,210,140</u>
	2,574,360	5,270,939
Less: Provision for expected credit losses *	<u>(2,354,149)</u>	<u>(2,831,795)</u>
	<u>220,211</u>	<u>2,439,144</u>

* Movement on the provision for expected credit losses is as follows:

	<u>2022</u>	<u>2021</u>
	JD	JD
Balance at 1 January	2,831,795	4,535,342
Allowance for the year	10,859	258,863
Reversals during the year	(432,686)	(1,962,410)
Write-off	<u>(55,819)</u>	<u>-</u>
Balance at 31 December	<u>2,354,149</u>	<u>2,831,795</u>

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Trade receivables aging is as follows:

	1 – 30 days	31 – 90 days	91 - 360 days	More than 360 days	Total
	JD	JD	JD	JD	JD
31 December 2022	20,255	8,516	155,586	35,854	220,211
31 December 2021	10,247	6,404	525,166	1,897,327	2,439,144

The Company's management expect to collect all receivables. The receivables balances re-covered by the customers' investment portfolios.

5- Margin receivables

	2022	2021
	JD	JD
Margin receivables	3,111,133	4,975,412
Due from related parties (Note 13)	1,411,508	-
	4,522,641	4,975,412
Less: Provision for expected credit losses*	(1,106,550)	(2,200,300)
	<u>3,416,091</u>	<u>2,775,112</u>

* Movement on the provision for expected credit losses related to margin receivables is as follows:

	2022	2021
	JD	JD
Balance at 1 January	2,200,300	2,166,553
Allowance for the year	76,173	58,580
Reversals during the year	(847,318)	(24,833)
Write-off	(322,605)	-
Balance at 31 December	<u>1,106,550</u>	<u>2,200,300</u>

6- Other current assets

	2022	2021
	JD	JD
Bank guarantees (Note 16)	97,400	91,400
Prepaid expenses	26,349	26,780
Other debit balances	31,760	37,320
Trading settlement – Securities Depository Center	-	4,945
Income tax receivables	8,075	-
Less: Provision for expected credit losses against other current assets	(21,406)	-
	<u>142,178</u>	<u>160,445</u>

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* Movement on the provision for expected credit losses related to the other assets is as follows:

	<u>2022</u> JD	<u>2021</u> JD
Balance at 1 January	-	-
Additions during the year (note 15)	<u>21,406</u>	<u>-</u>
Balance at 31 December	<u>21,406</u>	<u>-</u>

7- Property and equipment

	Furniture and fixtures	Tools and equipment	Decorations	Computer Software	Projects In Progress	Total
	JD	JD	JD	JD	JD	JD
2022-						
Cost						
Balance at 1 January 2022	26,425	57,121	68,909	116,002	-	268,457
Additions	<u>-</u>	<u>776</u>	<u>1,501</u>	<u>11,300</u>	<u>12,350</u>	<u>25,927</u>
Balance at 31 December 2022	<u>26,425</u>	<u>57,897</u>	<u>70,410</u>	<u>127,302</u>	<u>12,350</u>	<u>294,384</u>
Accumulated Depreciation						
Balance at 1 January 2022	3,473	10,668	10,929	40,383	-	65,453
Depreciation for the year	<u>2,581</u>	<u>8,392</u>	<u>13,882</u>	<u>22,659</u>	<u>-</u>	<u>47,514</u>
Balance at 31 December 2022	<u>6,054</u>	<u>19,060</u>	<u>24,811</u>	<u>63,042</u>	<u>-</u>	<u>112,967</u>
Net book value as of 31 December 2022	<u>20,371</u>	<u>38,837</u>	<u>45,599</u>	<u>64,260</u>	<u>12,350</u>	<u>181,417</u>
2021-						
Cost						
Balance at 1 January 2021	64,556	122,573	89,440	111,172	-	387,741
Additions	4,614	13,712	46,633	4,830	-	69,789
Disposals	<u>(42,745)</u>	<u>(79,164)</u>	<u>(67,164)</u>	<u>-</u>	<u>-</u>	<u>(189,073)</u>
Balance at 31 December 2021	<u>26,425</u>	<u>57,121</u>	<u>68,909</u>	<u>116,002</u>	<u>-</u>	<u>268,457</u>
Accumulated Depreciation						
Balance at 1 January 2021	42,987	79,576	65,279	29,655	-	217,497
Depreciation for the year	1,989	5,687	8,779	10,728	-	27,183
Disposals	<u>(41,503)</u>	<u>(74,595)</u>	<u>(63,129)</u>	<u>-</u>	<u>-</u>	<u>(179,227)</u>
Balance at 31 December 2021	<u>3,473</u>	<u>10,668</u>	<u>10,929</u>	<u>40,383</u>	<u>-</u>	<u>65,453</u>
Net book value as of 31 December 2021	<u>22,952</u>	<u>46,453</u>	<u>57,980</u>	<u>75,619</u>	<u>-</u>	<u>203,004</u>

8- Investments in financial assets

This account represents the Company's investments in financial assets, either for the purpose of benefiting from the price changes of these investments, and thus they are classified as financial assets at fair value through income or for the purpose of long-term retention and not for the purposes of trading, and therefore they are classified as financial assets at fair value through other comprehensive income. The details of these investments according to their classification are as follows:

Financial assets at fair value through income

	<u>2022</u>	<u>2021</u>
	JD	JD
Investment in SPDR S&P 500 Trust EFT (Quoted)	1,464,336	684,560
Investment in Jordan Ahli Bank (Quoted)	1,070,000	936,768
Investment in Capital Bank of Jordan (Quoted)	497,870	-
Investment in Bank al Etihad (Quoted)	201,971	-
	<u>3,234,177</u>	<u>1,621,328</u>

The company has not recorded any realized income from financial assets at fair value through income during the year ended 2022. The unrealized loss from revaluation amounted to JD 199,332.

Financial assets at fair value through other comprehensive Income

	<u>2022</u>	<u>2021</u>
	JD	JD
Investment in Med Gulf for Insurance Company (Quoted)	190,380	310,295
Investment in Credit Card Services Company PSC (Unquoted)	609,786	625,000
Investment in Al- Tajamouat for Touristic Projects Company (Quoted)	435,000	585,000
Investment in United Iron and Steel Company (Quoted)	-	1,833
	<u>1,235,166</u>	<u>1,522,128</u>

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The details of the movement on the fair value reserve are as follows:

	Balance as of 1 January 2022 JD	Change in fair value JD	Transferred to accumulated losses JD	Balance as of 31 December 2022 JD
Al- Tajamouat for Touristic Projects Company	52,120	(150,000)	-	(97,880)
United Iron and Steel Company	(463)	(332)	795	-
Investment in Med Gulf for Insurance Company	(277,872)	(119,616)	411	(397,077)
	<u>(226,215)</u>	<u>(269,948)</u>	<u>1,206</u>	<u>(494,957)</u>

9- Trade payables

	2022 JD	2021 JD
Trade payables	335,351	183,105
Due to related parties (Note 13)	3,903	-
	<u>339,254</u>	<u>183,105</u>

10- Other current liabilities

	2022 JD	2021 JD
Shareholders' profit deposit	128,571	132,925
Trading settlement – Securities Depository Center	11,204	-
Returns of capital increase subscriptions deposits	4,098	4,098
Outstanding Checks	3,329	-
Accrued bonuses	-	100,000
Provisions for BOD remuneration	-	2,083
Jordanian Universities' fees	-	4,873
	<u>147,202</u>	<u>243,979</u>

11- Statutory reserve

As required by the Jordanian Companies' Law 10%, of the profit before income tax is transferred to statutory reserve. The statutory reserve is not available for distribution to the shareholders.

12- Income tax

The Company calculated the Income tax provision and deferred tax effect for the years ending on 31 December 2022 and 2021 in accordance with the Jordanian Income Tax Law No. (34) for the year 2014 and its related amendments in 2018 at an income tax rate of 24% and 4% national contribution.

- Income tax expense:

	<u>2022</u>	<u>2021</u>
	JD	JD
Income tax expense for the year	-	10,596
Effect of deferred tax assets	<u>437,392</u>	<u>445,270</u>
	<u>437,392</u>	<u>455,866</u>

- Income tax provision

The movement on the income tax provision is as follows:

	<u>2022</u>	<u>2021</u>
	JD	JD
Balance at 1 January	6,357	56,267
Income tax paid	(6,357)	(60,506)
Income tax expense for the year	<u>-</u>	<u>10,596</u>
Balance at 31 December	<u>-</u>	<u>6,357</u>

The reconciliation between accounting profit and taxable profit is as follows:

	<u>2022</u>	<u>2021</u>
	JD	JD
Accounting profit	881,800	1,809,271
Tax un-deductible expenses	6,971	37,843
Net provisions	(1,192,972)	(1,669,800)
Unrealized gains from revaluation of financial assets	-	(137,420)
Unrealized losses from revaluation of financial assets	199,332	-
Impairment of investment properties	9,282	-
Less: Realized loss from sale of financial assets	<u>(1,206)</u>	<u>(2,051)</u>
Total taxable income	<u>-</u>	<u>37,843</u>
Income tax expense	-	10,596
Impact of deferred tax assets	<u>437,392</u>	<u>445,270</u>
Income tax in the income statement	<u>437,392</u>	<u>455,866</u>
Effective tax rate	50%	25%
Statutory tax rate	28%	28%

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- **The movement on the deferred tax assets is as follows:**

	<u>2022</u>	<u>2021</u>
	JD	JD
Balance as of 1 January *	872,278	1,317,548
Recovered during the year	<u>(437,392)</u>	<u>(445,270)</u>
Balance as of 31 December	<u>434,886</u>	<u>872,278</u>

* Deferred tax assets are calculated at 28% on the provision for expected credit losses.

The Company reached a final settlement with the Income and Sales Tax Department until the year 2020.

The Company has submitted its income tax return until the year 2021 and it is still not reviewed by the Income Tax Department until the date of these financial statements. In the opinion of the management and the tax consultant the provision is adequate.

13- Transactions with related parties

Related parties represent major shareholders, directors and key management personnel of the Company, and other related parties and entities controlled by major shareholders. pricing policies and terms of the transactions with related parties are approved by the Company's management.

Below is a summary of balances and transactions with related parties included in the statement of financial position:

	<u>2022</u>	<u>2021</u>
	JD	JD
Trade Receivables - Major shareholders of the Company (Note 4) *	<u>-</u>	<u>1,210,140</u>
Margin Receivables- Major shareholders of the Company, directors and other related parties (Note 5) *	<u>1,411,508</u>	<u>-</u>
Trade Payables- Major shareholders of the Company, directors and other related parties (Note 9)	<u>3,903</u>	<u>-</u>

* During the first quarter of 2022, the company signed a margin financing agreement with three major shareholders and accordingly the amounts due from the shareholders were transferred to margin financing accounts. According to the agreement, the company is entitled to an interest rate of 8% on these receivables.

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Following is a summary of transactions with related parties included in the statement of Income:

Total trading volume and commission for related parties dealt with during the year:

	<u>2022</u> JD	<u>2021</u> JD
Total trading volume - Major shareholders of the Company	7,566,327	7,394,348
Total commission - Major shareholders of the Company	30,737	29,834
Margin finance interest income- Major shareholders of the Company	89,376	-

During the year, the Company recorded the following benefits and allowances for the members of the Board of Directors:

	<u>2022</u> JD	<u>2021</u> JD
Transportation allowance for members of the Board of Directors (Note 15)	<u>144,000</u>	<u>60,000</u>

During the year, the company recorded the following salaries and bonuses for the members of the executive management:

	<u>2022</u> JD	<u>2021</u> JD
Executive Management salaries and remuneration	<u>81,501</u>	<u>73,868</u>

14- Investment Properties Held for Sale

During the year 2021, the Company reached to an agreement with one of the customers to settle the amounts due from this customer with a total amount of JD 1,333,181, by providing the Company with land and buildings as part of the settlement agreement and after obtaining a valuation for these properties at that date. Based on external valuations from independent valuers, the carrying values of investments properties amounted to JD 1,275,716 as at 31 December 2022, while the net book value amounted to JD 1,163,995.

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	Buildings	Land	Total
	JD	JD	JD
2022-			
Cost			
Balance at 1 January 2022	272,395	911,096	1,183,491
Additions	-	-	-
Balance at 31 December 2022	<u>272,395</u>	<u>911,096</u>	<u>1,183,491</u>
Accumulated Depreciation and impairment			
Balance at 1 January 2022	2,042	-	2,042
Depreciation for the year	8,172	-	8,172
Impairment of investment properties held for sale	9,282	-	9,282
Balance at 31 December 2022	<u>19,496</u>	<u>-</u>	<u>19,496</u>
2021-			
Cost			
Balance at 1 January 2021	-	-	-
Additions	272,395	911,096	1,183,491
Balance at 31 December 2021	<u>272,395</u>	<u>911,096</u>	<u>1,183,491</u>
Accumulated Depreciation			
Balance at 1 January 2021	-	-	-
Depreciation for the year	2,042	-	2,042
Balance at 31 December 2021	<u>2,042</u>	<u>-</u>	<u>2,042</u>
Net book value as of 31 December 2022	<u>252,899</u>	<u>911,096</u>	<u>1,163,995</u>
Net book value as of 31 December 2021	<u>270,353</u>	<u>911,096</u>	<u>1,181,449</u>

15- General and administrative expenses

	<u>2022</u>	<u>2021</u>
	JD	JD
Professional and consulting fees	160,419	118,757
BOD transportation (Note 13)	144,000	60,000
Depreciation (Note 7,14)	55,686	29,225
Rent	39,581	42,247
Computer hardware & software maintenance	22,292	15,990
Provision for expected credit losses against other current assets (Note 6)	21,406	-
Miscellaneous and other expenses	19,788	12,809
Health insurance	12,528	19,143
Electricity, water, and telephone	12,185	20,748
Cleaning fees	10,487	10,631
Employees' bonuses and rewards	8,566	102,510
Tax penalties	6,971	-
Hospitality	4,448	1,969
Maintenance and fuel	2,435	2,951
Licenses and subscriptions fees	1,853	1,974
Stationery and supplies	1,776	3,963
Loss from sale of property and equipment	-	7,180
	<u>524,421</u>	<u>450,097</u>

16- Contingent liabilities

The Company at the date of the financial statements has liabilities that may arise, which include:

	<u>2022</u>	<u>2021</u>
	JD	JD
Bank guarantees	<u>712,000</u>	<u>672,000</u>
Deposit securities (Note 6)	<u>97,400</u>	<u>91,400</u>

Litigations against the Company by others:

The Company is a defendant in several lawsuits as of 31 December 2022 amounting to JD 12,000 (2021: JD 35,370). The Company's management has analysed the risks related to these issues and their likelihood of occurrence. Accordingly, the Company has taken the necessary provisions. In the opinion of the management and its legal advisor, the provisions taken are sufficient to meet any of these obligations.

17- Fair Value Hierarchy

Fair value of financial assets for the company and determined by the fair value continuously

Some of the company's financial assets are valued at fair value at the end of each financial period, and the following table shows information on how to determine the fair value of these financial assets (valuation methods and inputs used).

Level 1: The market prices announced in the active markets of the same financial instruments.

Level 2: Valuation methods based on inputs that affect the fair value and can be observed directly or indirectly in the market.

Level 3: Valuation techniques that are based on inputs that affect the fair value and are not directly or indirectly observable in the market.

	Fair Value		Fair Value Hierarchy
	31	31	
	December 2022	December 2021	
	JD	JD	
Financial Assets at Fair Value:			
Financial Assets at fair value through other comprehensive income	625,380	897,128	Level 1
Financial Assets at fair value through other comprehensive income	609,786	625,000	Level 3
Financial assets at fair value through income	3,234,177	1,621,328	Level 1
Total Financial Assets at Fair Value	4,469,343	3,143,456	

18- Risk Management

Interest-rate Risk

Interest-rate risks are the risks that result from fluctuations in fair value or future cash flows of financial instruments caused by changes in the interest rates.

The Company is exposed to interest-rate risks on its assets and liabilities that carry interest such as bank deposits and margin receivables.

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The sensitivity of the income statement is the effect of the possible changes in interest rates on a Company's profit for one year, and it is calculated on financial assets and liabilities that carry a variable interest rate as at 31 December 2022.

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

	<u>Change in interest rate</u>	<u>Effect on profit for the year</u>
2022-	Basis points	JD
Jordanian Dinar	100	61,661
2021-		
Jordanian Dinar	100	37,751

Credit risk

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

The Company believes that it is not exposed to a large degree of credit risk, as it sets a credit limit for clients of margin trading accounts to not exceeding 1,000,000 Jordanian Dinar per account, and this is monitored constantly. The maintenance margin for these accounts is more than 20%, which is the minimum maintenance margin as per Jordan Securities Commission instructions. The Company also maintains balances and deposits with leading banking institutions.

Currency Risk

Currency risk All of the Company's transactions are in Jordanian Dinar and therefore there is no effect on the currency risk on the balance sheet.

Pricing risk

The Company is exposed to the risks of the change in share prices on the financial assets at fair value through income portfolio. The Company manages these risks by analysing the value exposed to losses and diversifying investment portfolios. The following table summarizes the impact of increase (decrease) in the securities closing price by 5% over the profit of the year and shareholders' equity before income tax:

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	<u>Effect of the change on the income for the year</u>	<u>Effect on equity</u>
2022-	JD	JD
Amman Stock Exchange	161,709	192,978
2021-		
Amman Stock Exchange	81,066	125,923

If there is negative change the effect equals the change above with changing the sign.

Liquidity Risk

Liquidity risk is represented by the company's inability to provide the financing necessary to fulfil its obligations on its due dates, and the management of liquidity risk requires maintaining adequate cash and the availability of financing through credit ceilings. To prevent these risks, the management will diversify funding sources, manage assets and liabilities, align their deadlines and maintain an adequate balance of cash and cash equivalents and the provision of appropriate financing.

The table below summarizes the distribution of liabilities (undiscounted) based on the remaining contractual maturity at the date of the financial statements:

	<u>Less than one year</u>	<u>More than one year</u>	<u>Total</u>
	JD	JD	JD
2022-			
Liabilities -			
Trade payables	339,254	-	339,254
Other current liabilities	147,202	-	147,202
Total Liabilities	<u>486,456</u>	<u>-</u>	<u>486,456</u>
2021-			
Liabilities -			
Trade payables	183,105	-	183,105
Other current liabilities	243,979	-	243,979
Income tax provision	6,357	-	6,357
Total Liabilities	<u>433,441</u>	<u>-</u>	<u>433,441</u>

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19- Segment Information

	Financial Brokerage Sector <u>JD</u>	Financial Investments Sector <u>JD</u>	Total <u>JD</u>
31 December 2022 -			
Segment net revenues	1,843,486	85,400	1,928,886
Segment net expenses	<u>(847,754)</u>	<u>(199,332)</u>	<u>(1,047,086)</u>
Segment profit (losses) before tax	<u>995,732</u>	<u>(113,932)</u>	<u>881,800</u>
Segment assets	9,121,113	4,469,343	13,590,456
Segment liabilities	<u>486,456</u>	<u>-</u>	<u>486,456</u>
31 December 2021 -			
Segment net revenues	2,694,952	270,098	2,965,050
Segment net expenses	<u>(1,155,779)</u>	<u>-</u>	<u>(1,155,779)</u>
Segment profit before tax	<u>1,539,173</u>	<u>270,098</u>	<u>1,809,271</u>
Segment assets	10,219,525	3,143,456	13,362,981
Segment liabilities	<u>433,441</u>	<u>-</u>	<u>433,441</u>

20- Capital Management

The main objective in relation to the Company's capital management is to ensure that appropriate capital ratios are maintained in a manner that supports the Company's activity and maximizes property rights.

The company manages the capital structure and makes the necessary adjustments to it in light of changes in working conditions. The company has not made any changes to the objectives, policies and procedures related to capital structure during the current year and the previous year.

The items included in the capital structure are paid in capital, statutory reserve, fair value reserve and accumulated losses amounting to JD 13,104,000 as of 31 December 2022 compared to JD 12,929,540 as of 31 December 2021.

21- Basic and Diluted Earnings per share from profit for the year

The details of this item are as follows:

	<u>2022</u>	<u>2021</u>
Profit for the year after tax (JD)	444,408	1,353,405
Weighted average number of shares (shares)	<u>15,000,000</u>	<u>15,000,000</u>
Basic and diluted earnings per share from profit for the year (Fils /JD)	<u>0/030</u>	<u>0/09</u>

22- Standards issued but not yet effective

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

IFRS 17 Insurance Contracts

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

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the company.

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

In January 2021, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

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

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

