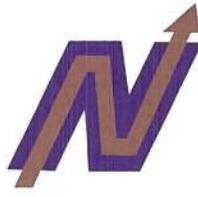


First Finance Company
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Consolidated condensed interim financial statements
as of June 30, 2023
(Reviewed not audited)

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Report on the review of the consolidated condensed interim financial statements

23/100/14

To the Board of Directors of

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying consolidated condensed interim financial statements of **First Finance Company – public shareholding company** which comprising , statement of consolidated condensed interim financial position as at June 30, 2023, and statement of consolidated condensed interim of comprehensive income, statement of consolidated condensed interim of changes in owners' equity and statement of consolidated condensed interim of cash flows for the six-month ended June 30, 2023 and the related explanatory notes.

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

Scope of review:

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

Conclusion:

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

Emphasis of matters

Without qualified, as stated in Note No. (7) about the attached consolidated condensed interim financial statements, accounts receivable - financing activities as on June 30, 2023 include investment plots of land worth JD 3,747,147 that are not registered in the name of the company, but are registered in the name of borrowers & persons under agreements and in the name of related party. The company's ownership of these lands is proven through first-class mortgage bonds in favor of First Finance Company.

Obeidat & alsalih Co.

Nabeel Moh'd Obeidat

License No. 877



Amman in
July 30, 2023

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Statement of consolidated condensed interim financial position
as of June 30, 2023 (reviewed not audited)**

	Note	30-Jun-2023	31-Dec-2022
		JD (Reviewed)	JD (Audited)
<u>Assets</u>			
Cash on hand and at banks		622,132	1,585,539
Accounts receivable from financing activities - net	6	20,966,831	24,662,378
Due from related parties	19	6,503	52,912
Financial assets at fair value through income statement	7	3,865,781	3,992,457
Other debit balances - net	8	11,989,290	9,282,696
Financial assets at fair value through comprehensive income st.	9	4,086,512	4,826,132
Post-dated checks	12	643,683	-
Deffered tax assets	11	6,250,264	6,035,754
Property , plant & equipments - net		190,173	202,161
Real-estate investments		1,868,277	371,321
The right to use assets	10	568,950	608,181
Total assets		51,058,396	51,619,531
<u>Liabilities & owners' equity</u>			
Customers' investment accounts	13	708,121	1,150,843
Income tax provision	14	-	-
Rent contracts' liabilities - short term	10	590,800	674,057
Other credit balances	15	2,713,958	2,979,281
Total liabilities		4,012,879	4,804,181
<u>Owners' equity</u>			
Authorized & paid - up capital		35,000,000	35,000,000
Statutory reserve		3,840,322	3,840,322
Voluntary reserve		229,851	229,851
Fair value reserve for financial assets		(1,148,496)	(932,871)
Retained earnings		9,026,764	8,804,872
Profit for the period		588,369	-
Net		47,536,810	46,942,174
Treasury stocks		(491,293)	(126,824)
Net owners' equity		47,045,517	46,815,350
Total owners' equity and liabilities		51,058,396	51,619,531

The accompanying notes form from (1) To (22) is an integral part of these statements

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

**Statement of condensed consolidated interim of comprehensive income
for the six months ended June 30, 2023 (reviewed not audied)**

	Note	For the six months ended		For the three months ended	
		30-Jun-2023 JD (Reviewed)	30-Jun-2022 JD (Reviewed)	30-Jun-2023 JD (Reviewed)	30-Jun-2022 JD (Reviewed)
Revenues					
Finance revenues		977,354	1,605,781	503,229	714,764
Less: share of customers' investment accounts		(22,616)	(33,900)	(10,263)	(12,587)
Company's share of revenues		954,738	1,571,881	492,966	702,177
Returned from allowance for expected credit losses	6	9,025	-	-	-
Unrealized gains from financial assets at fair value through income		-	3,677	-	3,677
Other revenues		1,135,042	291,888	852,522	157,576
Total revenues		2,098,805	1,867,446	1,345,488	863,430
General & administrative expenses		(765,758)	(587,061)	(409,714)	(320,872)
Unrealized (losses) from financial assets at fair value through income		(42,964)	-	(7,202)	(238,065)
Provision for expected credit losses	6	(850,624)	(656,507)	(748,006)	(21,062)
Depreciation		(31,669)	(42,155)	(1,120)	(19,616)
Depreciation of the right to use assets	10	(39,231)	(39,231)	(19,616)	(10,575)
Rent contracts liabilities costs	10	(18,365)	(20,314)	(9,120)	50,125
Profit for the period before tax		350,194	522,178	150,710	303,365
Income tax surplus / expense	14	238,175	11,754	209,442	(13,328)
Profit for the period		588,369	533,932	360,152	290,037
Add: other comprehensive income items					
Net changes in fair value for financial assets through comprehensive income statement		(215,625)	(163,249)	211,577	249,676
Gains from selling financial assets		221,892	-	-	-
Total comprehensive income for the period		594,636	370,683	571,729	539,713
		Fils/Dinar	Fils/Dinar	Fils/Dinar	Fils/Dinar
Basic and diluted earning per share for the period	16	0.017	0.015	0.010	0.008

The accompanying notes form from (1) To (22) is an integral part of these statements

First Finance Company
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated condensed interim of changes in owners' equity
for the six months ended June 30, 2023 (reviewed not audited)

Description	Profit for the period											
	Retained earnings					Total retained earnings						
	Capital	Statutory reserve	Voluntary reserve	Fair value reserve *	Realized	Unrealized*	Realized	Unrealized*	Net	Treasury stocks	Net	
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
For the six months ended June 30, 2023												
Balance as of Dec 31, 2022 (audited)	35,000,000	3,840,322	229,851	(932,871)	2,711,715	6,093,157	-	-	8,804,872	46,942,174	(126,824)	46,815,350
Profit for the period after tax	-	-	-	-	-	588,369	-	-	-	588,369	-	-
Fair value reserve for financial assets	-	-	-	(215,625)	-	-	-	-	-	(215,625)	-	(215,625)
Gains from selling financial assets	-	-	-	-	221,892	-	-	-	221,892	221,892	-	221,892
Total comprehensive income	-	-	-	(215,625)	221,892	-	588,369	-	221,892	594,636	-	594,636
Treasury stocks	-	-	-	-	-	-	-	-	-	-	(364,469)	(364,469)
Balance as of June 30, 2023 (reviewed)	35,000,000	3,840,322	229,851	(1,148,496)	2,933,607	6,093,157	588,369	-	9,026,764	47,536,810	(491,293)	47,045,517
For the six months ended June 30, 2022												
Balance as of Dec 31, 2021 (audited)	35,000,000	3,702,005	229,851	(1,213,612)	7,392,431	-	-	-	7,392,431	45,110,675	-	45,110,675
Profit for the period after tax	-	-	-	-	-	533,932	-	-	533,932	533,932	-	533,932
Fair value reserve for financial assets	-	-	-	(163,249)	-	-	-	-	-	(163,249)	-	(163,249)
Total comprehensive income	-	-	-	(163,249)	-	-	533,932	-	533,932	370,683	-	370,683
Balance as of June 30, 2022 (reviewed)	35,000,000	3,702,005	229,851	(1,376,861)	7,392,431	-	533,932	-	7,926,363	45,481,358	-	45,481,358

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

The accompanying notes form from (1) To (22) is an integral part of these statements

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Statement of consolidated condensed interim of cash flows**for the six months ended June 30, 2023 (reviewed not audited)**

	Note	30-Jun-2023	30-Jun-2022
		JD	JD
<u>Cash flows from operating activities</u>		(Reviewed)	(Reviewed)
Profit for the period before tax		350,194	522,178
Depreciation		31,669	42,155
Expected credit losses	6	850,624	656,507
Returned from expected credit losses	6	-	-
Depreciation of the right to use assets	10	39,231	39,231
Rents' contracts liabilities costs	10	18,365	20,314
Unrealized loss loss from financial assets at fair value through income		42,964	(3,677)
Capital loss		(7,499)	(5,041)
Operating income before changes in working capital		1,325,548	1,271,667
<u>(Increase) decrease in current assets</u>			
Accounts receivable from financing activities		2,844,923	2,064,248
Due from related parties		46,409	7,948
Other debit balances		(2,706,594)	(2,094,119)
Post-dated checks		(643,683)	-
<u>Increase (decrease) in current liabilities</u>			
Customers' investment accounts		(442,722)	(1,004,248)
Other credit balances		(265,323)	(451,621)
Net cash provided(used in) from operating activities before paid tax		158,558	(206,125)
Paid tax	14	-	(300,726)
Net cash provided (used in) operating activities		158,558	(506,851)
<u>Cash flows from investing activities</u>			
Acquisitions of property , plant & equipments		(19,056)	(26,142)
Proceeds from selling of property , plant & equipments		7,500	10,480
Proceeds from selling of financial assets through comp. income		769,554	-
Proceeds from financial assets through income		83,712	74,243
Real-estate investments		(1,496,956)	-
Net cash provided(used in) provided from investing activities		(655,246)	58,581
<u>Cash flows from financing activities</u>			
Net rent payments	10	(102,250)	(102,250)
Treasury stocks		(364,469)	-
Net cash (used in) financing activities		(466,719)	(102,250)
Net (decrease) in cash		(963,407)	(550,520)
Cash on hand and at banks at beginning of period		1,585,539	1,955,525
Cash on hand and at banks at ending of period		622,132	1,405,005

The accompanying notes form from (1) To (22) is an integral part of these statements

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

1- Company's registration and objectives

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

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

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

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

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

The consolidated condensed interim financial statements were approved by the board of directors at its meeting held on **July 30, 2023**, these financial statements aren't subject to the approval of the general assembly of shareholders .

2- Basis of preparation of interim financial statements

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

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

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

These condensed interim financial statements do not include all the information required for a complete set of IFRS financial statements, However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31, 2022**, in addition, The results for the six months period ended **June 30, 2023** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2023**, and no appropriation was made for the six months profit ended **June 30, 2023** since it made at the year-end .

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

3- Use of estimates

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

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

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

4- Significant accounting policies

Changes in accounting policies

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

New standards or amendments effective from January 1, 2023

- IFRS 17 Insurance Contracts, including amendments to the initial application of IFRS 17 and IFRS 9 Comparative Information.
- Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies and Changes in Accounting Estimates and Errors.
- Disclosure of accounting policies (amendments to International Accounting Standard No. 1 and IFRS Practice Statement No. 2).
- Deferred tax assets and liabilities arising from a single transaction (amendments to IAS 12).

New standards or amendments effective from January 1, 2024

- Classification of liabilities into current or non-current liabilities (amendments to International Accounting Standard No. 1).
- Sale or contribution of assets between an investor and his associate or joint venture - Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Optional Application).

In the opinion of management, the new standards, amendments and interpretations did not have a material impact on the company during the current or future period and on expected future transactions.

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

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

5- Basis of consolidation of the financial statements

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

Company's name	Legal form	Date of control	Capital	Ownership rate	Company's share of subsidiary's (loss)	Investment's net book value
Sukok Leasing Company	L.L.C	JD April 19,2017	JD 1,000,000	% 100	JD 8,937	JD 985,712

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

Company's name	Assets	Liabilities	Revenues	Profit for the period
Sukok Leasing Company	JD 3,297,745	JD 2,308,556	JD 97,103	JD 8,937

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

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

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

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

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

6- Accounts receivable from financing activities - net

A. This item consists of :

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Finance receivables (note 6b , 6c)	47,433,808	48,979,623
Finance lease receivables (note 6b , 6c)	2,017,639	5,391,699
Deduct: unrealized returns on financing contracts (note 6b)	<u>(7,329,727)</u>	<u>(8,713,637)</u>
Net	42,121,720	45,657,685
Deduct: provision for expected credit losses (note 6d, 6e)	(19,664,010)	(19,501,408)
Deduct: pending returns (note 6f)	<u>(1,490,879)</u>	<u>(1,493,899)</u>
Net	<u>20,966,831</u>	<u>24,662,378</u>

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

	June 30, 2023		December 31, 2022	
receivable from financing and leasing activities	Unrealized returns	Net	Net	
JD	JD	JD	JD	
		(Reviewed)	(Audited)	
<u>Corporates</u>				
Corporate financing - goods	19,254,160	(3,208,496)	16,045,664	17,135,828
Bills of loading financing	2,360,492	-	2,360,492	2,360,492
Corporate financing - real-estae	2,531,871	(595,669)	1,936,202	2,307,084
Total	24,146,523	(3,804,165)	20,342,358	21,803,404
<u>Individuals</u>				
Individuals financing - goods	1,039,974	(26,567)	1,013,407	975,662
Stock financing	2,837,014	-	2,837,014	2,819,666
Real-estate financing	7,582,017	(1,309,366)	6,272,651	8,585,209
Vehicles & machinery	13,845,919	(2,189,629)	11,656,290	11,473,744
Total	25,304,924	(3,525,562)	21,779,362	23,854,281
Total	49,451,447	(7,329,727)	42,121,720	45,657,685

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

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

	30-Jun-2023			31-Dec-2022	
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of period/ye	23,362,579	2,994,087	28,014,656	(Reviewed) 54,371,322	(Audited) 57,833,590
New financings	5,661,167	230,413	350,831	6,242,411	13,072,254
Paid financings	(7,924,455)	(285,002)	(2,952,829)	(11,162,286)	(16,534,522)
Transferred to the first stage	563,856	(490,825)	(73,031)	-	-
Transferred to the second stage	(1,527,636)	1,689,113	(161,477)	-	-
Transferred to the third stage	(3,571,354)	(1,632,078)	5,203,432	-	-
exposures as a result of changing the classification between the stages	(4,535,135)	(433,790)	4,968,925	-	-
Balance at ending of period/year	16,564,157	2,505,708	30,381,582	49,451,447	54,371,322

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

	30-Jun-2023	31-Dec-2022
	JD	JD
Balance at beginning of period / year	(Reviewed) 19,501,408	(Audited) 18,771,380
Additions for the period / year	206,941	730,028
Disposals of the period / year (returned to income)	(9,025)	-
Disposals of the period / year (closed to debts)	(35,314)	-
Balance at ending of period / year	19,664,010	19,501,408

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

	30-Jun-2023			31-Dec-2022	
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
Balance at beginning of period/ye	3,368,699	65,488	16,067,221	(Reviewed) 19,501,408	(Audited) 18,771,380
Impairment loss on new financin	73,609	25,382	1,504,045	1,603,036	2,180,225
Recovered from impairment loss on new financings	(82,924)	(874)	(1,619,266)	(1,703,064)	(1,771,683)
Transferred to the first stage	2,819	(2,454)	(365)	-	-
Transferred to the second stage	(612,874)	613,681	(807)	-	-
Transferred to the third stage	(2,440,758)	(58,675)	2,499,433	-	-
Effect on the provision resulting from adjustments	(600)	1,568	261,662	262,630	321,486
Balance at ending of period/year	307,971	644,116	18,711,923	19,664,010	19,501,408

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

F. The movement of profit in suspense during thje period as follow:

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of period / year	1,493,899	2,234,134
Revenues in suspense for the period / year	172,009	527,676
Revenues in suspense transferred to revenues for the period / year	(175,029)	(1,267,911)
Balance at ending of period / year	1,490,879	1,493,899

7- Financial assets at fair value through income statement

A. This item consists of :

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Accounts receivable - financing activities (note 7 b)	3,747,147	3,830,859
Listed financial assets	118,634	161,598
Total	3,865,781	3,992,457

B. Accounts receivable - financing activities are represented in plots of land invested under agreements for the purposes of sorting, developing and selling, with a total area of 183.340 dunums. The lands are not registered in the name of the company, but are registered in the name of people under an agreement and in the name of a related party. The company's ownership of these lands is proven through first-class mortgage bonds in favor of First Finance

8- Other debit balances

This item consists of :

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Assets owned by the company in settlement of outstanding debts	9,615,624	7,771,891
Other debts	3,327,779	1,761,409
Refundable deposits	189,153	311,118
Prepaid expenses	61,483	39,613
Advance payments on company's income tax (note 13)	62,294	22,025
Unreceived accrued dividends	138,722	138,722
Total	13,395,055	10,044,778
Deduct: provision for expected credit losses (note 8 b)	(1,267,043)	(623,360)
Deduct: provision for unreceived accrued dividends	(138,722)	(138,722)
Net	11,989,290	9,282,696

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

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

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period / year	623,360	423,360
Additions for the period / year	643,683	200,000
Balance ending of the period / year	1,267,043	623,360

9- Financial assets at fair value through comprehensive income

A. This item consists of :

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
<u>Public shareholding companies (listed)</u>		
Financial Asset Portfolio - national (Note 9b, 9c)	2,281,389	2,181,966
Financial Asset Portfolio - international	7,354	1,672,584
<u>Limited liabilities companies (un-listed)</u>		
Financial Asset Portfolio - national	1,659,850	828,323
Financial Asset Portfolio - international	137,919	143,259
Fair value	4,086,512	4,826,132

B The financial assets portfolio (national - listed) includes shares mortgaged in favor of Safwa Islamic Bank against a ceiling of credits granted to the company in favor of its customers, which numbered **1,232,080** shares, with a market value of JD **1,628,134** as on **June 30, 2023** (JD **1.514.622** as on **December 31, 2022**).

C. For the purposes of the company's membership in the boards of directors of the invested companies (national - listed), the reserved shares of the shares owned amounted to **25,000** shares and a market value of JD **22,400** .

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

	The right to use assets	Rent contracts' liabilities
	JD	JD
Balance beginning of period	608,181	674,057
Depreciation of the right to use assets	(39,231)	-
Payments on rents liabilities contracts	-	(102,250)
Rent liabilities contracts costs	-	18,365
Prepaid rent liabilities contracts costs	-	628
Balance ending of period	568,950	590,800

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11- Deferred tax assets

This item consists of :

	30-Jun-2023	31-Dec-2022
Included accounts	Balance at beginning of the period	Balance at ending of the period
	Amounts released	Amounts added
	JD	JD
Impairment debits	19,990,585	-
Fair value reserve	2,398,541	105,500
Total	22,389,126	105,500
	850,624	20,841,209
	12,743	2,305,784
	863,367	23,146,993
	5,835,539	(Reviewed)
	414,725	(Audited)
	6,250,264	5,597,364
	6,035,754	438,390
	6,035,754	6,035,754

The deferred tax assets of the fair value reserve for financial assets are calculated by taking into consideration the domestic investments at **28%** and the foreign investments at **10%**.

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

	30-Jun-2023	31-Dec-2022
	JD	JD
Balance beginning of the period/year	(Reviewed)	(Audited)
Additions for the period / year	6,035,754	5,729,644
Disposals during the period / year	242,349	373,509
Balance ending of the period/year	(27,839)	(67,399)
	6,250,264	6,035,754

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12- Post-dated checks

- A According to the reconciliation settlement agreement signed on **December 21, 2022** with the Trans-Mafraq Mining Company on behalf of the Investment House Financial Services Company, an amount of one JD **million** was paid, in order to settle case No. **23036/2021 B**, according to **58** monthly installments (post-dated checks) starting on **February 1, 2023** and ends on **September 5, 2027**.

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Book value of checks	850,000	-
Deferred revenue	(206,317)	-
The current value of the checks	<u>643,683</u>	<u>-</u>

b Classification of post-dated checks

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
long term	200,000	-
short term	443,683	-
	<u>643,683</u>	<u>-</u>

13- Customers' investment accounts

This item represents investment agencies received from clients that mature within a period of **12** months to **72** months from the date of deposit, until they are invested in the company's activity, and the rate of profit paid to clients according to the amount and duration of the investment ranges from **4%** to **6%** as On **June 30, 2023** (from **4%** to **6%** as on **December 31, 2022**).

14- Income tax provision

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

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of period/year	(22,025)	300,726
Tax of the period/year (note 13 C)	-	39,060
Paid tax during the period/year	-	(361,811)
Balance ending of period/year (to other credits)	<u>(22,025)</u>	<u>(22,025)</u>

- B. The income tax of the **parent company** has been reviewed for the end of **2019** and a final clearance has been obtained. A self-assessment statements have been submitted for the years **2020 , 2021 & 2022** and have not yet been reviewed by the Income and Sales Tax Department. The income tax has been accepted for the **subsidiary company** for the year **2020** according to sampling system, and the income tax self-assessment statement has been submitted for the year **2021 &** not reviewed yet, while in **2022** the self-assessment statement has not yet been submitted.

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C. The income tax expenses shown in the consolidated comprehensive income is as follow "

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Income tax due on the profits for the year - the parent company *	-	-
Income tax due on the profits for the year - the subsidiary company	-	39,060
Total income tax payable for the profit for the period/year	-	39,060
The effect of deferred tax assets	28,733	(246,791)
Income tax surplus	(28,733)	(207,731)

* Income tax provision was not calculated on the parent company's tax profits for the current period due to the existence of taxable bad debts with a value of JD **5,361,660** that were written off in **2022**, and an amount of JD 2,459,647 was deducted from them as of **June 31, 2023**.

15- Other credit balances

This item consists of :

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Due to shareholders	1,431,458	1,440,138
Unearned revenues	491,563	501,961
Due to others	374,997	387,110
Accrued expenses	16,205	33,559
Provision for remuneration of members of the Board of Directors	-	45,000
Mortgage release deposits	19,087	48,621
Provision of cases	52,490	59,326
Due to sale tax	6,445	4,495
Accounts payable	19,546	19,626
Due to investment agency	302,167	439,445
Total	2,713,958	2,979,281

16- Basic and diluted earning per share for the period

This item consists of :

	30-Jun-2023	30-Jun-2022
	JD	JD
Profit for the period after tax (JD)	588,369	533,932
Weighted average shares (share)	35,000,000	35,000,000
Basic and diluted earning per share for the period	0.017	0.015

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

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17- Contingent liabilities

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

	30-Jun-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Banks guarantees	17,300	217,300
Deduct: Banks' gurantees deposits	(17,300)	(117,300)
Letters of credits and guaranteed time withdrawals / clients	137,558	720,814
Deduct: letters of credits and guaranteed time withdrawals / clients	(13,755)	(71,794)
Net	123,803	749,020

18- Legal situation

There are **cases filed by the parent company against third parties** (the company's clients) with a value of **25,852,584**.

There are **cases filed by third parties against the parent company**, amounting to JD **2,081,526**, and most of them are cases related to preventing the company from claiming them.

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

198- Related parties transactions

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

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

	30-Jun-2023			31-Dec-2022
	Company's employees	Others	Total	Total
	JD	JD	JD	JD
			(Reviewed)	(Audited)
Ibn Alhaytham Hospital Company	-	2,065	2,065	2,066
Arab Int'l Food & Factories & Investments Co.	-	2,484	2,484	2,484
Alomana Company for Investment and Portfolio Management	-	1,114	1,114	48,362
Trans World Information Technology Co.	-	840	840	-
Total	-	6,503	6,503	52,912
Accounts receivable from financing activities	99,731	-	99,731	121,183
Grand total	99,731	6,503	106,234	174,095

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

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

	30-Jun-2023			31-Dec-2022	
	executive manageme	Company's employees	Others	Total	Total
	JD	JD	JD	JD	JD
Customers' investment accounts	-	225,000	483,121	708,121	1,116,842
Due to investing accounts	271,995	-	30,172	302,167	439,445

The rates of return on investment accounts for clients from related parties range from **4%** to **6%**.

C. Details transactions with related parties appear on comprehensive income

	30-Jun-2023		30-Jun-2022
	Company's employees	Total	Total
	JD	JD	JD
Revenues from financing activities	13,884	13,884	769
Share of customers' investment accounts	4,050	4,050	2,102

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

	30-Jun-2023	30-Jun-2022
	JD	JD
Wages & other benefits	182,290	181,465

20- Risk management

The company is exposed in general to financial risks, credit risks, liquidity risks and market risks, and in general, the goals and policies of the company in managing the financial risks to which the financial statements are exposed, and they have been disclosed in the financial statements as well as the financial statements of the company as well On **December 31, 2022**.

201- Subsequent events

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

22- Comparative figures

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