

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

**Consolidated condensed interim financial statements**  
**as of March 31, 2024**  
**(Reviewed not audited)**

**Index**

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## Report on the review of the consolidated condensed interim financial statements

To the Board of Directors of

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

### Introduction:

We have reviewed the accompanying consolidated condensed interim financial statements of **First Finance Company – public shareholding company** which comprising , statement of consolidated condensed interim financial position as at March 31, 2024, and statement of consolidated condensed interim of comprehensive income, statement of consolidated condensed interim of changes in owners' equity and statement of consolidated condensed interim of cash flows for the three-month ended March 31, 2024 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 March 31, 2024 include investment plots of land worth JD 3,578,504 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.

purposes.

Obeidat & alsalih Co.

Nabeel Moh'd Obeidat

License No. 877



Amman in

April 29, 2024

**First Finance Company****Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Statement of consolidated condensed interim financial position  
as of March 31, 2024 (reviewed not audited)**

	Note	31-Mar-2024	31-Dec-2023
		JD	JD
<b><u>Assets</u></b>		<b>(Reviewed)</b>	<b>(Reviewed)</b>
Cash on hand and at banks		645,859	560,838
Accounts receivable from financing activities - net	6	20,042,298	18,650,703
Due from related parties	18 A	5,453	5,533
Financial assets at fair value through income statement	7	3,654,083	3,755,926
Other debit balances - net	8	13,992,140	15,259,165
Financial assets at fair value through comprehensive income st.	9	4,026,408	4,011,056
Deffered tax assets	10	6,159,584	6,202,927
Property , plant & equipments - net		156,354	158,378
Real-estate investments		1,164,559	1,829,865
Post-dated cheques receivable		536,998	551,832
The right to use assets	11	510,105	529,720
<b>Total assets</b>		<b>50,893,841</b>	<b>51,515,943</b>
<b><u>Liabilities &amp; owners' equity</u></b>			
Customers' investment accounts	12	34,000	259,000
Income tax provision	13	-	-
Rent contracts' liabilities - short term	11	522,821	604,250
Other credit balances	14	2,701,772	3,110,400
<b>Total liabilities</b>		<b>3,258,593</b>	<b>3,973,650</b>
<b><u>Owners' equity</u></b>			
Authorized & paid - up capital		35,000,000	35,000,000
Statutory reserve		3,945,011	3,945,011
Voluntary reserve		229,851	229,851
Fair value reserve for financial assets		(1,194,615)	(1,203,024)
Retained earnings		10,061,748	10,061,748
Profit for the period		84,546	-
<b>Net</b>		<b>48,126,541</b>	<b>48,033,586</b>
Treasury stocks		(491,293)	(491,293)
<b>Net owners' equity</b>		<b>47,635,248</b>	<b>47,542,293</b>
<b>Total owners' equity and liabilities</b>		<b>50,893,841</b>	<b>51,515,943</b>

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

**First Finance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom of Jordan**  
**Statement of consolidated condensed interim of comprehensive income**  
**for the three months ended March 31, 2024 (reviewed not audied)**

	Note	31-Mar-2024 JD (Reviewed)	31-Mar-2023 JD (Reviewed)
<b><u>Revenues</u></b>			
Finance revenues		434,550	434,550
Less: share of customers' investment accounts		(509)	(509)
<b>Company's share of revenues</b>		<b>434,041</b>	<b>434,041</b>
Other revenues		151,065	151,065
Returned from expected credit losses	6	134,292	134,292
<b>Total revenues</b>		<b>719,398</b>	<b>719,398</b>
General & administrative expenses		(381,307)	(356,044)
Expected credit losses	6	-	(102,618)
Depreciation		(24,810)	(30,549)
Depreciation of the right to use assets	11	(19,615)	(19,615)
Rent contracts liabilities interests	11	(9,245)	(9,245)
Unrealized (loss) from financial assets at fair value through income		(50,173)	(35,762)
(Losses) Sale of Real Estate Investments		(113,302)	
<b>Profit for the period before tax</b>		<b>120,946</b>	<b>199,484</b>
(Expense )Income tax surplus	13	(36,400)	28,733
<b>Profit for the period</b>		<b>84,546</b>	<b>228,217</b>
<b><u>Add: other comprehensive income items</u></b>			
Net changes in fair value for financial assets through comprehensive income statement		8,409	(427,202)
Gains from selling financial assets		-	221,892
<b>Total comprehensive income for the period</b>		<b>92,955</b>	<b>22,907</b>
		<b>Fils/Dinar</b>	<b>Fils/Dinar</b>
<b>Basic and diluted earning per share for the period</b>	15	<b>0.007</b>	<b>0.002</b>

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

**First Finance Company**  
**Public shareholding company**  
**Amman - The Hashemite Kingdom of Jordan**  
**Statement of consolidated condensed interim of changes in owners' equity**  
**for the three months ended March 31, 2024 (reviewed not audited)**

Description	Capital	Statutory reserve	Voluntary reserve	Fair value reserve *	Retained earnings		Profit for the period		Total retained earnings	Net	Treasury stocks	Net
					Realized	Unrealized*	Realized	Unrealized*				
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b><u>For the three months ended March 31, 2024</u></b>												
Balance as of January 1, 2024 (audited)	35,000,000	3,840,322	229,851	(1,203,024)	3,771,538	6,290,210	-	-	10,061,748	48,033,586	(491,293)	47,542,293
Profit for the period after tax	-	-	-	-	-	-	84,546	-	84,546	84,546	-	84,546
Fair value reserve for financial assets	-	-	-	8,409	-	-	-	-	-	8,409	-	8,409
<b>Total comprehensive income</b>	-	-	-	<b>8,409</b>	-	-	<b>84,546</b>	-	<b>84,546</b>	<b>92,955</b>	-	<b>92,955</b>
Changes in deferred tax assets	-	-	-	-	-	-	43,343	(43,343)	-	-	-	-
<b>Balance as of March 31, 2024 (reviewed)</b>	<b>35,000,000</b>	<b>3,840,322</b>	<b>229,851</b>	<b>(1,194,615)</b>	<b>3,771,538</b>	<b>6,290,210</b>	<b>127,889</b>	<b>(43,343)</b>	<b>10,146,294</b>	<b>48,126,541</b>	<b>(491,293)</b>	<b>47,635,248</b>
<b><u>For the three months ended March 31, 2023</u></b>												
Balance as of January 1, 2023 (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	-	-	-	-	-	-	228,217	-	228,217	228,217	-	228,217
Fair value reserve for financial assets	-	-	-	(427,202)	-	-	-	-	-	(427,202)	-	(427,202)
Gains from selling financial assets	-	-	-	-	221,892	-	-	-	221,892	221,892	-	221,892
<b>Total comprehensive income</b>	-	-	-	<b>(427,202)</b>	<b>221,892</b>	-	<b>228,217</b>	-	<b>450,109</b>	<b>22,907</b>	-	<b>22,907</b>
Treasury stocks	-	-	-	-	-	-	-	-	-	-	(364,469)	(364,469)
Changes in deferred tax assets	-	-	-	-	-	-	(76,932)	76,932	-	-	-	-
<b>Balance as of March 31, 2023 (reviewed)</b>	<b>35,000,000</b>	<b>3,840,322</b>	<b>229,851</b>	<b>(1,360,073)</b>	<b>2,933,607</b>	<b>6,093,157</b>	<b>151,285</b>	<b>76,932</b>	<b>9,254,981</b>	<b>46,965,081</b>	<b>(491,293)</b>	<b>46,473,788</b>

\* 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 (21) is an integral part of these statements**



**First Finance Company****Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Statement of consolidated condensed interim of cash flows****for the three months ended March 31, 2024 (reviewed not audited)**

	Note	31-Mar-2024	31-Mar-2023
		JD	JD
<b><u>Cash flows from operating activities</u></b>		<b>(Reviewed)</b>	<b>(Reviewed)</b>
Profit for the period before tax		120,946	199,484
Depreciation		24,810	30,549
Expected credit losses	6	-	102,618
Returned from expected credit losses	6	(134,292)	(9,025)
Depreciation of the right to use assets	11	19,615	19,615
Rents' contracts liabilities costs	11	9,245	9,245
Unrealized loss loss from financial assets at fair value through income		50,173	35,762
<b>Operating income before changes in working capital</b>		<b>90,497</b>	<b>388,248</b>
<b><u>(Increase) decrease in current assets</u></b>			
Accounts receivable from financing activities		(1,257,303)	2,701,175
Due from related parties		80	46,409
Other debit balances		1,294,485	(3,969,857)
Post-dated cheques receivable		14,834	-
<b><u>Increase (decrease) in current liabilities</u></b>			
Customers' investment accounts		(225,000)	17,450
Other credit balances		(408,628)	720,487
<b>Net cash (used in) operating activities before paid tax</b>		<b>(491,035)</b>	<b>(96,088)</b>
Paid tax		-	-
<b>Net cash (used in) operating activities</b>		<b>(96,088)</b>	<b>(96,088)</b>
<b><u>Cash flows from investing activities</u></b>			
Acquisitions of property , plant & equipments		-	(615)
Proceeds from selling of financial assets through comp. income		-	769,554
Proceeds from financial assets through income		-	40,397
Real-estate investments		665,306	(1,530,267)
<b>Net cash provided from (used in) investing activities</b>		<b>665,306</b>	<b>(720,931)</b>
<b><u>Cash flows from financing activities</u></b>			
Net rent payments	11	(89,250)	(89,250)
Treasury stocks		-	(364,469)
<b>Net cash (used in) financing activities</b>		<b>(89,250)</b>	<b>(453,719)</b>
<b>Net increase (decrease) in cash</b>		<b>85,021</b>	<b>(1,270,738)</b>
Cash on hand and at banks at beginning of period		560,838	1,585,539
<b>Cash on hand and at banks at end of period</b>		<b>645,859</b>	<b>314,801</b>

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

# **First Finance Company**

## **Public shareholding company**

### **Amman - The Hashemite Kingdom of Jordan**

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

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##### **1- Company's registration and objectives**

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

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

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

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

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

The consolidated condensed interim financial statements were approved by the board of directors at its meeting held on **April 29, 2024**, 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, 2023**, in addition, The results for the three months period ended **March 31, 2024** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2024**, and no appropriation was made for the three months profit ended **March 31, 2024** 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**

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#### **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, 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 & expnses of **First Finance Company** and **1** subsidiary as follows :

<b>Company's name</b>	<b>Legal form</b>	<b>Date of control</b>	<b>Capital</b>	<b>Ownership rate</b>	<b>Company's share of subsidiary's (loss)</b>	<b>Investment's net book value</b>
		JD	JD	%	JD	JD
Sukok Leasing Company	L.L.C	April 19,2017	1,000,000	100	(140,841)	1,006,655

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

<b>Company's name</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>(loss) for the period</b>
	JD	JD	JD	JD
Sukok Leasing Company	2,459,320	1,593,505	33,995	(140,841)

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

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

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

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

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

A. This item consists of :

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Reviewed)
Finance receivables (note 6b , 6c)	46,592,156	45,198,793
Finance lease receivables (note 6b , 6c)	1,782,348	1,907,610
Deduct: unrealized returns on financing contracts (note 6b)	(7,417,266)	(7,496,953)
<b>Net</b>	<b>40,957,238</b>	<b>39,609,450</b>
Deduct: provision for expected credit losses (note 6d, 6e)	(19,285,915)	(19,420,207)
Deduct: pending returns (note 6f)	(1,629,025)	(1,538,540)
<b>Net</b>	<b>20,042,298</b>	<b>18,650,703</b>

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

	31-Mar-2024		31-Dec-2023	
	receivable from financing and leasing activities	Unrealized returns	Net	Net
	JD	JD	JD	JD
			(Reviewed)	(Audited)
<b><u>Corporates</u></b>				
Corporate financing - goods	17,204,651	2,999,517	14,205,134	12,929,697
Bills of loading financing	2,360,492	-	2,360,492	2,360,492
Corporate financing - real-estae	2,099,124	453,031	1,646,093	1,651,955
<b>Total</b>	<b>21,664,267</b>	<b>3,452,548</b>	<b>18,211,719</b>	<b>16,942,144</b>
<b><u>Individuals</u></b>				
Individuals financing - goods	1,019,935	24,815	995,120	999,933
Stock financing	2,820,891	-	2,820,891	2,820,891
Real-estate financing	6,995,279	1,066,569	5,928,710	6,085,796
Vehicles & machinery	15,874,132	2,873,334	13,000,798	12,760,686
<b>Total</b>	<b>26,710,237</b>	<b>3,964,718</b>	<b>22,745,519</b>	<b>22,667,306</b>
<b>Total</b>	<b>48,374,504</b>	<b>7,417,266</b>	<b>40,957,238</b>	<b>39,609,450</b>

# First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

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

	31-Mar-2024				31-Dec-2023
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed)	(Audited)
Balance at beginning of period/year	18,407,618	1,243,689	27,455,096	47,106,403	54,371,322
New financings	1,991,332	0	1,762,878	3,754,210	10,031,978
Paid financings	(1,841,290)	(194,868)	(449,951)	(2,486,109)	(17,296,897)
Transferred to the first stage	125,687	(107,854)	(17,833)	-	-
Transferred to the second stage	(476,792)	533,874	(57,082)	-	-
Transferred to the third stage	-	(569,533)	569,533	-	-
The total effect on the volume of exposures as a result of changing the classification between the stages	(351,105)	(143,514)	494,619	-	-
Balance at ending of period/year	18,206,555	905,308	29,262,641	48,374,504	47,106,403

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

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of period / year	19,420,207	19,501,408
Disposals of the period / year (returned to income)	(134,292)	(45,887)
Disposals of the period / year (closed to debts)	-	(35,314)
Balance at ending of period / year	19,285,915	19,420,207

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

	31-Mar-2024				31-Dec-2023
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed)	(Audited)
Balance at beginning of period/year	1,150,803	99,228	18,170,176	19,420,207	19,501,408
Impairment loss on new financings	23,781	-	2,486,531	2,510,312	2,751,489
Recovered from impairment loss on new financings	(922,266)	(54,527)	(1,589,189)	(2,565,982)	(4,195,433)
Transferred to the first stage	8,838	(7,679)	(1,159)	-	-
Transferred to the second stage	(31,302)	35,012	(3,710)	-	-
Transferred to the third stage	0	(37,020)	37,020	-	-
Effect on the provision resulting from adjustments	(8,412)	(33,189)	(37,021)	(78,622)	1,362,743
Balance at ending of period/year	221,442	1,825	19,062,648	19,285,915	19,420,207

**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:**

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
<b>Balance at beginning of period / year</b>	<b>1,538,540</b>	<b>1,493,899</b>
Revenues in suspense for the period / year	124,835	384,583
Revenues in suspense transferred to revenues for the period / year	(34,350)	(339,942)
<b>Balance at ending of period / year</b>	<b>1,629,025</b>	<b>1,538,540</b>

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

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
Accounts receivable - financing activities (note 7 b)	3,578,504	3,630,174
Listed financial assets	75,579	125,752
<b>Total</b>	<b>3,654,083</b>	<b>3,755,926</b>

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

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

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
Assets owned by the company in settlement of outstanding debts	9,635,061	9,694,760
Other debts	5,427,028	6,652,231
Refundable deposits	76,550	69,250
Prepaid expenses	58,248	47,671
Advance payments on company's income tax (note 13)	62,296	62,296
Unreceived accrued dividends	138,722	138,722
<b>Total</b>	<b>15,397,905</b>	<b>16,664,930</b>
Deduct: provision for expected credit losses (note 8 b)	(1,267,043)	(1,267,043)
Deduct: provision for unreceived accrued dividends	(138,722)	(138,722)
<b>Net</b>	<b>13,992,140</b>	<b>15,259,165</b>

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

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period / year	1,267,043	623,360
Additions for the period / year	-	643,683
Balance ending of the period / year	<u>1,267,043</u>	<u>1,267,043</u>

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

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
<b><u>Public shareholding companies (listed)</u></b>		
Financial Asset Portfolio - national (Note 9b, 9c)	2,256,811	2,207,035
Financial Asset Portfolio - international	6,579	6,251
<b><u>Limited liabilities companies (un-listed)</u></b>		
Financial Asset Portfolio - national	1,640,118	1,659,850
Financial Asset Portfolio - international	122,900	137,920
<b>Fair value</b>	<u>4,026,408</u>	<u>4,011,056</u>

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 **1,594,800** as on **March 31, 2024** (JD **1,232,080** as on **December 31, 2023**).

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 **20,350**.



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

This item consists of :

	31-Mar-2024			31-Dec-2023		
<b>Included accounts</b>	<b>Balance at beginning of the period</b>	<b>Amounts released</b>	<b>Amounts added</b>	<b>Balance at ending of the period</b>	<b>Deffered tax assets</b>	<b>Deffered tax assets</b>
	JD	JD	JD	JD	JD	JD
					<b>(Reviewed)</b>	<b>(Audited)</b>
Impairment debts	20,597,406	(134,292)	89,844	20,552,958	5,754,828	5,767,274
Fair value reserve	2,403,698	(34,752)	50,105	2,419,051	404,755	435,653
<b>Total</b>	<b>23,001,104</b>	<b>(169,044)</b>	<b>139,949</b>	<b>22,972,009</b>	<b>6,159,584</b>	<b>6,202,927</b>

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 :**

	31-Mar-2024	31-Dec-2023
	JD	JD
	<b>(Reviewed)</b>	<b>(Audited)</b>
<b>Balance beginning of the period/year</b>	<b>6,202,927</b>	<b>6,035,754</b>
Additions for the period / year	6,994	184,514
Disposals during the period / year	(50,337)	(17,341)
<b>Balance ending of the period/year</b>	<b>6,159,584</b>	<b>6,202,927</b>

# First Finance Company

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Amman - The Hashemite Kingdom of Jordan

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

## 11- The right to use assets & rent contracts liabilities

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

	<b>The right to use assets</b>	<b>Rent contracts' liabilities</b>
	JD	JD
<b>Balance beginning of period</b>	<b>529,720</b>	<b>604,250</b>
Depreciation of the right to use assets	(19,615)	-
Payments on rents liabilities contracts	-	(89,250)
Rent liabilities contracts costs	-	9,245
Prepaid rent liabilities contracts costs	-	(1,424)
<b>Balance ending of period</b>	<b>510,105</b>	<b>522,821</b>

## 12- 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 **March 31, 2024** (from **4%** to **6%** as on **December 31, 2023**).

## 13- Income tax provision

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

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
<b>Balance beginning of period/year</b>	<b>(62,296)</b>	<b>(22,025)</b>
Tax of the period/year (note 13 C)	-	2,249
Paid tax during the period/year	-	(42,520)
<b>Balance ending of period/year</b>	<b>(62,296)</b>	<b>(62,296)</b>

- 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** & **2023** and have not yet been reviewed by the Income and Sales Tax Department.

Income tax has been accepted for **2020**, **2022**, and **2023** and the **2021** income tax self-assessment statement has been submitted and has not yet been reviewed.

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

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
Income tax due on the profits for the year - the subsidiary company	-	2,249
<b>Total income tax payable for the profit for the period/year</b>	-	<b>2,249</b>
The effect of deferred tax assets	36,400	(169,910)
<b>Income tax surplus</b>	<b>36,400</b>	<b>(167,661)</b>

**14- Other credit balances**

This item consists of :

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
Due to shareholders	1,413,797	1,415,423
Due to investment agency	271,995	439,438
Unearned revenues	461,309	498,434
Due to others	357,861	369,925
Accrued expenses	37,524	32,657
Provision for remuneration of members of the Board of Directors	45,000	45,000
Mortgage release deposits	18,866	17,462
Provision of cases	50,649	50,649
Due to sale tax	25	5,370
Accounts payable	44,746	236,042
<b>Total</b>	<b>2,701,772</b>	<b>3,110,400</b>

**15- Basic and diluted earning per share for the period**

This item consists of :

	31-Mar-2024	31-Mar-2023
	JD	JD
Profit for the period after tax (JD)	84,546	228,217
Weighted average shares (share)	35,000,000	35,000,000
<b>Basic and diluted earning per share for the period</b>	<b>0.002</b>	<b>0.007</b>

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

## First Finance Company

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

### 16- Contingent liabilities

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

	31-Mar-2024	31-Dec-2023
	JD	JD
	(Reviewed)	(Audited)
Banks guarantees	17,300	17,300
Deduct: Banks' guarantees deposits	(17,300)	(17,300)
Letters of credits and guaranteed time withdrawals / clients	355,000	355,000
Deduct: letters of credits and guaranteed time withdrawals / clients	(35,500)	(35,500)
<b>Net</b>	<b>319,500</b>	<b>319,500</b>

### 17- Legal situation

There are **cases filed by the parent company against third parties** (the company's clients) with a value of **25,548,850**.

There are **cases filed by third parties against the parent company**, amounting to JD **2,872,959**, 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.

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

### 18- Related parties transactions

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

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

	31-Mar-2024			31-Dec-2023
	Company's			
	employees	Others	Total	Total
	JD	JD	JD	JD
			(Reviewed)	(Audited)
Ibn Alhaytham Hospital Company	-	2,065	2,065	2,065
Arab Int'l Food & Factories & Investments Co.	-	2,484	2,484	2,484
Alomana Company for Investment and Portfolio Management	-	144	144	144
Trans World Information Technology Co.	-	760	760	840
<b>Total</b>	<b>-</b>	<b>5,453</b>	<b>5,453</b>	<b>5,533</b>
Accounts receivable from financing activities	169,020	-	169,020	94,973
<b>Grand total</b>	<b>169,020</b>	<b>5,453</b>	<b>174,473</b>	<b>100,506</b>

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

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

	31-Mar-2024			31-Dec-2023
	Company's employees	Others	Total	Total
	JD	JD	JD (Reviewed)	JD (Audited)
Customers' investment accounts	2,337	-	2,337	12,092
Due to investing accounts	509	-	509	4,050

The rates of return on investment accounts for clients from related parties range from **4%** to **5.75%**.

**C. Details transactions with related parties appear on comprehensive income**

	31-Mar-2023			31-Mar-2022
	Company's employees	Other related parties	Total	Total
	JD	JD	JD	JD
Revenues from financing activities	12,092	-	12,092	769
Share of customers' investment accounts	4,050	-	4,050	2,102

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

	31-Mar-2024	31-Mar-2023
	JD	JD
Wages & other benefits	93,116	91,145

**19- 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, 2023**.

**20- Subsequent events**

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

**21- Comparative figures**

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