



الأولى التمويل  
FIRST FINANCE

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١٠ - ١٥ / ٥

الرقم : ٢٤٦ / ٤ / ١٢٧

التاريخ : 2017/5/14

السادة / هيئة الأوراق المالية المحترمين ،،،

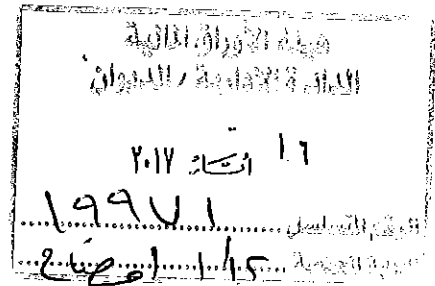
عمان - المملكة الاردنية الهاشمية

تحية واحتراماً ،،،

بالإشارة الى كتابكم رقم -/17/00957/1/12 المؤرخ في 2017/4/23 ، والمتضمن طلب تسليم القوائم المالية باللغة الانجليزية قبل تاريخ 15 ايار 2017 ، نرفق لكم طيه القوائم المالية باللغة الانجليزية لشركة الأولى للتمويل للسنة المالية المنتهية في 31 كانون الأول 2016 مع تقرير مدقق الحسابات المستقل ، وللفترة المنتهية في 31 اذار 2017 مع تقرير المراجعة لمدقق الحسابات المستقل .

وتفضلوا بقبول فائق الاحترام ،،،

ابراهيم عبدالله أبوخديجة  
نائب رئيس مجلس الادارة / المدير العام



١٢٧ / ٤ / ٢٤٦

فرع العقبة Aqaba Branch	فرع المدينة الرياضية Al Madenah Al Ryadiah Branch	فرع الوحدات Al Wehdah Branch	فرع الزرقاء Zarqa Branch	فرع اربد Irbid Branch	الفرع الرئيسي Main Branch
هاتف: 03 / 2018697 فاكس: 03 / 2018698	هاتف: 06 / 5658777 فاكس: 06 / 5672277	هاتف: 06 / 4773222 فاكس: 06 / 4773223	هاتف: 05 / 3853804 فاكس: 05 / 3853061	هاتف: 02 / 7277620 فاكس: 02 / 7277621	هاتف: 06 / 5506740 فاكس: 06 / 5411782

رأس المال المدفوع: ٣٥,٠٠٠,٠٠٠ دينار أردني

FIRST FINANCE COMPANY  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM FINANCIAL  
STATEMENTS FOR THE THREE  
MONTHS ENDED MARCH 31, 2017

TOGETHER WITH REVIEW REPORT

FIRST FINANCE COMPANY  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)  
AMMAN - JORDAN  
FOR THE THREE MONTHS  
ENDED MARCH 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
Review Report	1
Condensed Interim Statement of Financial Position	2
Condensed Interim Statement of Income	3
Condensed Interim Statement of Other Comprehensive Income	4
Condensed Interim Statement of Changes in Shareholders' Equity	5
Condensed Interim Statement of Cash Flows	6
Notes to the Condensed Interim Financial Statements	7 - 14

## Review Report on the Condensed Interim Financial Statements

AM/ 32710

To the Chairman and Board Members of  
First Finance Company  
(A Public Limited Shareholding Company)  
Amman - Jordan

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of First Finance Company (Public Limited Shareholding Company) as of March 31, 2017 and the related condensed interim statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of 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, and consequently, 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 the accompanying condensed interim financial statements are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

### **Explanatory Paragraph**

The Company's fiscal year ends on December 31 of each year. However, the condensed interim financial statements have been prepared for management purposes and for the Jordan Securities Commission requirements only.

### **Other Matter**

The accompanying condensed interim financial statements are a translation of the statutory condensed interim financial statements in the Arabic language to which reference is to be made.

Amman - Jordan  
April 27, 2017

FIRST FINANCE COMPANY  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		March 31, 2017	December 31, 2016
	Note	(Reviewed not Audited)	
<u>ASSETS</u>		JD	JD
Current Assets:			
Cash on hand and at banks		2,423,899	3,502,514
Cheques under collection		-	5,338,775
Account receivables from financing activities - net	4	44,334,381	42,675,981
Financial assets at fair value through statement of income	5	108,605	112,114
Due from brokerage companies		42,192	5,279
Other debit balances	6	2,663,650	2,052,044
		<u>49,572,727</u>	<u>53,686,707</u>
Deferred tax assets		<u>3,384,930</u>	<u>3,430,863</u>
Financial assets at fair value through other comprehensive Income	7	<u>5,745,942</u>	<u>5,194,390</u>
Property and equipment - net		<u>626,747</u>	<u>660,869</u>
Intangible assets - net		<u>21,113</u>	<u>24,446</u>
<b>TOTAL ASSETS</b>		<u><b>59,351,459</b></u>	<u><b>62,997,275</b></u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
<u>Liabilities:</u>			
Customers' Investments accounts	8	5,473,392	9,949,904
Income tax provision	9/a	869,137	795,712
Other credit balances		<u>2,666,704</u>	<u>2,769,772</u>
<b>TOTAL LIABILITIES</b>		<u><b>9,009,233</b></u>	<u><b>13,515,388</b></u>
<b><u>SHAREHOLDERS' EQUITY</u></b>			
Paid-up capital		35,000,000	35,000,000
Statutory reserve		2,691,970	2,691,970
Special reserve		229,851	229,851
Investment valuation reserve		(246,310)	(438,843)
Retained earnings		11,998,909	11,998,909
Profit for the period		<u>667,806</u>	<u>-</u>
<b>Total Shareholders' Equity</b>		<u><b>50,342,226</b></u>	<u><b>49,481,887</b></u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u><b>59,351,459</b></u>	<u><b>62,997,275</b></u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM  
AND WITH THE ACCOMPANYING REVIEW REPORT.

FIRST FINANCE COMPANY  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF INCOME  
(REVIEWED NOT AUDITED)

	Note	For the Three Months	
		Ended March 31,	
		2017	2016
<b>Revenue:</b>		JD	JD
Finance revenue		<u>1,188,768</u>	<u>1,452,624</u>
Total Joint Revenue		1,188,768	1,452,624
<u>(Deduct):</u> Investment accounts owners share of the revenue		<u>(73,732)</u>	<u>(149,715)</u>
Company's share of revenue		1,115,036	1,302,909
(Losses) from valuation of Financial assets at fair value through statement of income		(3,509)	(4,520)
Other revenues-net		<u>210,370</u>	<u>135,561</u>
Total Revenue		<u>1,321,897</u>	<u>1,433,950</u>
<b>Expenses:</b>			
Staff cost		(168,671)	(185,083)
Other operating expenses		<u>(209,929)</u>	<u>(203,791)</u>
Total expenses		<u>(378,600)</u>	<u>(388,874)</u>
Profit for the Period before Tax		943,297	1,045,076
<u>Less:</u> Income tax expense	9/b	<u>(275,491)</u>	<u>(252,309)</u>
Profit for the Period		<u>667,806</u>	<u>792,767</u>
Earnings per Share for the Period	10	<u>0,02</u>	<u>0,02</u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
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FIRST FINANCE COMPANY  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF  
OTHER COMPREHENSIVE INCOME  
(REVIEWED NOT AUDITED)

	For the Three Months	
	Ended March 31,	
	2017	2016
	JD	JD
Profit for the period	667,806	792,767
Other comprehensive income items:		
Items Not Subsequently Transferrable to Statement of Income:		
Net changes in investmente valuation reserve net of tax	192,533	(330,915)
Total comprehensive income for the period	860,339	461,852

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
 INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM  
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**FIRST FINANCE COMPANY**  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(REVIEWED NOT AUDITED)

	Paid-up Capital	Statutory Reserve	Special Reserve	Investments Valuation Reserve **	Retained Earnings *	Profit for the Period	Total
<b>For the Three Months Ended March 31, 2017</b>	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	35,000,000	2,691,970	229,851	(438,843)	11,998,909	-	49,481,887
Profit for the period	-	-	-	-	-	667,806	667,806
Net change in investment valuation reserve - net of tax	-	-	-	192,533	-	-	192,533
Total comprehensive income for the period	-	-	-	192,533	-	667,806	860,339
Balance at the End of the Period	35,000,000	2,691,970	229,851	(246,310)	11,998,909	667,806	50,342,226
<b>For the Three Months Ended March 31, 2016</b>	35,000,000	2,253,280	229,851	673,027	11,123,421	-	49,279,579
Balance at the beginning of the year	-	-	-	-	-	792,767	792,767
Profit for the period	-	-	-	(330,915)	-	-	(330,915)
Net change in investment valuation reserve - net of tax	-	-	-	(330,915)	-	792,767	461,852
Total comprehensive income for the period	-	-	-	342,112	11,123,421	792,767	49,741,431
Balance at the End of the Period	35,000,000	2,253,280	229,851	342,112	11,123,421	792,767	49,741,431

\* The retained earnings balance includes an amount of JD 3,340,863, representing the value of deferred tax assets as of March 31, 2017 (JD 3,430,863 as of December 31, 2016). This balance may not be utilized based on the instructions of the Jordan Securities Commission.

\*\* Based on the instructions of the Jordan Securities Commission, the Company may not use or distribute an amount of JD (281,535) from retained earnings, representing the negative investments valuation reserve.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
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FIRST FINANCE COMPANY  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF CASH FLOWS  
(REVIEWED NOT AUDITED)

	For the Three Months	
	Ended March 31,	
	Note	
	2017	2016
	JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit for the period before Income tax	943,297	1,045,076
Adjustments:		
Depreciation and amortization	41,865	44,241
Losses from valuation of financial assets at fair value through statement of Income	3,509	4,520
Loss on sale of property and equipment	-	(708)
Net Cash Flows from Operating Activities before Changes		
In Working Capital Items	988,671	1,093,129
Decrease In cheques under collection	5,338,775	-
(Increase) decrease In account receivables from financing activities-Net	(1,658,400)	1,237,768
(Increase) In due from brokerage companies	(36,913)	(13,907)
(Increase) decrease In other debt balances	(611,606)	241,188
(Decrease) In Investors Investment accounts	(4,476,512)	(2,412,456)
(Decrease) in other credit balances	(103,068)	(412,660)
Net Cash Flows (used In) Operating Activities before Income Tax Paid	(559,053)	(266,938)
Income tax paid	9/a (202,066)	(246,242)
Net Cash Flows (used In) Operating Activities	(761,119)	(513,180)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of property and equipment	-	6,548
(Purchase) of property and equipment	(4,410)	(18,805)
(Purchase) of financial assets at fair value through other comprehensive Income	(313,086)	(1,086,091)
Net Cash Flows (used In) Investing Activities	(317,496)	(1,098,348)
Net (Decrease) In Cash	(1,078,615)	(1,611,528)
Cash on hand and at banks - beginning of the year	3,502,514	4,951,500
Cash on Hand and at Banks - End of the Period	2,423,899	3,339,972

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED  
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM  
AND WITH THE ACCOMPANYING REVIEW REPORT.

FIRST FINANCE COMPANY  
(A PUBLIC SHAREHOLDING COMPANY)  
AMMAN - JORDAN  
NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS  
(REVIEWED NOT AUDITED)

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**1. General**

- a. First Finance Company was established as a public limited shareholding company and registered with the Ministry of Industry and Trade under No. (390). The company's address is Building No (172), King Abdullah II Street, Khalda P.O Box 144596 Amman, 11814 Jordan. The Company's authorized capital is JD 50 million, which was fully paid on March 5, 2006. In accordance with the resolution of the General Assembly of Shareholders, in its extraordinary meeting of April 14, 2011, and after the approval of the Minister of Industry and Trade on June 22, 2011 in the Controller of Companies' Letter No. MSH/1/390 dated June 27, 2011, the Company reduced its authorized and paid-up capital by JD15 million to amortize the accumulated losses. Consequently the Company's capital has become JD 35 million instead of JD 50 million.

The Company's main objectives are as follows:

- Performing financing activities for natural and legal persons in accordance with the Sharia Islamic Religions Law. This includes, for example, direct financing of consumer and durable goods; financing of real estate, including financing of land, housing, buildings and construction; as well as financing the establishment of private and public projects.
  - Acting as intermediary between banks, local lending and financing institutions, international and regional development funds and banks, and beneficiaries of the programs of these institutions.
  - Managing others' funds in the financial and investment fields for specific fees or shares from the proceeds of such funds.
  - Managing property, real estate, and other immovable and movable properties owned by others.
- b. Based on the Ministry of Industry and Trade's Letter No. MSh/1/390/19827 dated September 3, 2006, the Company started operating effective from the date of the Ministry's letter.
- c. The condensed interim financial statements have been approved by the Board of Directors on April 27, 2017

**2. Most Significant Accounting Policies**

Basis of Preparation

- The accompanying condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting.
- The condensed interim financial statements are prepared in accordance with the historical cost principle, except for certain financial assets and financial liabilities which are stated at fair value as of the date of the condensed interim financial statements.
- The condensed interim financial statements are stated in Jordanian Dinar, which is the functional currency of the Company.

- The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and must be read with the annual report of the Company as of December 31, 2016. In addition, the results of the Company's operations for the three months ended March 31, 2017 do not necessarily represent indications of the expected results for the year ending December 31, 2017, and do not contain the appropriation of the profit of the current period, which is usually performed at year-end.
- The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those adopted for the year ended December 31, 2016, except for the following:
  - The annual improvements on the International Financial Reporting Standards issued in the years 2014-2016, which include amendments to International Financial Reporting Standard number (12).
  - The amendments to International Accounting Standard number (12): "Income Taxes" that relate to recognizing deferred tax assets resulting from unrealized losses.
  - Amendments to International Accounting Standard Number (7) "Cash Flows Statement" that aim to present additional disclosures in the statement of cash flows to enable financial statements users to assess changes in liabilities resulting from financing activities.

Adoption of the above new standards had no impact on the amounts reported and disclosures made in the condensed interim financial statements.

### 3. Using Estimates

Preparation of the condensed interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities and disclosures on contingent liabilities. These estimates and judgments impact revenue, expenses, and provisions. In particular, this requires from the Company's management to issue significant judgments for estimating the amounts of future cash flows and their timing. These estimates are necessarily based on several assumptions and factors with varying degrees of consideration and uncertainty. Actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates in the condensed interim financial statements are reasonable, and consistent with the estimates used during the year ended December 31, 2016.

### 4. Account Receivables from Financing Activities – Net

This account represents the accounts receivable that resulted from Bel-Ajel Financing and credits granted as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Finance receivables	68,147,140	66,072,610
<u>(Less):</u> Deferred revenue on finance contracts	<u>(8,352,496)</u>	<u>(7,985,562)</u>
	59,794,644	58,087,048
<u>Less:</u>		
Provisions for impairment	(13,377,080)	(13,377,080)
Suspense revenue	<u>(2,083,183)</u>	<u>(2,033,987)</u>
	<u>44,334,381</u>	<u>42,675,981</u>

	Total Accounts Receivable as of March 31, 2017	Deferred Revenue as of March 31, 2017	Net Accounts Receivable as of March 31, 2017	Net Accounts Receivable as of December 31, 2016
	JD	JD	JD	JD
Issued Wakala investments (Shares)	9,344,734	-	9,344,734	9,350,730
Cars financing	28,351,027	4,295,179	24,055,848	24,725,476
Real estate financing	15,880,110	1,877,956	14,002,154	12,653,020
Companies financing	12,234,744	1,912,728	10,322,016	9,201,864
Individuals financing	2,336,525	266,633	2,069,892	2,155,958
	<u>68,147,140</u>	<u>8,352,496</u>	<u>59,794,644</u>	<u>58,087,048</u>

#### Provision for Impairment

The movement on the provision for impairment is as follows:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period / year	13,377,080	13,057,443
Provided during the period / year	-	319,637
Balance at the End of the Period / Year	<u>13,377,080</u>	<u>13,377,080</u>

#### Suspense revenue

The movement on suspense revenue is as follows:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance - Beginning of the period / year	2,033,987	1,954,707
Suspended revenue during the period / year	201,073	605,006
Suspended revenue transferred to revenue	(151,877)	(525,726)
Balance - End of the Period / Year	<u>2,083,183</u>	<u>2,033,987</u>

The Company follows a policy of dealing with creditworthy parties as well as obtaining adequate collateral where possible to mitigate the risk of financial losses arising from non-fulfillment of obligations.

Accounts receivable with a decrease in value of JD 21 million are covered by provisions or guarantees for the full balance as at March 31, 2017 and December 31, 2016.

There is a credit concentration of JD 16.2 million, representing 27.1% of total receivables from financing activities, net of deferred revenue. This credit amount is extended to only six customers and its balance is fully provided for or guaranteed as of March 31, 2017 (JD 15.4 million, representing 26.6% of total receivables from financing activities, net of deferred revenue, granted to only six customers as of December 31, 2016).

**5. Financial Assets at Fair Value through Statement of Income**

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Shares listed in Amman Stock Exchange	77,642	80,526
Shares listed in Dubai Stock Exchange	30,963	31,588
	<u>108,605</u>	<u>112,114</u>

**6. Other Debit Balances**

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Prepaid expenses*	269,437	289,434
Accrued revenue	94,352	109,259
Refundable deposits	1,098,654	392,981
Assets seized by the Company against due balances	1,036,060	1,036,060
Deferred notes receivable	59,700	65,700
Others	105,447	158,610
	<u>2,663,650</u>	<u>2,052,044</u>

- \* This item includes rent of the Head Office Building, paid in advance of JD 172,397 extended until the end of the year 2026 (JD 197,025 as of December 31, 2016).

**7. Financial Assets at Fair Value through Other Comprehensive Income:**

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Shares listed in Amman Stock Exchange	4,174,992	3,704,146
Foreign listed shares	937,567	856,861
Unquoted shares	633,383	633,383
	<u>5,745,942</u>	<u>5,194,390</u>

- Shares of JD 1,923,500 have been mortgaged for the benefit of Jordan Kuwait Bank against a letter of credit ceiling granted to the Company. Moreover, shares of JD 928,212 have been mortgaged for the benefit of Al-Rajhi Bank against a letter of credit ceiling granted to the Company.

**8. Customers' Investments Accounts**

This item represents wakala investments received from customers to be invested in the Company's activities. The rate for account owners range from 4% to 6.75% as of March 31, 2017 (4.75% - 7.25% as of December 31, 2016).

**9. Income Tax Provision**

a. The details of this item is as follows:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period / year	795,712	774,589
Income tax paid	(202,066)	(983,316)
Income tax provision for the period / year	275,491	1,004,439
Balance at the End of the Period /Year	<u>869,137</u>	<u>795,712</u>

The Company has reached a final settlement with the income and sales Tax department up to the year 2012, Tax returns were submitted and accepted for the years 2013 and 2014 by the income and sales tax Department.

The Company submitted its tax return for the years 2015 and 2016 and paid the due amounts within the legal period. However, the Income and sales tax Department has not yet reviewed the Company's operations for those years yet.

The Company has also calculated a provision for income tax for the three months ended on March 31, 2017. In the opinion of the Company's management and its tax advisor, the provisions recorded in the financial statements as of March 31, 2017 are sufficient to meet the expected tax liabilities.

- b. The income tax expense shown in the condensed interim statement of profit or loss is as follows:

	For the Three Months Ended March 31,	
	2017	2016
	JD	JD
Accrued income tax on the period profit	(275,491)	(252,309)
Income Tax Expense	<u>(275,491)</u>	<u>(252,309)</u>

- c. The details of deferred tax assets is as follow:

	March 31, 2017	December 31, 2016
	JD	JD
Provision for impairment of receivables	13,377,080	13,377,080
Investment valuation reserve	246,310	438,843
	<u>13,623,390</u>	<u>13,815,923</u>

The movement on deferred tax assets is as follow:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Beginning balance for the period /year	3,430,863	3,133,786
Provided from provision of impairment of receivables	-	76,713
Provided from Investment valuation reserve	(45,933)	220,364
Balance at the end of the period /year	<u>3,384,930</u>	<u>3,430,863</u>

#### 10. Earnings Per Share for the Period

This item consists of the following:

	For the Three Months Ended March 31,	
	2017	2016
	JD	JD
Profit for the period	667,806	792,767
Number of shares	35,000,000	35,000,000
Earnings per share for the period	<u>0,02</u>	<u>0,02</u>

## 11. Balance and Transactions with Related Parties

The details for balances and transactions with related parties during the year is as follows:

March 31, 2017	Executive Management	Company's Employees	Other Related Parties **	Total
Condensed Interim Statement of Financial Position Items	JD	JD	JD	JD
Account receivable from financing activities-net *	12,948	61,273	-	74,221
Condensed Interim Income Statement Items for the Three Months Ended March 31, 2017				
Revenue from financing activities	325	1,532	-	1,857
Investment accounts owners' share from revenue	-	-	15,418	15,418
December 31, 2016				
Statement of Financial Position Items				
Checks under collection	-	-	5,338,775	5,338,775
Account receivable from financing activities *	19,359	128,544	-	147,903
Customers' investments accounts	3,200,000	-	188,946	3,388,946
Condensed Interim Income Statement Items for the Three Months Ended March 31, 2016				
Revenue from financing activities	383	2,516	-	2,899
Investment accounts owners' share from revenue	-	-	16,729	16,729

\* Net after deducting unearned revenue.

\*\* Other parties include companies partially owned by members and relatives of the members of the Board of Directors.

- The salaries and other remunerations of executive management amounted to JD 45,194 during the Three months ended on March 31, 2017 (JD 52,800 during the Three months ended on March 31, 2016).

## 12. Information on the Company's Business Segment

### 1. Financing activities

Includes following up on customers and granting financing.

### 2. Investment activities

Includes the investments in different financial instruments

The following table shows revenue allocation between these two segments:

	Financing	Investing	Total	
	JD	JD	For the Three Months Ended March 31, 2017	For the Three Months Ended March 31, 2016
Total profit	1,188,768	(3,509)	1,185,259	1,448,104
Investment accounts owners' share from revenue			(73,732)	(149,715)
Un-distributed revenue			210,370	135,561
Un-distributed expenses			(378,600)	(388,874)
Income tax expense			(275,491)	(252,309)
Profit for the Period			667,806	792,767
Other Information	Financing	Investing	March 31, 2017	December 31, 2016
Assets of the sectors	JD	JD	JD	JD
Un-distributed assets	44,334,381	5,896,739	50,231,120	47,982,485
Total			9,120,339	15,014,790
			59,351,459	62,997,275
Liabilities of the sectors	5,472,392	-	5,472,392	9,949,904
Un-distributed liabilities			3,536,841	3,565,484
Total			9,009,233	13,515,388

### 13. Contingent Liabilities

As of the date of the condensed interim statement of financial position, the Company was contingently liable for the following:

	March 31, 2017 JD	December 31, 2016 JD
Letter of credit *	775,582	370,446
Banks letters of guarantee	347,300	332,300
	<u>1,122,882</u>	<u>702,746</u>

- \* In additions to the above mentioned, there is a credit ceiling for the benefit of the Company's customers of JD 1.5 million at Jordan Kuwait Bank and of JD 750 thousand at Al-Rajhi Bank.

There are cash margins approximately JD 1.1 million that relate to the above commitments as of March 31, 2017 (JD 377,825 as of December 31, 2016).

### 14. Lawsuits

There are several lawsuits raised against the Company of JD 12,890, claiming employees' rights. These lawsuits are still pending at Amman Magistrate Court as of March 31, 2017. In the opinion of the Company's management, no provisions for these lawsuits are required.

The Company raised several legal cases against its defaulting customers. These legal cases amounted to approximately JD 11,583,016 as of March 31, 2017 (JD 11,683,237 as of December 31, 2016).

### 15. Subsequent Events

In their meeting held on March 12, 2017, the Board of Directors decided to establish Sukuk Company for Finance Leasing (Limited Liability Company), a subsidiary fully owned by the Company with minimum allowable share capital of JD 1,000,000. Subsequently, on April 19, 2017, the General Companies Controller approved the establishment the Company under number 47453.

In its ordinary meeting held on April 27, 2017, the General Assembly has approved the Board of Directors' recommendation to distribute JD 2.1 million, which is equivalent to 6% from the share capital of JD 35 million.



#### 16. Fair Value Hierarchy

##### A. The fair value of financial assets of the Company specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Company are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets (evaluation methods and inputs used).

	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Important Intangible Inputs
	March 31, 2017	December 31, 2016				
<b>Financial Assets</b>						
	JD	JD				
<b>Financial Assets at Fair Value through Profit or Loss:</b>						
Share with market value	108,605	112,114	Level One	Average market value	Not applicable	Not applicable
<b>Financial Assets at Fair Value through other comprehensive income:</b>						
Share with market value	5,112,559	4,561,007	Level One	Average market value	Not applicable	Not applicable
Shares without market value	633,383	633,383	Level Two	Equity Method based on the latest audited financial statements	Not applicable	Not applicable
<b>Total Financial Assets at Fair value</b>	<b>5,854,547</b>	<b>5,306,504</b>				

There is no transfers between level one and two during the three month period ended March 31, 2017 and the year 2016.

##### B. The fair value of the financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed interim financial statements of the Company approximates their fair value :

	March 31, 2017		December 31, 2016		The Level of Fair Value
	Book value	Fair Value	Book value	Fair Value	
	JD	JD	JD	JD	
<b>Financial Assets of Unspecified Fair Value</b>					
Assets seized by the Company against due balances	1,036,060	1,049,000	1,036,060	1,049,000	Level Two
	<u>1,036,060</u>	<u>1,049,000</u>	<u>1,036,060</u>	<u>1,049,000</u>	