

AL AMAL FINANCIAL INVESTMENTS COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

30 JUNE 2024



**Building a better
working world**

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF AL AMAL FINANCIAL INVESTMENTS COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al Amal Financial Investments Company (Public Shareholding Company) and its subsidiary (together referred to as the “Group”) as of 30 June 2024, comprising the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months ended, and explanatory notes. The Board of Directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS (34) “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on these interim condensed consolidated 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 Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for the 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 causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS (34).

Amman – Jordan
25 July 2024

ERNST & YOUNG
Amman - Jordan

AL AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
<u>ASSETS</u>			
Cash on hand and at banks	3	4,432,765	2,784,063
Trade receivables	4	206,150	178,325
Margin receivables	5	1,634,284	2,752,466
Other current assets	6	217,724	212,783
Financial assets at fair value through income	8	3,219,007	4,695,937
Financial assets at fair value through other comprehensive income	8	159,297	980,023
Payments on investment account	8	-	466,800
Investment in an associate	9	991,000	-
Investment properties	12	1,161,019	1,165,105
Property and equipment	7	183,953	219,409
Deferred tax assets	10	597,918	468,949
Total assets		12,803,117	13,923,860
<u>LIABILITIES AND EQUITY</u>			
Liabilities			
Trade payables		147,034	309,583
Other current liabilities		131,861	133,791
Income tax provision	10	49,322	36,397
Total liabilities		328,217	479,771
Equity			
Paid-in capital	1	15,000,000	15,000,000
Statutory reserve		1,999,287	1,999,287
Fair value reserve	8	(427,827)	(423,402)
Accumulated losses		(4,096,560)	(3,131,796)
Net equity		12,474,900	13,444,089
Total liabilities and equity		12,803,117	13,923,860

The accompanying notes from 1 to 16 are part of these interim condensed consolidated financial statements

AL AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

		For the three months ended		For the six months ended	
	Notes	2024	2023	2024	2023
		JD	JD	JD	JD
Revenues					
Brokerage commissions		3,233	7,138	8,969	20,398
Margin finance commissions		1,372	1,987	2,778	7,210
Margin finance interest		104,145	104,153	221,345	201,173
Interest income		32,478	14,120	65,075	47,547
Dividends revenue		47,385	30,163	238,734	179,741
Other revenues		3,576	987	5,853	987
Gain from financial assets at fair value through income		-	89,532	110,894	237,323
Reversal of provision for expected credit losses	4,5	97,877	3,583	99,504	82,407
Total revenues		<u>290,066</u>	<u>251,663</u>	<u>753,152</u>	<u>776,786</u>
Expenses					
Salaries, wages and benefits	13	(41,111)	(51,314)	(74,879)	(89,796)
Stock exchange, center and commission fees		(5,491)	(7,127)	(29,138)	(26,775)
Bank fees and commissions		(2,591)	(2,709)	(6,545)	(3,176)
Group's share from associate's results	9	(144,723)	-	(292,101)	-
General and administrative expenses		(183,249)	(136,439)	(342,531)	(246,554)
Provision for expected credit losses	4,5	(703,502)	(12,541)	(897,244)	(136,153)
Losses of financial assets at fair value through income		<u>(151,861)</u>	<u>(148,127)</u>	<u>(156,912)</u>	<u>(151,752)</u>
Total expenses		<u>(1,232,528)</u>	<u>(358,257)</u>	<u>(1,799,350)</u>	<u>(654,206)</u>
(Loss) profit for the period before income tax		(942,462)	(106,594)	(1,046,198)	122,580
Income tax benefit / (expense)	10	<u>73,602</u>	<u>13,277</u>	<u>81,434</u>	<u>(11,519)</u>
(Loss) profit for the period		<u>(868,860)</u>	<u>(93,317)</u>	<u>(964,764)</u>	<u>111,061</u>
		<u>Fils / JD</u>	<u>Fils / JD</u>	<u>Fils / JD</u>	<u>Fils / JD</u>
Basic and diluted earnings per share from the (loss) profit for the period	16	<u>(0/058)</u>	<u>(0/006)</u>	<u>(0/064)</u>	<u>0/007</u>

The accompanying notes from 1 to 16 are part of these interim condensed consolidated financial statements

AL AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

	For the three months ended		For the six months ended	
	2024	2023	2024	2023
	JD	JD	JD	JD
(Loss) profit for the period	(868,860)	(93,317)	(964,764)	111,061
Add: other comprehensive income items that will not be reclassified to profit or loss in subsequent periods				
Gain (loss) on revaluation of financial assets at fair value through other comprehensive income	-	66,147	(4,425)	72,294
Total comprehensive income for the period	(868,860)	(27,170)	(969,189)	183,355

The accompanying notes from 1 to 16 are part of these interim condensed consolidated financial statements

AL AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

	Paid-in capital	Statutory reserve	Fair value reserve	Accumulated losses	Net equity
	JD	JD	JD	JD	JD
For the six months ended 30 June 2024 -					
Balance as of 1 January 2024	15,000,000	1,999,287	(423,402)	(3,131,796)	13,444,089
Total comprehensive income for the period	-	-	(4,425)	(964,764)	(969,189)
Balance as of 30 June 2024	<u>15,000,000</u>	<u>1,999,287</u>	<u>(427,827)</u>	<u>(4,096,560)</u>	<u>12,474,900</u>
For the six months ended 30 June 2023 -					
Balance as of 1 January 2023	15,000,000	1,975,855	(494,957)	(3,376,898)	13,104,000
Total comprehensive income for the period	-	-	72,294	111,061	183,355
Loss on sale of financial assets through other comprehensive income	-	-	201	(201)	-
Balance as of 30 June 2023	<u>15,000,000</u>	<u>1,975,855</u>	<u>(422,462)</u>	<u>(3,266,038)</u>	<u>13,287,355</u>

The accompanying notes from 1 to 16 are part of these interim condensed consolidated financial statements

AL AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

	Notes	30 June 2024 JD	30 June 2023 JD
<u>Operating Activities</u>			
(Loss) profit for the period before tax		(1,046,198)	122,580
Adjustments -			
Provision for expected credit losses	4,5	797,740	53,746
Depreciation	7,12	41,483	33,051
Bank fees and commissions		6,545	3,176
Loss (gain) from financial assets at fair value through income		46,018	(85,571)
Dividends revenue		(238,734)	(179,741)
Margin finance interest income		(221,345)	(201,173)
Interest income		(65,075)	(47,547)
Group's share from associate's results	9	292,101	-
Working capital changes -			
Change in customers' cash accounts		116,909	111,266
Margin receivables		333,952	(588,231)
Trade receivables		(41,335)	24,328
Other current assets		(4,941)	3,463
Trade payables		(162,549)	(105,457)
Other current liabilities		(1,930)	(11,398)
Income tax paid	10	(34,610)	-
Net cash flows used in operating activities		(181,969)	(867,508)
<u>Investing Activities</u>			
Purchases of property and equipment	7	(1,941)	(42,753)
Margin finance interest income received		221,345	201,173
Interest income received		65,075	47,547
Dividends revenue received		238,734	179,741
Proceeds from sale of investments at fair value through other comprehensive income		-	289
Proceeds from sale of financial assets at fair value through income		1,430,912	-
Purchase of financial assets at fair value through other comprehensive income		-	(206,715)
Purchase of financial assets at fair value through income		-	(851,580)
Net cash flows from (used in) investing activities		1,954,125	(672,298)
<u>Financing Activities</u>			
Bank fees and commissions paid		(6,545)	(3,176)
Net cash flows used in financing activities		(6,545)	(3,176)
Net increase (decrease) in cash and cash equivalents		1,765,611	(1,542,982)
Cash and cash equivalent at the beginning of the period		2,521,888	3,225,562
Cash and cash equivalent at the end of the period	3	4,287,499	1,682,580

The accompanying notes from 1 to 16 are part of these interim condensed consolidated financial statements

(1) General

Al Amal Financial Investments Company (the “Company”) is a Jordanian Public Shareholding Company registered on 17 October 2005 under commercial registration number (370) after the change of its legal form from a Limited Liability Company to a Public Shareholding Company. The Company’s paid-in capital is JD 15,000,000 divided into 15,000,000 shares; with a par value of JD 1 per share.

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

The interim condensed consolidated financial statements were approved by the Board of Directors on 24 July 2024.

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

(2) Accounting Policies

(2-1) Basis of Preparation of the Interim Condensed Consolidated Financial Statements

The accompanying interim condensed consolidated financial statements for the six months ended 30 June 2024 were prepared in accordance with the International Accounting Standard IAS (34) “Interim Financial Reporting”.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through other comprehensive income and financial assets at fair value through income that have been measured at fair value at the date of the interim condensed consolidated financial statements. The interim condensed consolidated financial information is presented in Jordanian Dinar, which represents the Group’s functional currency.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual financial statements as at 31 December 2023. In addition, the results for the six months ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

(2-2) Changes in Accounting Policies

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023 except for the adoption of new amendments effective as of 1 January 2024 shown below:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

(2-3) Use of Estimates

The preparation of the interim condensed consolidated financial statements and the application of accounting policies require management to make estimates and judgments that affect the amounts of assets and liabilities and disclose potential liabilities. These estimates and judgments also affect the income, expenses and provisions and, in particular, require the Group's management to make judgments to estimate the amounts and timing of future cash flows arising from the conditions and circumstances of those estimates in the future. These estimates are necessarily based on multiple hypotheses and factors that have varying degrees of estimation and uncertainty and actual results may differ from estimates as a result of future changes in the conditions and circumstances of those provisions.

Management believes that the estimates adopted in the interim condensed consolidated financial statements are reasonable and are as follows:

- Expected credit losses/ provision for impairment of trade receivables:

To determine the expected credit losses, the Group's management is required to make judgements to estimate future cash flow amounts and duration, in addition to estimating any substantial increase in the credit risk of financial assets after initial recognition. Furthermore, taking into consideration information for future measurement of expected credit losses. The Group also follows the policies and methodology of applying IFRS (9).

- Income tax provision:

The financial period is charged with income tax expense in accordance with the applicable laws, regulations, and accounting standards, in addition to calculating the required deferred tax assets, liabilities and income tax provision.

- Useful life of property and equipment and Investment properties:

Management periodically reassesses the economic useful lives of property, equipment, and investment properties for the purpose of calculating depreciation based on the general status of these assets. Management reviews the salvage value and useful life on an annual basis and the prospective depreciation expense is amended in the case that the management believes that the useful lives differ from past assessments.

- Lawsuit provision:

A provision on lawsuits against the Group is recorded based on a legal assessment by the Group's lawyer, for which contingent risks are determined, and the assessments are reviewed periodically.

- Fair value of investment properties:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. The Group did not recognize an impairment loss on the value of the investment properties during the period.

(2-4) Basis of Consolidation of the Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements comprise the financial statements of Al Amal Financial Investment Company (the "Company") and the following subsidiary (collectively referred to as the "Group") as at 30 June 2024:

	<u>Ownership Interest</u>	<u>Country</u>
Ishraqa Al Amal Real Estate Investments Company*	100%	Jordan

*Ishraqa Al Amal Real Estate Investments Company (Private Shareholding Company) was established in Jordan on 16 May 2024 with an authorized paid in capital of JD 2,000,000. The subsidiary is fully owned by Al Amal Financial Investment Company.

The main objectives of the subsidiary are buying and selling private real estate, owning, and establishing residential and commercial projects and managing real estate. The Company did not have any operations since incorporation up to the date of the interim condensed consolidated financial statements.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

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30 JUNE 2024 (UNAUDITED)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group and its subsidiaries are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings.

(3) Cash on Hand and at Banks

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Bank balances – Current accounts	365,125	271,888
Bank balances – Customers' accounts	145,266	262,175
Bank balances – Deposits*	3,922,374	2,250,000
	4,432,765	2,784,063

- * This account represents deposits in Jordanian Dinars which the Group holds on a monthly basis depending on the Group's liquidity needs. The interest rate on these deposits was 4.75% for the six months ended 30 June 2024 (30 June 2023: 4.75%).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2024 (UNAUDITED)

The cash and cash equivalents as of 30 June 2024 in the interim condensed consolidated statement of cash flows represent cash on hand and at banks excluding customers' accounts as follows:

	30 June 2024	30 June 2023
	JD	JD
	(Unaudited)	(Unaudited)
Cash and bank balances	4,432,765	1,908,087
Bank balances – Customers' accounts	(145,266)	(225,507)
Net cash and cash equivalents in the statement of cash flows	4,287,499	1,682,580

(4) Trade Receivables

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Trade and brokerage receivables	2,202,432	2,498,233
Less: provision for expected credit losses *	(1,996,282)	(2,319,908)
	206,150	178,325

* Movement on the provision for expected credit losses during the period / year is as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	2,319,908	2,354,149
Additions during the period / year	36,109	41,457
Reversals during the period / year	(22,599)	(75,274)
Amounts written-off	(337,136)	(424)
Balance at the end of the period / year	1,996,282	2,319,908

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30 JUNE 2024 (UNAUDITED)

Trade receivables aging is as follows:

	1 – 30 days	31 – 90 days	91 - 360 days	More than 361 days	Total
	JD	JD	JD	JD	JD
30 June 2024 (Unaudited)	9,033	40,673	-	156,444	206,150
31 December 2023 (Audited)	9,767	-	-	168,558	178,325

The Group's management expects to collect all receivables. The customers' investment portfolios are considered collateral against the receivable balances.

(5) Margin Receivables

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Margin receivables	2,059,890	2,449,984
Due from related parties (note 11)	1,629,914	1,573,772
	3,689,804	4,023,756
Less: provision for expected credit losses *	(2,055,520)	(1,271,290)
	1,634,284	2,752,466

* Movement on the provision for expected credit losses during the period/year is as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	1,271,290	1,106,550
Additions during the period / year	861,135	237,833
Reversals during the period / year	(76,905)	(73,093)
Balance at the end of the period / year	2,055,520	1,271,290

The Group's management expects to collect all margin receivables. The customers' investment portfolios are considered collateral against the receivable balances.

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30 JUNE 2024 (UNAUDITED)

(6) Other Current Assets

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Bank guarantees deposits (Note 14)	113,000	83,000
Prepaid expenses	44,630	56,437
Other receivables	31,760	32,953
Brokerage guarantee fund deposit *	25,000	25,000
Income tax receivables	24,752	17,594
Trading settlement	-	19,217
	<u>239,142</u>	<u>234,201</u>
Less: Provision for expected credit losses against other current assets **	<u>(21,418)</u>	<u>(21,418)</u>
	<u>217,724</u>	<u>212,783</u>

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

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

The Fund shall at the end of every three months, recalculate the cash contribution amount for each Broker in accordance with the Fund's bylaws, whereby the difference between the Fund and the Broker (if applicable) shall be settled by either increasing, decreasing or maintaining the Fund's balance as it is without any changes.

** Movement on the provision for expected credit losses against other current assets is as follows:

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Balance at the beginning of the period / year	21,418	21,406
Additions during the period / year	-	12
Balance at the end of the period / year	<u>21,418</u>	<u>21,418</u>

(7) Property and Equipment - net

During the six months ended 30 June 2024, the Group purchased property and equipment in the amount of JD 1,941 (30 June 2023: JD 42,753). The depreciation expense for the six months ended 30 June 2024 amounted to JD 37,397 (30 June 2023: JD 28,965).

(8) Investments in Financial Assets

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

Financial Assets at Fair Value through Income

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Investment in Jordan Ahli Bank (Quoted)	1,797,339	1,856,431
Capital Bank of Jordan (Quoted)	644,545	684,828
Bank al Etihad (Quoted)	630,022	653,716
Jordan Telecommunications Company (Quoted)	147,101	129,381
Investment in SPDR S&P 500 Trust EFT (Quoted)	-	1,349,880
Jordan Phosphate Mines Company (Quoted)	-	21,701
	<u>3,219,007</u>	<u>4,695,937</u>

Financial Assets at Fair Value through Other Comprehensive Income

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Investment in Med Gulf for Insurance Company (Quoted)	159,297	163,722
Investment in Credit Card Services Company PSC (Unquoted)	-	816,301
	<u>159,297</u>	<u>980,023</u>

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

	Balance as of 1 January 2024	Change in fair value	Transferred to accumulated losses	Balance as of 30 June 2024
	JD	JD	JD	JD
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
Med Gulf for Insurance Company	<u>(423,402)</u>	<u>(4,425)</u>	<u>-</u>	<u>(427,827)</u>

Payments on investment account

This item represents advance payments for investment purposes in the Credit Card Services Company PSC according to the Board of Directors' decision dated 27 December 2023, approving the purchase of 466,800 shares in the Company's capital at a price of JD 1 per share. The purchase of the shares was completed during the period ended on 31 March 2024, and accordingly, the Group's investment was transferred as an investment in an associate Company (Note 9), as the Group's ownership percentage became 19.34%, and accordingly, Al Amal Company had a significant influence on the decisions of the Credit Card Services Company PSC.

(9) Investment in an associate

This item represents the value of the Group's investment in the Credit Card Services Company PSC, at 19.34% of its capital, amounting to JD 5,000,000 as of 30 June 2024, and the investment in an associate appears according to the equity method in the interim condensed consolidated financial statements.

The Group's investment in the Credit Card Services Company PSC has been reclassified from financial assets at fair value through other comprehensive income to investments in an associate due to an increase in the percentage of the Group's voting rights in the Credit Card Services Company PJSC from 11% to 19% during the period after completing the purchase of 466,800 shares (Note 8). As a result, the Group had a significant influence on decisions related to the financial and operational policies of the Credit Card Services Company PSC.

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* Movement on the investment in an associate for the period / year is as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	-	-
Additions during the period / year	1,283,101	-
Group's share from the associate's results	(292,101)	-
Balance at the end of the period / year	991,000	-

(10) Income Tax

Income tax has been calculated in accordance with the Jordanian Income Tax Law No. (34) for the year 2014 and its amendments. The income tax rate is of 24%, in addition to 4% national contribution.

The income tax expense in the interim condensed consolidated statement of income are as follows:

	For the six months ended 30 June	
	2024	2023
	JD	JD
	(Unaudited)	(Unaudited)
Income tax expense for the period	47,535	26,565
Effect of deferred tax assets for the period	(128,969)	(15,046)
	(81,434)	11,519

The movement on income tax provision during the period / year is as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	36,397	-
Income tax paid	(34,610)	(10,626)
Income tax expense for the period / year	47,535	47,023
Balance at the end of the period / year	49,322	36,397

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The movement on the deferred tax assets during the period / year is as follows:

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Balance at the beginning of the period / year	468,949	434,886
Additions during the period / year	128,969	34,063
Balance at the end of the period / year	597,918	468,949

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

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

The Company has submitted its income tax returns for the years 2021 and 2023. The Income and Sales Tax Department did not review the Company's accounting records up to the date of these interim condensed consolidated financial statements. In the opinion of management and the tax consultant, the provision is adequate to counter any tax liabilities.

(11) Related Parties Transactions

Transactions with related parties represent the transactions that have taken place with major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of the transactions with related parties are approved by the Group's management.

Following is a summary of balances and transactions with related parties is as follows:

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Margin receivables - Major shareholders of the Group, directors, and other related parties (note 5)	1,629,914	1,573,772
Trade payables - Major shareholders of the Group, directors and other related parties	17,808	3,418

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Total trading volume and commission for related parties dealt with during the period is as follows:

	For the six months ended	
	30 June 2024	30 June 2023
	JD (Unaudited)	JD (Unaudited)
Total trading volume - Major shareholders of the Group	313,537	2,241,348
Margin finance commissions - Major shareholders of the Group	73,281	62,333
Total commissions - Major shareholders of the Group	1,533	9,212

During the period, the Group recorded the following benefits and allowances for the members of the Board of Directors:

	For the six months ended	
	30 June 2024	30 June 2023
	JD (Unaudited)	JD (Unaudited)
Transportation allowance for members of the Board of Directors	105,000	79,000

During the period, the Group recorded the following salaries and bonuses for the members of the executive management:

	For the six months ended	
	30 June 2024	30 June 2023
	JD (Unaudited)	JD (Unaudited)
Executive Management salaries and remuneration	47,161	46,360

(12) Investment Properties

During the year 2021, the Group reached to an agreement with one of the customers to settle the amounts due from this customer with a total amount of JD 1,333,181 by providing the Group with land and buildings as part of the settlement agreement. The Group classified these properties as investment properties, as the Group intends to keep them to generate cash flows or to benefit from capital appreciation of their prices or both.

The depreciation expense for the six months ended 30 June 2024 amounted to JD 4,086 (30 June 2023: JD 4,086).

The fair value of the investment properties amounted to JD 1,293,758 as of 31 December 2023. At that date, the Group estimated the fair value of the investment properties by independent valuers. In the opinion of the management, the fair value of the investment properties as of 30 June 2024, exceeds the carrying value, and the results of the estimations made by management during the year 2023 remain valid.

(13) Salaries, Wages and Benefits

This item includes salaries and benefits for the Group's employees, including basic salaries expenses, allowances, benefits, discounts and the Group's share of employee's social security, in addition to the amounts of clearances with the resigned employees.

(14) Contingent Liabilities

The Group at the date of the interim condensed consolidated financial statements has liabilities that may arise, which include:

	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Bank Guarantees	840,000	640,000
Guarantees' Insurance	113,000	83,000

Litigations against the Group by others:

The Group is a defendant in several lawsuits in the amount of JD 415,357 as of 30 June 2024 (30 June 2023: JD 12,000). The Group's management has analysed the risks related to these issues and their likelihood of occurrence. Accordingly, the Group has taken the necessary provisions. In the opinion of the management and its legal advisor, the provisions taken are sufficient to meet any of these obligations.

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(15) Fair Value Hierarchy

Fair value of financial assets for the Group which is valued at fair value on continues basis:

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

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

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

The following table shows the analysis of financial assets measured at fair value on an ongoing basis and in the hierarchy mentioned above:

Financial Assets	Fair Value		Fair Value Hierarchy
	30 June 2024	31 December 2023	
	JD (unaudited)	JD (audited)	
Financial Assets at Fair Value			
Financial Assets at fair value through other comprehensive income	159,297	163,722	Level 1
Financial Assets at fair value through other comprehensive income	-	816,301	Level 3
Financial assets at fair value through income	3,219,007	4,695,937	Level 1
Total Financial Assets at Fair Value	3,378,304	5,675,960	

The fair value of investment properties was disclosed and calculated using methods under fair value hierarchy of level 3 (note 12).

(16) Basic and Diluted Earnings per share from (Loss) Profit for the Period

	For the three months ended 30 June		For the six months ended 30 June	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) profit for the period after tax (JD)	(868,860)	(93,317)	(964,764)	111,061
Weighted average number of shares (shares)	15,000,000	15,000,000	15,000,000	15,000,000
Basic and diluted earnings per share from (loss) profit for the period (Fils/ JD)	(0/058)	(0/006)	(0/064)	0/007