

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

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

Index

	<u>Page</u>
Independent auditors' report on review of consolidated condensed interim financial statements	1
Statement of consolidated condensed interim financial position	2
Statement of consolidated condensed interim of comprehensive income	3
Statement of consolidated condensed interim of changes in owners' equity	4
Statement of consolidated condensed interim of cash flows	5
Notes to consolidated condensed interim financial statements	6-17



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 September 30, 2023, and statement of consolidated condensed interim of comprehensive income, statement of consolidated condensed interim of changes in owners' equity and statement of consolidated condensed interim of cash flows for the nine-month ended September 30, 2023 and the related explanatory notes.

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

Scope of review:

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

Conclusion:

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

Emphasis of matters

Without qualified, as stated in Note No. (7) about the attached consolidated condensed interim financial statements, accounts receivable - financing activities as on Sep 30, 2023 include investment plots of land worth JD 3,686,307 that are not registered in the name of the company, but are registered in the name of borrowers & persons under agreements and in the name of related party. The company's ownership of these lands is proven through first-class mortgage bonds in favor of First Finance Company.

Obeidat & alsalih Co.

Nabeel Moh'd Obeidat

License No. 877



Amman in

October 30, 2023

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

	Note	30-Sep-2023	31-Dec-2022
		JD (Reviewed)	JD (Audited)
<u>Assets</u>			
Cash on hand and at banks		729,036	1,585,539
Accounts receivable from financing activities - net	6	20,926,372	24,662,378
Due from related parties	19	6,562	52,912
Financial assets at fair value through income statement	7	3,815,649	3,992,457
Other debit balances - net	8	12,071,697	9,282,696
Post-dated checks	9	4,251,297	4,826,132
Financial assets at fair value through comprehensive income st.	12	597,140	-
Deffered tax assets	11	6,233,631	6,035,754
Property , plant & equipments - net		174,261	202,161
Real-estate investments		1,849,071	371,321
The right to use assets	10	549,335	608,181
Total assets		51,204,051	51,619,531
<u>Liabilities & owners' equity</u>			
Customers' investment accounts	13	532,943	1,150,843
Income tax provision	14	-	-
Rent contracts' liabilities - short term	10	599,002	674,057
Other credit balances	15	2,771,745	2,979,281
Total liabilities		3,903,690	4,804,181
<u>Owners' equity</u>			
Authorized & paid - up capital		35,000,000	35,000,000
Statutory reserve		3,840,322	3,840,322
Voluntary reserve		229,851	229,851
Fair value reserve for financial assets		(1,030,023)	(932,871)
Retained earnings		9,026,764	8,804,872
Profit for the period		724,740	-
Net		12,791,654	46,942,174
Treasury stocks		(491,293)	(126,824)
Net owners' equity		47,300,361	46,815,350
Total owners' equity and liabilities		51,204,051	51,619,531

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

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Statement of condensed consolidated interim of comprehensive income****for the nine months ended September 30, 2023 (reviewed not audited)**

	Note	For the nine months ended 30-Sep-2023 JD (Reviewed)	30-Sep-2022 JD (Reviewed)	For the three months ended 30-Sep-2023 JD (Reviewed)	30-Sep-2022 JD (Reviewed)
<u>Revenues</u>					
Finance revenues		1,394,963	2,679,944	417,609	1,074,163
Less: share of customers' investment accounts		(28,116)	(45,679)	(16,337)	(11,779)
Company's share of revenues		1,366,847	2,634,265	401,272	1,062,384
Returned from allowance for expected credit losses	6	9,025	-	-	-
Unrealized gains from financial assets at fair value through income		-	-	-	(3,677)
Other revenues		1,330,016	430,205	194,974	138,317
Realized distributed gains from financial assets at fair value through income		-	69,763	-	69,763
Total revenues		2,705,888	3,134,233	596,246	1,266,787
General & administrative expenses		(1,072,186)	(925,197)	(306,428)	(338,136)
Impairment debts	8,6	(956,623)	(904,876)	(105,999)	(248,369)
Depreciation		(101,062)	(63,441)	(69,393)	(21,286)
Depreciation of the right to use assets	10	(58,846)	(58,846)	(19,615)	(19,615)
Rent contracts liabilities costs	10	(28,078)	(31,247)	(9,713)	(10,933)
value through income		(32,208)	(7,105)	10,756	(7,105)
Profit for the period before tax		456,885	1,143,521	95,854	621,343
Income tax surplus / expense	14	267,855	(95,222)	29,680	(106,976)
Profit for the period		724,740	1,048,299	125,534	514,367
<u>Add: other comprehensive income items</u>					
Net changes in fair value for financial assets through comprehensive income statement		(97,152)	(447,291)	118,473	(284,042)
Gains from selling financial assets		221,892	-	-	-
Total comprehensive income for the period		849,480	601,008	244,007	230,325
		Fils/Dinar	Fils/Dinar	Fils/Dinar	Fils/Dinar
Basic and diluted earning per share for the period	15	0.021	0.030	0.004	0.015

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

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

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
<u>For the nine months ended September 30, 2023</u>												
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	-	-	-	-	-	-	724,740	-	-	724,740	-	724,740
Fair value reserve for financial assets	-	-	-	(97,152)	-	-	-	-	-	(97,152)	-	(97,152)
Gains from selling financial assets	-	-	-	-	221,892	-	-	-	221,892	221,892	-	221,892
Total comprehensive income	-	-	-	(97,152)	221,892	-	724,740	-	221,892	594,636	-	849,480
Treasury stocks	-	-	-	-	-	-	-	-	-	-	(364,469)	(364,469)
Balance as of June 30, 2023 (reviewed)	35,000,000	3,840,322	229,851	(1,030,023)	2,933,607	6,093,157	724,740	-	9,026,764	47,536,810	(491,293)	47,300,361

For the nine months ended September 30, 2022

Balance as of January 1, 2022 (audited)	35,000,000	3,702,005	229,851	(1,213,612)	7,392,431	-	-	-	7,392,431	45,110,675	-	45,110,675
Profit for the period after tax	-	-	-	-	-	-	1,055,404	(7,105)	1,048,299	1,048,299	-	1,048,299
Fair value reserve for financial assets	-	-	-	(447,291)	-	-	-	-	-	(447,291)	-	(447,291)
Total comprehensive income	-	-	-	(447,291)	-	-	1,055,404	(7,105)	1,048,299	601,008	-	601,008
Balance as of June 30, 2022 (reviewed)	35,000,000	3,702,005	229,851	(1,660,903)	7,392,431	-	1,055,404	(7,105)	8,440,730	45,711,683	-	45,711,683

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

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

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Statement of consolidated condensed interim of cash flows****for the nine months ended September 30, 2023 (reviewed not audited)**

	Note	30-Sep-2023 JD	30-Sep-2022 JD
<u>Cash flows from operating activities</u>		(Reviewed)	(Reviewed)
Profit for the period before tax		456,885	1,143,521
Depreciation		101,062	63,441
Expected credit losses	6	956,623	904,876
Returned from expected credit losses	6	9,025	-
Depreciation of the right to use assets	10	58,846	58,846
Rents' contracts liabilities costs	10	28,078	31,247
Unrealized loss loss from financial assets at fair value through income		-	7,105
Realized distributed gains from financial assets at fair value through income		-	(69,763)
Capital loss		(7,499)	(5,041)
Operating income before changes in working capital		1,603,020	2,134,232
<u>(Increase) decrease in current assets</u>			
Accounts receivable from financing activities		2,779,383	4,308,271
Due from related parties		46,350	7,348
Other debit balances		(2,789,001)	(5,037,034)
Post-dated checks		(597,140)	-
<u>Increase (decrease) in current liabilities</u>			
Customers' investment accounts		(617,900)	(981,226)
Other credit balances		(207,536)	(768,144)
Net cash provided(used in) from operating activities before paid tax		217,176	(336,553)
Paid tax	14	(40,271)	(361,811)
Net cash provided (used in) operating activities		176,905	(698,364)
<u>Cash flows from investing activities</u>			
Acquisitions of property , plant & equipments		(19,056)	(26,472)
Proceeds from selling of property , plant & equipments		7,500	10,480
Proceeds from selling of financial assets through comp. income		83,712	120,046
Proceeds from financial assets through income		840,004	69,763
Real-estate investments		(1,477,750)	-
Net cash (used in) provided from investing activities		(565,590)	173,817
<u>Cash flows from financing activities</u>			
Net rent payments	10	(103,349)	(102,250)
Treasury stocks		(364,469)	-
Net cash (used in) financing activities		(467,818)	(102,250)
Net (decrease) in cash		(856,503)	(626,797)
Cash on hand and at banks at beginning of period		1,585,539	1,955,525
Cash on hand and at banks at end of period		729,036	1,328,728

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

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

1- Company's registration and objectives

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

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

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

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

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

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

2- Basis of preparation of interim financial statements

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

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

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

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

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

3- Use of estimates

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

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

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

4- Significant accounting policies

Changes in accounting policies

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

New standards or amendments effective from January 1, 2023

- IFRS 17 Insurance Contracts, including amendments to the initial application of IFRS 17 and IFRS 9 Comparative Information.

- Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies and Changes in Accounting Estimates and Errors.

- Disclosure of accounting policies (amendments to International Accounting Standard No. 1 and IFRS Practice Statement No. 2).

- Deferred tax assets and liabilities arising from a single transaction (amendments to IAS 12).

New standards or amendments effective from January 1, 2024

- Classification of liabilities into current or non-current liabilities (amendments to International Accounting Standard No. 1).

- Sale or contribution of assets between an investor and his associate or joint venture - Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Optional Application).

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

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****5- Basis of consolidation of the financial statements**

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

Company's name	Legal form	Date of control	Capital	Ownership rate	Company's share of subsidiary's (loss)	Investment's net book value
		JD	JD	%	JD	JD
Sukok Leasing Company	L.L.C	April 19,2017	1,000,000	100	18,175	976,776

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

Company's name	Assets	Liabilities	Revenues	Profit for the period
	JD	JD	JD	JD
Sukok Leasing Company	3,929,994	2,953,218	138,990	18,175

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 :

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Finance receivables (note 6b , 6c)	47,663,989	48,979,623
Finance lease receivables (note 6b , 6c)	1,980,866	5,391,699
Deduct: unrealized returns on financing contracts (note 6b)	(7,397,360)	(8,713,637)
Net	42,247,495	45,657,685
Deduct: provision for expected credit losses (note 6d, 6e)	(19,770,009)	(19,501,408)
Deduct: pending returns (note 6f)	(1,551,114)	(1,493,899)
Net	20,926,372	24,662,378

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

	30-Sep-2023		31-Dec-2022	
	JD		JD	
	(Reviewed)		(Audited)	
receivable from financing and leasing activities	Unrealized returns	Net	Net	
JD	JD	JD	JD	
		(Reviewed)	(Audited)	
Corporates				
Corporate financing - goods	19,052,441	3,135,004	15,917,437	17,135,828
Bills of loading financing	2,360,492	-	2,360,492	2,360,492
Corporate financing - real-estae	4,285,050	1,013,108	3,271,942	2,307,084
Total	25,697,983	4,148,112	21,549,871	21,803,404
Individuals				
Individuals financing - goods	1,036,126	29,538	1,006,588	975,662
Stock financing	2,820,891	-	2,820,891	2,819,666
Real-estate financing	5,498,343	777,937	4,720,406	8,585,209
Vehicles & machinery	14,591,512	2,441,773	12,149,739	11,473,744
Total	23,946,872	3,249,248	20,697,624	23,854,281
Total	49,644,855	7,397,360	42,247,495	45,657,685

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

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

	30-Sep-2023				31-Dec-2022
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed)	(Audited)
Balance at beginning of period/year	23,362,579	2,994,087	28,014,656	54,371,322	57,833,590
New financings	7,426,629	188,385	439,107	8,054,121	13,072,254
Paid financings	(9,350,091)	(572,975)	(2,857,522)	(12,780,588)	(16,534,522)
Transferred to the first stage	1,405,690	(1,335,876)	(69,814)	-	-
Transferred to the second stage	(439,650)	529,181	(89,531)	-	-
Transferred to the third stage	(4,720,397)	(450,647)	5,171,044	-	-
The total effect on the volume of exposures as a result of changing the classification between the stages	(3,754,357)	(1,257,343)	5,011,699	-	-
Balance at ending of period/year	17,684,760	1,352,155	30,607,940	49,644,855	54,371,322

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

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of period / year	19,501,408	18,771,380
Additions for the period / year	312,940	-
Disposals of the period / year (returned to income)	(9,025)	-
Disposals of the period / year (closed to debts)	(35,314)	-
Balance at ending of period / year	19,770,009	19,501,408

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

	30-Sep-2023				31-Dec-2022
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed)	(Audited)
Balance at beginning of period/year	3,368,699	65,488	16,067,221	19,501,408	18,771,380
Impairment loss on new financings	43,728	40,569	1,722,770	1,807,067	2,180,225
Recovered from impairment loss on new financings	(157,197)	(6,038)	(2,440,172)	(2,603,407)	(1,771,683)
Transferred to the first stage	7,028	(6,679)	(349)	-	-
Transferred to the second stage	(3,576)	4,024	(448)	-	-
Transferred to the third stage	(3,050,757)	(52,768)	3,103,525	-	-
Effect on the provision resulting from adjustments	(7,028)	(1,985)	1,073,954	1,064,941	321,486
Balance at ending of period/year	200,897	42,611	19,526,501	19,770,009	19,501,408

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****F. The movement of profit in suspense during the period as follow:**

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of period / year	1,493,899	2,234,134
Revenues in suspense for the period / year	289,682	527,676
Revenues in suspense transferred to revenues for the period / year	(232,467)	(1,267,911)
Balance at ending of period / year	1,551,114	1,493,899

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

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Accounts receivable - financing activities (note 7 b)	3,686,307	3,830,859
Listed financial assets	129,342	161,598
Total	3,815,649	3,992,457

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

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

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Assets owned by the company in settlement of outstanding debts	9,615,624	7,771,891
Other debts	3,565,865	1,761,409
Refundable deposits	51,787	311,118
Prepaid expenses	43,168	39,613
Advance payments on company's income tax (note 13)	62,296	22,025
Unreceived accrued dividends	138,722	138,722
Total	13,477,462	10,044,778
Deduct: provision for expected credit losses (note 8 b)	(1,267,043)	(623,360)
Deduct: provision for unreceived accrued dividends	(138,722)	(138,722)
Net	12,071,697	9,282,696

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

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

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

9- **Financial assets at fair value through comprehensive income**

A. This item consists of :

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
<u>Public shareholding companies (listed)</u>		
Financial Asset Portfolio - national (Note 9b, 9c)	2,447,130	2,181,966
Financial Asset Portfolio - international	6,398	1,672,584
<u>Limited liabilities companies (un-listed)</u>		
Financial Asset Portfolio - national	1,659,850	828,323
Financial Asset Portfolio - international	137,919	143,259
Fair value	<u>4,251,297</u>	<u>4,826,132</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 **1,628,134** as on **September 30, 2023** (JD **1,514,622** as on **December 31, 2022**).

C. For the purposes of the company's membership in the boards of directors of the invested companies (national - listed), the reserved shares of the shares owned amounted to **25,000** shares and a market value of JD **22,250**.

10- **The right to use assets & rent contracts liabilities**

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

	The right to use assets	Rent contracts' liabilities
	JD	JD
Balance beginning of period	608,181	674,057
Depreciation of the right to use assets	(58,846)	-
Payments on rents liabilities contracts	-	(103,349)
Rent liabilities contracts costs	-	28,078
Prepaid rent liabilities contracts costs	-	216
Balance ending of period	<u>549,335</u>	<u>599,002</u>

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****11- Deferred tax assets**

This item consists of :

	30-Sep-2023				31-Dec-2022	
Included accounts	Balance at beginning of the period	Amounts released	Amounts added	Balance at ending of the period	Deffered tax assets	Deffered tax assets
	JD	JD	JD	JD	JD	JD
					(Reviewed)	(Audited)
Impairment debts	19,990,585	(44,339)	956,623	20,902,869	5,852,803	5,597,364
Fair value reserve	2,398,541	(19,766)	265,434	2,644,209	380,828	438,390
Total	22,389,126	(64,105)	1,222,057	23,547,078	6,233,631	6,035,754

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

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

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	6,035,754	5,729,644
Additions for the period / year	272,123	373,509
Disposals during the period / year	(74,246)	(67,399)
Balance ending of the period/year	6,233,631	6,035,754

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

12- Post-dated checks

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

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Book value of checks	800,000	-
Deferred revenue	(202,860)	-
The current value of the checks	597,140	-

b Classification of post-dated checks

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
long term	188,183	-
short term	408,957	-
	597,140	-

13- Customers' investment accounts

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

14- Income tax provision

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

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of period/year	(22,025)	300,726
Tax of the period/year (note 13 C)	-	39,060
Paid tax during the period/year	(40,271)	(361,811)
Balance ending of period/year(to the other debit)	(62,296)	(22,025)

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

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"**

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Income tax due on the profits for the year - the parent company *	-	-
Income tax due on the profits for the year - the subsidiary company	-	39,060
Total income tax payable for the profit for the period/year	-	39,060
The effect of deferred tax assets	(267,855)	(246,791)
Income tax surplus	(267,855)	(207,731)

- * Income tax provision was not calculated on the parent company's tax profits for the current period due to the existence of taxable bad debts with a value of JD **5,361,660** that Septemerwere written off in **2022**, and an amount of JD 2,459,647 was deducted from them as of **September 30, 2023**.

15- Other credit balances

This item consists of :

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Due to shareholders	1,417,314	1,440,138
Unearned revenues	498,435	501,961
Due to others	427,566	387,110
Accrued expenses	16,203	33,559
Provision for remuneration of members of the Board of Directors	33,750	45,000
Mortgage release deposits	35,347	48,621
Provision of cases	50,649	59,326
Due to sale tax	25	4,495
Accounts payable	20,461	19,626
Due to investment agency	271,995	439,445
Total	2,771,745	2,979,281

16- Basic and diluted earning per share for the period

This item consists of :

	30-Sep-2023	30-Sep-2022
	JD	JD
Profit for the period after tax (JD)	724,740	1,048,299
Weighted average shares (share)	35,000,000	35,000,000
Basic and diluted earning per share for the period	0.021	0.030

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

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

17- Contingent liabilities

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

	30-Sep-2023	31-Dec-2022
	JD	JD
	(Reviewed)	(Audited)
Banks guarantees	17,300	217,300
Deduct: Banks' guarantees deposits	(17,300)	(117,300)
Letters of credits and guaranteed time withdrawals / clients	159,388	720,814
Deduct: letters of credits and guaranteed time withdrawals / clients	(15,939)	(71,794)
Net	143,449	749,020

18- Legal situation

There are **cases filed by the parent company against third parties** (the company's clients) with a value of **26,145,479**.

There are **cases filed by third parties against the parent company**, amounting to JD **2,079,860**, 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.

19- 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

	30-Sep-2023			31-Dec-2022
	Company's			
	employees	Others	Total	Total
	JD	JD	JD	JD
			(Reviewed)	(Audited)
Ibn Alhaytham Hospital Company	-	2,065	2,065	2,066
Arab Int'l Food & Factories & Investments Co.	-	2,484	2,484	2,484
Alomana Company for Investment and Portfolio Management	-	1,113	1,113	47,582
Trans World Information Technology Co.	-	840	840	-
Applied Energy Co.	-	60	60	-
Total	-	6,562	6,502	52,132
Accounts receivable from financing activities	111,999	-	111,999	121,183
Grand total	111,999	6,562	118,501	173,315

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

	30-Sep-2023				31-Dec-2022
	executive manageme JD	Company's employees JD	Others JD	Total JD	Total JD (Audited)
Customers' investment accounts	-	225,000	307,950	532,950	1,116,842
Due to investing accounts	271,995	-	-	271,995	439,445

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

C. Details transactions with related parties appear on comprehensive income

	30-Sep-2023		30-Sep-2022
	Company' s employee JD	Total JD	Total JD
Revenues from financing activities	15,603	15,603	769
Share of customers' investment accounts	9,361	9,361	2,102

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

	30-Sep-2023	30-Sep-2022
	JD	JD
Wages & other benefits	273,435	268,963

20- Risk management

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

21- Subsequent events

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

22- Comparative figures

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