

Al-Bilad Securities and Investment Company
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Interim condensed financial statements (Unaudited)
and Independent Auditor's Review Report
For the nine months ended September
30 , 2024

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Independent Auditor's Review Report

To, The Shareholders
Albilad Securities and Investment Company
(Public Limited Shareholding Company)
Amman - The Heshemite Kingdom of Jordan

Introduction:

We have reviewed the attached interim condensed statement of the financial position of **Al-Bilad Securities and Investment Company (the "Company")** as of September 30, 2024, the interim condensed statements of profit or loss and other comprehensive income for the three months and nine months ended September 30, 2024, changes in shareholders' equity, And the Interim condensed cash flows for the nine months ending September 30, 2024. The summary of significant accounting policies and notes from 1 to 16.

Management is responsible for preparing and presenting these interim condensed financial statements in accordance with the International Accounting Standard (34) "Interim Financial Reporting", our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review:

We have reviewed in accordance with the Audit Liaison Standard (2410), "Review of interim financial information carried out by the independent auditor of the entity. The process of reviewing the condensed interim consolidated financial statements consists of directing inquiries mainly to the persons responsible for financial and accounting matters and Applying analytical and other review procedures.

The scope of review work is much less than the scope of audit work carried out in accordance with International Standards on Auditing. Therefore, review work does not assure us of all the important matters that may be identified during the audit work. Therefore, we do not give an audit opinion about them.

Other Matter:

The financial statements as of December 31, 2023 have been audited, and the condensed interim financial statements as of September 30, 2023 have been reviewed by another auditor, who issued an unqualified report on March 31, 2024 and October 31, 2023 respectively.

Conclusion:

Based on our review, nothing has come to our attention to believe that the accompanying interim interim condensed financial statements as of September 30, 2024 are not prepared in all material respects in accordance with the International Accounting Standard (34) "Interim Financial Report".

The partner in charge of the audit resulting in this auditor's report was Hasan Amin Othman; license number 674.

Date: October 31, 2024



Albilad Securities and Investment Company
(Public Limited Shareholding Company)
Interim condensed Statement of Financial Position (Unaudited)
As of September 30 ,2024
(Jordanian Dinar)

		September 30, 2024	December 31, 2023
	Note	(Unaudited)	(Audited) (Edited)
<u>Assets</u>			
Non-current assets			
Financial assets at fair value through other comprehensive income		1,606,464	2,545,575
Investment in an affiliate company	6	713,123	1,241,433
Investments properties	7	934,667	1,471,301
Property and Equipment, Net		8,475	9,433
Right of use assets		173,385	-
Intangible assets		4,115	5,463
Brokerage license	8	200,000	1
Deferred tax assets		1,397,457	1,397,457
Total Non-current assets		5,037,686	6,670,663
Current assets:			
Cash and cash equivalent		237,155	395,098
Brokerage clients' receivables, net	9	1,339,164	1,339,663
Receivables from margin financing clients, net	10	531,459	407,586
Other receivables		206,200	207,958
Total current assets		2,313,978	2,350,305
Total assets		7,351,664	9,020,968
<u>Shareholders' equity and liabilities</u>			
<u>liabilities</u>			
Non-Current liabilities			
Long-term financial leasing obligation		165,942	-
Long term loans	11	110,844	-
Total Non-current liabilities		276,786	-
Current liabilities:			
Overdraft bank accounts		1,100,207	1,099,669
Brokerage clients' payables		305,434	388,570
Short-term financial leasing obligation		42,849	-
Short term loans	11	35,028	-
Other payables		428,443	1,086,786
Total current liabilities		1,911,961	2,575,025
Total liabilities		2,188,747	2,575,025
<u>Shareholders' equity:</u>			
Paid share capital		10,000,000	10,000,000
Statutory reserve		516,729	516,729
Fair Value Reserve through other comprehensive income		(563,750)	(119,585)
Accumulated losses at the end of the period/year		(4,790,062)	(3,951,201)
Total shareholders' equity		5,162,917	6,445,943
Total shareholders' equity and liabilities		7,351,664	9,020,968

The accompanying notes from 1 to 16 are an integral part of these Interim financial statements.

Albilad Securities and Investment Company
(Public Limited Shareholding Company)
Interim condensed Statement of Profit or (Loss) and others comprehensive income (Unaudited)
For the three-month and nine-month period ended September 30, 2024
(Jordanian Dinars)

	Note	For a period of three months From July 1 to September 30		For a period of nine months From January 1 to September 30	
		2024	2023	2024	2023
<u>Revenue</u>					
Brokerage commissions		18,424	26,725	51,123	88,064
Brokerage commissions - Margin		3,969	119	5,286	2,747
Client interest - Margin		27,967	25,168	80,999	72,983
Cash dividend returns from stock dividends		-	-	24,642	60,099
Other revenue		151	211	30,511	1,615
<u>Total revenues</u>		50,511	52,223	192,561	225,508
Administrative and general expenses	12	(100,662)	(92,203)	(287,845)	(273,022)
Financing expenses		(37,725)	(30,877)	(109,019)	(92,603)
Depreciation & Amortization		(13,888)	(13,366)	(41,664)	(39,756)
Share of the losses/profite of the affiliate company	6	(149,675)	(104,506)	(528,490)	168,196
Loss from sale of investment properties		(7,549)	-	(7,549)	-
Loss from sale of investments in subsidiary		(9,000)	-	(9,000)	-
Other expenses		(3,560)	-	(3,560)	-
Loss for the period before tax		(271,548)	(188,729)	(794,566)	(11,677)
Income tax expense		-	-	-	-
Loss for the period after tax		(271,548)	(188,729)	(794,566)	(11,677)
<u>Add: other comprehensive income items:</u>					
Change in fair value reserve for financial assets		(138,704)	145,228	(674,296)	(160,444)
Losses on the sale of financial assets at fair value through other comprehensive income		(1,688)	(4,764)	(14,163)	(15,694)
Comprehensive loss		(411,940)	(48,265)	(1,483,025)	(187,815)
The basic share of (loss)/ profit for the period		(0.027)	(0.019)	(0.079)	(0.001)

The accompanying notes from 1 to 16 are an integral part of these Interim financial statements

Albiad Securities and Investment Company
(Public Limited Shareholding Company)
Interim condensed Statement of Changes in Shareholders' Equity (Unaudited)
for the nine months period ended September 30, 2024
(Jordanian Dinars)

	Paid Share Capital	Statutory Reserve	Fair Value Reserve of financial assets through other comprehensive income	Accumulated Loss	Net
For the nine months ending September 30, 2023					
Balance as of January 1, 2023 (audited) before adjustment	10,000,000	516,729	(48,421)	(2,891,675)	7,576,633
Adjustment from previous years	-	-	-	(268,888)	(268,888)
Balance as of January 1, 2023 (audited) after adjustment	10,000,000	516,729	(48,421)	(3,160,563)	7,307,745
Period loss	-	-	-	(11,677)	(11,677)
Losses on the sale of financial assets at fair value through other comprehensive income	-	-	-	(15,694)	(15,694)
Transferred from the cumulative change in fair value	-	-	(48,740)	48,740	-
Change in fair value of financial assets	-	-	(160,444)	-	(160,444)
Balance as of September 30, 2023 (Unaudited)	10,000,000	516,729	(257,605)	(3,139,194)	7,119,930
For the nine months ending September 30, 2024					
Balance as of January 1, 2024 (before adjustment)	10,000,000	516,729	(119,585)	(3,620,833)	6,776,311
Adjustment from previous years note (15)	-	-	-	(330,368)	(330,368)
Balance as of January 1, 2024 (after adjustment)	10,000,000	516,729	(119,585)	(3,951,201)	6,445,943
Adjustment from previous years	-	-	-	199,999	199,999
Adjusted opening balance	10,000,000	516,729	(119,585)	(3,751,202)	6,645,942
Period loss	-	-	-	(794,566)	(794,566)
Losses on the sale of financial assets at fair value through other comprehensive income	-	-	-	(14,163)	(14,163)
Transferred from the cumulative change in fair value	-	-	230,131	(230,131)	-
Change in fair value of financial assets	-	-	(674,296)	-	(674,296)
Balance as of September 30, 2024 (Unaudited)	10,000,000	516,729	(563,750)	(4,790,062)	5,162,917

The accompanying notes from 1 to 16 are an integral part of these Interim financial statements.

Albilad Securities and Investment Company
(Public Limited Shareholding Company)
Interim consolidated condensed Statement of Cash Flows (Unaudited)
for the nine months period ended September 30, 2024
(Jordanian Dinars)

	September 30,2024	September 30,2023
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities:		
Net loss for the period before income tax	(794,566)	(11,677)
Adjustments to reconcile net profit before income tax to net cash flows (used in)/Provided by operating activities:		
Depreciation and amortization	41,664	39,756
company's share of the affiliate company's losses/Profits	528,490	(168,196)
Losses on the sale of financial assets through other comprehensive income	(14,163)	-
Loss from disposal of investment properties	16,549	-
Financing expenses	109,019	-
	<u>(113,007)</u>	<u>(140,117)</u>
changes in working capital:		
Brokerage clients' receivables, and receivables from margin financing clients	(123,374)	(32,199)
Other receivables	1,758	160,771
Clients' payables	(83,136)	36,874
Other payables	(658,343)	766,303
Financing expenses	(109,019)	-
Net cash flow (used in)/ provided by operating activities	<u>(1,085,121)</u>	<u>791,632</u>
Cash flows from investing activities:		
Purchasing intangible assets	-	(4,764)
Purchasing property and equipment	(2,420)	(304)
Investments in an affiliate company	(180)	(4)
Purchasing investments properties	-	(939,752)
Proceed from sale of investment properties	515,000	
Financial assets at fair value through other comprehensive	264,815	110,400
Cash flows provided by/(used in) investing activities	<u>777,215</u>	<u>(834,424)</u>
Cash Flows from Financing Activities:		
Increase/decrease in financial lease obligations	3,553	(1,658)
Increase in overdraft banks	538	74,530
Increase in bank loans	145,872	-
Net cash flows provided by financing activities	<u>149,963</u>	<u>72,872</u>
Net cash (used in)/provided during the year	(157,943)	30,080
Cash and cash equivalents balances at the beginning of the period	395,098	290,727
Cash and cash equivalents balances at the end of the period	<u>237,155</u>	<u>320,807</u>

The accompanying notes from 1 to 16 are an integral part of these Interim financial statements

1-Legal Status and Activities

Al-Bilad Securities and Investments Limited Liability Company was established as a Public Limited Shareholding Company) and the company was registered with the Controller of Companies at the Ministry of Industry and Trade in The Hashemite Kingdom of Jordan as a public limited shareholding company under No. (397) on March 22, 2006.

The company's main activity is buying and selling stocks, bonds, and securities and acting as a commission brokerage.

2-Basis of Preparation

Statement of compliance:

- These Interim consolidated condensed Financial Statements for the nine-month period ended September 30, 2024, have been prepared in accordance with IAS 34 "Interim Financial Reporting".
- The interim consolidated condensed financial statements do not include all the information and notes that are usually attached to the annual financial statements and, therefore, should be read in conjunction with the Company's annual financial statements as of 31 December 2023. Additionally, the results of operations for the period that ended on September 30, 2024, do not necessarily represent an indication of the results of operations for the year ending on December 31, 2024.

Functional and presentation currency

The consolidated interim financial statements are presented in Jordanian dinars, which is the company's functional and presentation currency.

Basis for consolidating the financial statements

Its subsidiaries and companies under its control. Control is achieved when the parent company has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from its activities. Transactions, balances, revenues and expenses between the company and subsidiaries are excluded.

The results of operations of subsidiaries are consolidated in the consolidated statement of comprehensive income starting from the date of acquisition, which is the date on which the company's control over the subsidiaries actually takes place.

The consolidated financial statements for the financial period ending on September 30, 2024 include the financial statements of the parent company and the subsidiary: "Swar Al Sharq Company"

As of September 30, 2024, the company owns the following subsidiaries:

Company Name	Corporate entity	Capital	Ownership Percentage
Sawar Al Sharq Trading Company LLC	Limited liability	1,000	%100

On August 28, 2024, the subsidiary was sold and completely divested, resulting in the current figures as of September 30, 2024, being separate and not consolidated with Siwar Al-Sharq Trading Company.

3- Adoption of new and revised standards

The accounting policies followed in preparing the financial statements are consistent with those followed in preparing the financial statements for the three-month period ending on September 30, 2024 (unaudited), except that the company applied the following amendments as of January 1, 2023, if any:

A. New and amended IFRS Standards that are effective for the current year:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies.
- Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules.
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition.
- IFRS 17 Insurance Contracts (including the September 2020 and December 2021 Amendments to IFRS 17) Supersedes IFRS 4 Insurance Contracts.

4-Significant Accounting Estimates and Assumptions

The preparation of the financial statements in accordance with the applied accounting principles and policies requires the use of judgments, estimates and assumptions that may impact the value of revenues, expenses, assets and liabilities and attached notes besides disclosure of contingent liabilities. The uncertainty in respect of these assumptions and estimates may require material adjustment to the carrying amount of asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared, these estimates and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A- Going concern basis

The company has no doubt about the ability to going concern, based on it These financial statements were prepared on going concern basis

B- Estimated useful life for property and equipment

The cost of property and equipment are depreciated over the expected services period which is estimated based on the estimated usage, obsolescence due to technology advancements and considerations of residual value of the assets. The Company's management did not estimate any residual value for its assets due to immateriality.

C- Provision for expected credit losses

The provision for expected credit losses is determined through many factors to ensure that the accounts receivable balances are not overstated as a result of un-collectability, including quality and aging of the accounts receivables and continuous credit evaluation of the financial positions of the customers and guarantees required from the customers certain circumstances.

D- Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether this remarkable price is directly or estimated using another valuation value.

The fair value of an asset or a liability is measured using the assumptions will be either:

- Through the major markets for assets or liabilities, or
- Through the most beneficial markets for assets or liabilities in the absence of major markets.

The major or the most beneficial markets must be available to the Company to access to them.

Fair value is measured using assumptions that market participants would use when pricing assets or liabilities, assuming that market participants act in their best economic interest.

The fair value measurement of non-financial assets takes into account the ability of market participants to generate economic benefits by using the assets to their highest and best use or by selling them to another market participant who would use them to their highest and best use.

The Company uses valuation techniques that are appropriate with the prevailing circumstances and conditions and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

4-Significant Accounting Estimates and Assumptions (Continued)

D-Measurement of fair value (Continued)

All assets and liabilities for which fair value is measured or disclosed in these financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Traded prices for identical assets or liabilities in active markets.

Level 2- Valuation techniques for which the lowest level inputs (that is significant to the fair value measurement) is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level inputs (that is significant to the fair value measurement) is unobservable.

Fair value measurement for unquoted AFS financial assets and non-recurring measurement, such as assets held for distribution in discontinued operations, is evaluated on a periodic basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

5-Significant Accounting Policies

All accounting policies followed in preparing the condensed interim financial statements are the same as those in preparing the annual financial statements as of December 31, 2023.

Financial instruments

Classification and Measurement

The classification of financial assets depends on the company's business model for managing its financial assets and the contractual terms of the cash flows. The company classifies its financial assets as follows:

- Financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss.
- Financial assets measured at fair value through other comprehensive income.

Gains or losses on assets measured at fair value are recognized either through the statement of profit or loss or through the statement of other comprehensive income. Loans and trade receivables held to collect contractual cash flows and are expected to generate cash flows that represent payment of principal and commission only are measured at amortized cost.

Initial measurement

Financial assets are initially measured at their fair value, plus transaction costs, as in the case of financial assets not carried at fair value through profit or loss. Transaction costs for financial assets carried at fair value through profit or loss are recognized at fair value through the statement of profit or loss and other comprehensive income. Financial assets that contain derivatives are considered fully quoted when determining whether their cash flows meet the requirement of representing payment of principal and commission only.

Subsequent measurement

Debt instruments

The Company recognizes three classification categories for the subsequent measurement of its debt instruments.

5-Significant Accounting Policies (Continued)

• Amortized cost

Financial assets acquired to collect subscription-confirmed funds, for which those cash flows represent payment of principal and commission only, are measured at amortized cost. The profit or loss on investment in debt instruments, which are subsequently measured at amortized cost, and do not form part of a risk-hedging instrument in the profit or loss statement, is recognized when the asset is derecognized or impaired. The income from these financial assets is included in finance income using the effective interest rate method.

• Fair value through other comprehensive income

Financial assets acquired to collect contractual cash flows and sell financial assets, for which the cash flows of the assets represent payment of principal and commission only, are measured at fair value through other comprehensive income. Changes in book value are recognized through other comprehensive income, except for impairment gains or losses, commission revenue, and gains or losses on foreign exchange, which are recognized in the statement of profit or loss. When a financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to the statement of profit or loss. and are recognized in other gains/ (losses). Commission income from these financial assets is also included in financing income using the effective commission rate method. Foreign exchange gains and losses are included in other revenue/expenses.

• Fair value through profit or loss

Financial assets that do not meet the criteria to be subsequently recognized at amortized cost or measured at fair value through other comprehensive income are measured at fair value through profit or loss. Also, the gains and losses resulting from investing in debt instruments, which are subsequently measured at fair value through the statement of profit or loss and do not form part of the risk hedging instrument, are recognized and shown net in the statement of profit or loss in the period in which they arise.

Property and equipment

A-Recognition and Measurement

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of acquiring assets includes all costs directly related to the acquisition transaction. The cost of manufactured assets includes the cost of materials, direct labor, and all direct costs that make the assets ready for their intended purpose, as well as the cost of dismantling, installation, and transportation of the assets, and the cost of site preparation where they will be placed, in addition to borrowing costs allocated to assets eligible for capitalization.

Purchased software that forms an integral part of the functions of related hardware is also capitalized as part of those assets. If a significant portion of any component of an asset within property and equipment has a different useful life than the asset itself, it is considered as a separate component of the property and equipment.

Any revenue or loss incurred due to the exclusion of any item from property and equipment is recognized in the statement of profit or loss and other comprehensive income. The replacement cost of any part of property and equipment and any other subsequent expenses is capitalized when they result in an increase in future productive benefits to the company, and their cost is reliably measurable. And the carrying amount of the replaced asset shall be written off. The maintenance expenses of property and equipment are recognized in the statement of profit or loss.

5-Significant Accounting Policies (continued)

Property and equipment (continued)

B-Subsequent capital expenditure

Replacement cost of a part of an item in property and equipment and any other subsequent capital expenditure is recognized at the book value if:

- It is probable that the future economic benefits will flow to the company due to the added part, expense or cost incurred.
- Its cost can be measured reliably. The book value of the asset that was replaced, shall be written off.

C-Depreciation

Depreciation is calculated at the assets' cost deducting the assets' residual value after the end of its useful life (salvage value), by adopting straight-line method over the useful life of the assets and adopting the following percentages:

-Assets of Al-Zarqa branch	15-25%
-Computers	25%
-Vehicles	15%
-Furniture and fixture	15%
-Machinery and equipment	15%
- Decorations	20%

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investments properties

Investments properties are stated in the financial statements at cost after deducting accumulated depreciation (excluding land).

These investments are depreciated over their productive life at a rate of 2-10% annually. Any impairment in their value is recorded in the profit or loss statement.

Revenues or operating expenses related to these investments are also recorded in the profit or loss statement.

Intangible assets

- Intangible assets are non-monetary assets that are identifiable and without a physical substance.
- Assets that acquired separately are recorded at cost after deducting accumulated amortization and accumulated impairment losses.
- The costs of acquiring includes the purchase price and other expenses incurred in preparing assets for their expected use. Assets acquired from business combinations are recognized at cost, which is their fair value at the acquisition date, separately from goodwill.
- Amortization expense is recognized as a fixed and predetermined expense over the productive lives of intangible assets.
- Estimated useful lives are reviewed at the end of each year, and any changes in estimates will be reflected in Subsequent periods.

Impairment testing is conducted for impairment of value that appears in the intangible assets list in the financial statement is conducted whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. In case of any indication of impairment, impairment losses are recognized based on the assets impairment policy.

Real estate investments are evaluated as of the date of each financial statement, and their fair value is disclosed within the notes to the financial statements.

5-Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are stated at original invoice amount less amounts estimated to be uncollectible. An estimate of expected credit losses is made and the company uses the simplified method in calculating expected credit losses, as it is based on the historical experience of credit loss, taking into account future factors related to the debtors and the economic environment in accordance with the requirements of International Financial Reporting Standard No. (9).

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, current account balances with banks and deposit balances with banks with maturities of more than three months.

Revenue Recognition

The Company recognizes revenue from contracts with customer based on five step model as set Out in IFRS (15) – Revenue from contracts with customer, as follows.

- Step 1: Identify contracts or contracts with customers.
- Step 2: Defining performance obligations (duties) in the contract.
- Step 3: Determine the transaction price based on the contract.
- Step 4: Allocate the transaction price to the performance obligation in the contract.
- Step 5: Revenue recognition when the entity performs performance requirements.

According to IFRS No. (15), revenue is recognized by the entity upon performance of the obligation, that is, when control of the goods or services entrusted with the performance of a particular obligation is transferred to the customer.

The following specific recognition criteria must also be met before revenue is recognized:

- **Financial brokerage commission revenue**
Commissions for the purchase and sale of shares are recorded as revenue when the invoice is issued to the customer.
- **Gains or losses resulted from disposal of property and equipment**
The gains or losses resulted from disposal of property and equipment is recognized in the statement of profit or loss on the period by which any of those assets is sold.
- **Recovery of expected credit losses**
Recovery of expected credit losses is recognized as a revenue in the statement of profit or loss and as reduction from provision for expected credit losses upon collection.
- **Other revenue**
other revenue is recognized in the statement of profit or loss when the conditions of its realization are fulfilled.

Income tax provision

The Company takes a provision for income tax in accordance with Income Tax Law No. (38) of 2018, and in accordance with IAS (12), where this standard provides for recording deferred tax resulting from the difference between the accounting and tax of assets and liabilities.

Accrued taxes are calculated on the basis of taxable profits. The taxable profits differ from the profits declared in the financial statements because the declared profits include non-taxable revenues or non-deductible expenses in the current financial period, but in subsequent years. or accumulated losses or financials areas that are not subject to or deductible for tax purposes.

5-Significant Accounting Policies (continued)

Deferred taxes

Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences between the carrying amount of assets or liabilities in the financial statements and the value used for tax purposes. Taxes are calculated using the accrual basis, and deferred taxes are calculated based on the tax rates expected to be applied when settling the tax liability or realizing the deferred tax assets.

The balance of deferred tax assets is reviewed as of the date of the financial statements and is reduced if it is anticipated that the benefits from these deferred tax assets cannot be realized either partially or entirely, or if there is a need to settle the tax liability.

General and administrative expenses

It's the expenses that related to the management, and not related to operational function or selling and marketing. Allocations between cost of revenue, general and administrative expenses, when required, in consistent basis.

Statutory Reserve

According to the company's articles of association and the requirements of the companies' system, the company must deduct 10% of the net profit before tax and transfer it to a compulsory reserve. The company continues to deduct the same percentage for each year without the deducted amounts exceeding the company's paid-up share capital. This reserve is not available for distribution to partners.

Voluntary Reserve

In accordance with the decision of the company's board of directors, the company is required to set aside up to 20% of the net profit before income tax to a voluntary reserve. This reserve is available for distribution to the shareholders.

Offsetting

Offsetting is performed between financial assets and liabilities, and reflect the net amount in the fianacial statements when the legal enforceable rights exist to do so, as well as when it settled on offsetting basis or when assets and liabilities are settled at the same time.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the current obligations to be settled at the end of the period covered by the financial statements. Taking into account the risks and uncertainties that may surround these obligations.

Foreign currency transactions

Transactions in foreign currencies are recorded during the year based on the prevailing exchange rates on the dates of these transactions. Assets and liabilities of a cash nature recorded in foreign currencies are evaluated at the end of the year based on the exchange rates of these currencies on that date. Gains or losses resulting from exchange rate differences are treated in the profit and loss statement.

Non-monetary assets and liabilities in foreign currencies, which are measured at historical cost, are translated using historical exchange rates at the time of the transaction.

Non-monetary assets and liabilities measured at fair value are translated using exchange rates on the date fair value is determined. Gains and losses from currency translation of these assets and liabilities are treated in the same manner as gains or losses arising from changes in fair value (i.e., for items where gains or losses from changes in fair value are transferred to other comprehensive income or profit and loss statement, translation differences are also transferred to other comprehensive income or profit and loss statement Prospectively).

Albilad Securities and Investment Company
(Public Limited Shareholding Company)
Notes to Interim condensed financial statements (Unaudited)
for the nine months period ended September 30, 2024
(Jordanian Dinar)

6- Investment in an affiliate company

This item represents the company's investment in the Arab Jordanian Insurance Group Public Limited Shareholding Company , of which the company owns 27.822% of its capital.

	Ownership Percentage	September 30 2024 (Unaudited)	December 31 2023 (Audited)
Balance at the beginning of the period/year (before adjustment)	%27.822	1,241,433	1,466,609
Note adjustment (13)		-	(330,368)
Additions (Disposal) during the period/year		180	85
The company's share of profit/(loss) for the period/year		(528,490)	105,107
Balance at the end of the period/year		713,123	1,241,433

Some of the shares of the affiliate company are pledged to the benefit of the Jordan Commercial Bank against banking facilities, and their fair value as of the date of the interim condensed consolidated financial statements amounted to (1,101,439) Jordanian Dinars. Additionally, the shares of the affiliate company listed on the Amman Stock Exchange had a fair value as of the date of the interim condensed consolidated financial statements of (2,280) Jordanian Dinars reserved for board membership.

7- Investments properties

	Land	Buildings	Total
Cost			
The balance is as of December 1, 2023(audited)	1,132,301	339,000	1,471,301
period additions	-	-	-
period disposals	(531,549)	-	(531,549)
Balance as of September 30, 2024 (unaudited)	600,752	339,000	939,752
Depreciation			
The balance is as of December 31, 2023 (audited)	-	-	-
period additions	-	5,085	5,085
period disposals	-	-	-
Balance as of September 30, 2024 (unaudited)	-	5,085	5,085
Book value as of September 30, 2024 (unaudited)	600,752	333,915	934,667
Book value as of December 31, 2023 (audited)	1,132,301	339,000	1,471,301

- On August 22, 2024, the company sold a piece of land, Plot No. 112, Basin 1, from the eastern Jreina area in Madaba, with an area of 19,931 dunams, for a value of 365,000 Jordanian Dinars, resulting in a loss of 7,549 Jordanian Dinars from the sale.
- On August 28, 2024, the company fully divested its shares in the subsidiary, Siwar Al-Sharq Trading Company, which owns Plot No. 676, Basin 24, from the Um Udaynah area in Naour, with an area of 4,690 dunams. This resulted in a loss of 9,000 Jordanian Dinars, and the legal procedures have been completed.

Albilad Securities and Investment Company
(Public Limited Shareholding Company)
Notes to Interim condensed financial statements (Unaudited)
for the nine months period ended September 30, 2024
(Jordanian Dinar)

8-Brokerage license

	Brokerage license	Total
<u>Cost</u>		
Balance as of December 31,2023 (audited)	200,000	200,000
Additons for the period/ year	-	-
Balance as of September 30,2024 (unaudited)	200,000	200,000
<u>Accumulated amortization</u>		
Balance as of December 31,2023 (audited)	(199,999)	(199,999)
Additons for the period/ year	-	-
Reverse of amortization	199,999	199,999
Balance as of September 30,2024 (unaudited)	-	-
Book value as of December 31,2023 (audited)	1	1
Book value as of September 30,2024 (unaudited)	200,000	200,000

9- Brokerage clients' receivables, net

	September 30 2024 (Unaudited)	December 31 2023 (Audited)
Brokerage clients' receivables	3,689,747	3,690,246
(Less): provision for expected credit losses	(2,350,583)	(2,350,583)
Net	1,339,164	1,339,663

10- Margin Financing Receivables

	September 30 2024 (Unaudited)	December 31 2023 (Audited)
Receivables from margin financing clients	3,170,579	3,047,845
Related parties receivables	1,217	78
Total	3,171,796	3,047,923
(Less): provision for expected credit losses	(2,640,337)	(2,640,337)
Net	531,459	407,586

11- loans

	September 30 2024 (Unaudited)	December 31 2023 (Audited)
Total loans	145,872	-
(less): non-current portion	(110,844)	-
Current protion	35,028	-

The company obtained a reducing loan from the Jordan Commercial Bank in the amount of 200,000 Jordanian dinars with an interest rate of 10%. The loan is to be repaid in 24 equal installments, the value of each installment being 9,237 dinars, and the first installment is due on 31/03/2024, by guaranteeing the mortgage of the shares purchased in the Arab Aluminum Manufacturing Company (125,000). A share in the Arab Jordanian Insurance Group (the associated company) (100,000) shares.

12- Administrative and General Expenses

	September 30,2024	September 30,2023
	(Unaudited)	(Unaudited)
Salaries and wages	179,744	177,033
Transportation	25,200	25,200
Fees, license, and subscriptions	23,530	21,305
Company's contribution to social security	11,632	10,074
Professional fees	11,160	4,000
Insurance and health insurance	8,052	8,857
Legal expenses	5,000	3,850
Miscellaneous	4,348	3,019
Zarqa Branch expenses	4,194	3,651
Maintenance expenses	3,713	3,829
Mail, telegraph, telephone, and internet	3,182	3,107
Hospitality and cleanliness	2,967	2,853
Vehicles expenses	1,960	2,528
Water and electricity	1,926	1,223
Stationery and publications	1,157	1,244
Trading faults	80	749
Donations	-	500
Total	287,845	273,022

13- Financial Risk Management

Fair value:

Is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transactions. As the Company's financial instruments are compiled under the historical cost method, differences can arise between the book amounts and the fair value estimates. Management believes that fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

Credit risk:

Is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. There is no major risk on the Company regarding credit risk. The Company's bank accounts placed with reputed financial institutions. Trade receivables are stated at net of allowance for impairment estimated by the management based on prior experience and current economic environment.

Currency risk:

Is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are predominantly in Jordan Dinar, Euros, and United States Dollars. Transaction conducted in Euros are not high in materiality. Furthermore, the Jordan Dinar relates to the United States Dollar therefore the currency risk is being well managed by the Company.

Liquidity risk:Is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's management monitors liquidity requirements on a regular basis and ensures that sufficient funds are available to meet any future commitments.

14 - Subsequent Events

The General Assembly decided in its extraordinary meeting on October 7, 2024, to reduce the capital from 10,000,000 shares with a nominal value of one Jordanian dinar to 7,000,000 shares with a nominal value of one Jordanian dinar, by offsetting part of the accumulated losses as of December 31, 2023, against the capital. The legal procedures have not yet been completed to date.

15- Comparative Figures

The company adjust the financial statements for the previous year as of December 31, 2023, to be consistent with International Standard No. (8), which allows amending the financial statements in the event of discovering errors from the previous period as a result of the lack of appropriate information and the result of amending the financial statements of the affiliated company after their issuance.

The financial impact of this amendment on the statement of financial position as of September 30, 2024 is as follows:

	Before the adjustment	Financial impac	After the adjustment
Investment in an affiliate company	1,571,801	(330,368)	1,241,433
Accumelated loss	(3,620,833)	(330,368)	(3,951,201)

- Some comparative figures for the previous year have been reclassified to be consistent with the presentation used for the current year.

16- Approval Of Financial Statements

These financial statements were approved by the Board of Directors on 31 October 2024.