

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

Condensed consolidated interim financial statements
as of June 30, 2021
(Reviewed not audited)

Index

	<u>Page</u>
Independent auditors' report on review of condensed consolidated interim financial statements	1
Statement of condensed consolidated interim financial position	2-3
Statement of condensed consolidated interim of comprehensive income	4
Statement of condensed consolidated interim of change in owners' equity	5
Statement of condensed consolidated interim of cash flows	6
Notes to condensed consolidated interim financial statements	7-19



Report on the review of the consolidated condensed interim financial statements

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To the Board of Directors of

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed consolidated interim financial statements of **First Finance Company – public shareholding company** which comprising , statement of condensed consolidated interim financial position as at June 30, 2021, and statement of condensed consolidated interim of comprehensive income, statement of condensed consolidated interim of changes in owners' equity and statement of condensed consolidated interim of cash flows for the six-month period ended June 30, 2021 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed consolidated interim consolidated financial statements in accordance with IAS 34 – *Condensed interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim 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 consolidated interim financial statements are not prepared, in all material respects in accordance with IAS 34.

Other matters:

-The attached condensed consolidated interim financial statements have been prepared in accordance with the instructions of the Securities Commission and for management purposes.
-The financial statements were audited as on December 31, 2020, and the interim condensed consolidated financial statements as on June 30, 2020 were reviewed by another auditor, who issued an unqualified audit report on March 31, 2021 and an unqualified review report on August 6, 2020, respectively.

Obeidat & alsaleh Co.


Nabeel Moh'd Obeidat

License No. 877



Amman in

July 29, 2021

First Finance Company
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of condensed consolidated interim financial position
as of June 30, 2021 (reviewed not audited)

	<u>Note</u>	<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
		JD	JD
<u>Assets</u>		(Reviewed)	(Audited)
Cash on hand and at banks & financial istitutes		1,188,165	2,726,565
Accounts receivable from financing activities - net	6	33,046,155	35,610,022
Financial assets at fair value through income statement	7	4,171,065	4,254,836
Other debit balances - net	8	4,915,269	4,676,746
Financial assets at fair value through comprehensive income st.	9	5,046,496	4,897,598
Deffered tax assets	12 E	5,265,838	5,789,250
Property , plant & equipments - net		206,678	248,508
Projects under construction		110,820	83,254
The right to use assets	10	<u>725,873</u>	<u>821,315</u>
Total assets		<u>54,676,359</u>	<u>59,108,094</u>

The accompanying notes form from (1) To (20) is an integral part of these statements

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Follow - statement of condensed consolidated interim financial position
as of June 30, 2021 (reviewed not audited)**

	<u>Note</u>	<u>31-Mar-2021</u>	<u>31-Dec-2020</u>
<u>Liabilities & owners' equity</u>		JD	JD
<u>Current liabilities</u>		(Reviewed)	(Audited)
Customers' investment accounts	11	5,141,296	9,274,534
Income tax provision	12	174,227	202,038
Rent contracts' liabilities - short term	10	722,087	861,637
Other credit balances	13	<u>2,626,118</u>	<u>2,908,715</u>
Total current liabilities		<u>8,663,728</u>	<u>13,246,924</u>
<u>Owners' equity</u>			
Capital		35,000,000	35,000,000
Statutory reserve		3,554,085	3,554,085
Voluntary reserve		229,851	229,851
Fair value reserve for financial assets		(896,710)	(1,003,917)
Retained earnings		6,594,717	8,081,151
Profit for the period		<u>1,530,688</u>	<u>-</u>
Total owners' equity		<u>46,012,631</u>	<u>45,861,170</u>
Total liabilities & owners' equity		<u>54,676,359</u>	<u>59,108,094</u>

The accompanying notes form from (1) To (20) 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 six months ended June 30, 2021 (reviewed not audied)**

	Note	30-Jun-2021 JD (Reviewed)	30-Jun-2020 JD (Reviewed)	30-Jun-2021 JD (Reviewed)	30-Jun-2020 JD (Reviewed)
<u>Revenues</u>					
Finance revenues		1,071,278	1,117,901	538,014	363,898
Less: share of customers' investment accounts		(139,232)	(263,471)	(11,619)	(132,041)
Company's share of revenues		932,046	854,430	526,395	231,857
Returned from allowance for expected credit losses	6	1,720,431	-	1,720,431	-
Unrealized gains from financial assets at fair value through income		-	21,466	-	-
Other revenues		253,899	297,078	79,768	115,202
Total revenues		2,906,376	1,172,974	2,326,594	347,059
General & administrative expenses		(558,192)	(759,979)	(338,274)	(349,357)
Allowance for expected credit losses	6	-	(1,355,384)	-	(443,964)
Depreciation		(48,426)	(132,146)	(23,759)	(65,635)
Depreciation of the right to use assets	10	(56,423)	-	(16,966)	-
Rent contracts liabilities interests	10	(20,911)	(25,856)	(11,088)	(14,355)
Unrealized (losses) from financial assets at fair value through income		(35,789)	-	10,769	(17,897)
Profit (loss) for the period before tax		2,186,635	(1,100,391)	1,936,507	(544,149)
Income tax	12	(655,947)	-	(542,641)	(44,388)
Income tax surplus		-	99,855	-	-
Profit (loss) for the period		1,530,688	(1,000,536)	1,393,866	(588,537)
<u>Add: other comprehensive income items</u>					
Net changes in fair value for financial assets through comprehensive income statement		107,207	(104,111)	102,215	128,034
Total comprehensive income (loss) for the period		1,637,895	(1,104,647)	1,496,081	(460,503)
		Fils/Dinar	Fils/Dinar	Fils/Dinar	Fils/Dinar
Basic and diluted earning per share for the period	14	0.044	(0.029)	0.040	(0.017)

The accompanying notes form from (1) To (20) 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 changes in owners' equity
for the six months ended June 30, 2021 (reviewed not audited)

Description	Capital	Statutory reserve	Voluntary reserve	Fair value reserve for financial assets*	Retained earnings **	Profit for the period	Total
	JD	JD	JD	JD	JD	JD	JD
<u>For the six months ended June 30, 2021</u>							
Balance as of January 1, 2021 - audited	35,000,000	3,554,085	229,851	(1,003,917)	8,081,151	-	45,861,170
Prior years' income tax	-	-	-	-	(1,525,551)	-	(1,525,551)
Prior years' income	-	-	-	-	39,117	-	39,117
Adjusted opening balances	35,000,000	3,554,085	229,851	(1,003,917)	6,594,717	-	44,374,736
Profit for the period after tax	-	-	-	-	-	1,530,688	1,530,688
Fair value reserve	-	-	-	107,207	-	-	107,207
Total comprehensive income for the period	-	-	-	107,207	-	1,530,688	1,637,895
Balance as of June 30, 2021 - reviewed	35,000,000	3,554,085	229,851	(896,710)	6,594,717	1,530,688	46,012,631
<u>For the six months ended June 30, 2020</u>							
Balance as of January 1, 2020 - audited	35,000,000	3,482,369	229,851	(1,129,317)	7,611,800	-	45,194,703
(Loss) for the period after tax	-	-	-	-	-	(1,000,536)	(1,000,536)
Fair value reserve	-	-	-	(104,111)	-	-	(104,111)
Total comprehensive (loss) for the period	-	-	-	(104,111)	-	(1,000,536)	(1,104,647)
Balance as of June 30, 2020 - reviewed	35,000,000	3,482,369	229,851	(1,233,428)	7,611,800	(1,000,536)	44,090,056

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

** Consolidated retained earnings include an amount of JD **5,265,840** representing the value of deferred tax assets as of **June 30,2021** (JD **5,789,250** as of **December 31, 2020**) , which is restricted from use in accordance with the Securities Commission Regulation.

The accompanying notes form from (1) To (20) 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 cash flows****for the six months ended June 30, 2021 (reviewed not audited)**

	Note	30-Jun-2021 JD	30-Jun-2020 JD
<u>Cash flows from operating activities</u>		(Reviewed)	(Reviewed)
Profit (loss) for the period before tax		2,186,635	(1,100,391)
Prior years' income		39,117	-
Depreciation		48,426	132,146
Allowance for expected credit losses		-	1,355,384
Depreciation of the right to use assets	10	56,423	-
Rents' contracts liabilities interests	10	20,911	25,856
Unrealized losses (gains) from financial assets at fair value through income statement		35,789	(21,466)
Capital loss		-	2,053
Returned from allowance for expected credit losses	6	(1,720,431)	-
Operating income before changes in working capital		666,870	393,582
<u>(Increase) decrease in current assets</u>			
Accounts receivable from financing activities		4,284,298	186,521
Other debit balances		(240,865)	(146,884)
<u>Increase (decrease) in current liabilities</u>			
Customers' investment accounts		(4,133,237)	71,719
Other credit balances		(282,596)	(38,858)
Net cash provided from from operating activities before paid tax		294,470	466,080
Paid tax	12	(202,038)	(476,480)
Prior years' paid income tax	12	(1,525,552)	-
Net cash (used in) provided from operating activities		(1,433,120)	(10,400)
<u>Cash flows from investing activities</u>			
Acquisitions of property , plant & equipments		(6,596)	(27,030)
Proceeds from sales of property , plant & equipments		-	70
Paid on purchasing financial assets in fair value through income		-	(6,401)
Proceeds from sales of financial assets through income		47,982	-
Paid for projects under construction		(27,566)	-
Real-estate investments		-	(71,770)
Net cash provided from (used in) investing activities		13,820	(105,131)
<u>Cash flows from financing activities</u>			
Dividends to sherholders		-	(124,206)
Net rent payments	10	(119,100)	(150,163)
Net cash (used in) financing activities		(119,100)	(274,369)
Net (dicrease) in cash		(1,538,400)	(389,900)
Cash on hand and at banks at beginning of period		2,726,565	1,121,854
Cash on hand and at banks at end of period		1,188,165	731,954

The accompanying notes form from (1) To (20) is an integral part of these statements

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed consolidated 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 **July 29, 2021**, 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, 2020**, in addition, The results for the three months period ended **June 30, 2021** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2021**, and no appropriation was made for the six months profit ended **June 30, 2021** since it made at the year-end .

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

3- Use of estimates

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and particular, considerable judgement by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ, resulting in future change in such provisions.

Management believe that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline, Management estimates the value of impairment and the same is charged in the statement of condensed interim comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

- Inventories are held at the lower of either cost or net realizable value. When inventories become old or obsolete, an estimate is made of their realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence, based on historical selling prices.

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of condensed interim comprehensive

4- Significant accounting policies Changes in accounting policies

The accounting policies followed in the preparation of the interim condensed financial statements for the period are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2020, except for the company's application of the following standards:

Standard Interest Rate Reforms - Phase Two Adjustments

The amendments require the entity to recognize the change in the basis for determining the contractual cash flows of the asset or liability, which is required to reform the interest rate standard by updating the effective interest rate of the financial asset or liability, in addition, it provides exceptions to the requirements of hedge accounting. With regard to exposure to cash flows, fair value hedges, and non-derivative financial assets and liabilities related to the benchmark interest between banks, which mature after 2021, it was found that there is no significant impact of the standard interest rate reform on the company's business results.

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed consolidated 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 profit	Investment's net book value
		JD	JD	%	JD	JD
Sukok Leasing Company	L.L.C	April 19,2017	500,000	100	20,031	500,000

- 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	805,124	286,639	22,428	20,031

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 condensed consolidated interim financial statements - reviewed not audited****6- Accounts receivable from financing activities - net**

A. This item consists of :

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Finance receivables (note 6 B , 6 C)	61,497,882	66,773,777
Less: unrealized revenues on financing contracts (note 6 B)	(8,382,182)	(9,656,288)
Net	53,115,700	57,117,489
Less: allowance for expected credit losses (note 6 D , 6 E)	(17,898,752)	(19,619,183)
Less: profit in suspense (note 6 F)	(2,170,793)	(1,888,284)
Net	33,046,155	35,610,022

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

	30-Jun-2021		31-Dec-2020	
	Accounts receivable from financing activities	Unrealized revenues	Net	Net
	JD	JD	JD	JD
			(Reviewed)	(Audited)
<u>Corporates</u>				
Corporate financing - goods	28,360,918	3,792,420	24,568,498	24,352,261
Bills of loading financing	2,528,336	-	2,528,336	2,528,336
Corporate financing - real-estae	4,189,307	805,747	3,383,560	3,752,727
Total	35,078,561	4,598,167	30,480,394	30,633,324
<u>Individuals</u>				
Individuals financing - goods	1,279,870	35,018	1,244,852	2,469,586
Stock financing	2,791,254	-	2,791,254	2,782,020
Real-estate financing	8,678,030	2,066,828	6,611,202	6,882,299
Vehicles & machinery	13,670,167	1,682,169	11,987,998	14,350,260
Total	26,419,321	3,784,015	22,635,306	26,484,165
Total	61,497,882	8,382,182	53,115,700	57,117,489

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the condensed consolidated interim financial statements - reviewed not audited****C. The movement of receivables from financing activities is as follows:**

	30-Jun-2021				31-Dec-2020
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed)	(Audited)
Balance at beginning of period/year	21,323,002	7,073,096	38,377,679	66,773,777	70,692,687
New Funds	1,326,081	132,397	2,964,313	4,422,791	6,974,974
Paid Funds	(6,430,583)	(2,393,456)	(874,647)	(9,698,686)	(4,850,302)
Transferred to the first stage	1,240,417	(1,216,481)	(23,936)	-	-
Transferred to the second stage	(4,445,113)	4,461,053	(15,940)	-	-
Transferred to the third stage	(183,273)	(3,026,816)	3,210,089	-	-
Changes resulting from modifications	(3,387,969)	217,756	3,170,213	-	(6,043,582)
Balance at ending of period/year	9,442,562	5,247,549	46,807,771	61,497,882	66,773,777

D. The movement of allowance for expected credit losses during thje period as follow:

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of the period / year	19,619,183	18,683,207
Additions for the period / year	-	935,976
Disposals for the period / year	(1,720,431)	-
Balance at ending of the period / year	17,898,752	19,619,183

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

	30-Jun-2021				31-Dec-2020
	First stage	Second stage	Third stage	Total	Total
	JD	JD	JD	JD	JD
				(Reviewed)	(Audited)
Balance at beginning of period/year	1,246,175	69,819	18,303,189	19,619,183	18,683,207
Impairment loss on new funds	74,809	86,762	2,800,527	2,962,098	1,027,982
Recovered from impairment loss on new financing	(782,990)	(28,052)	(4,187,574)	(4,998,616)	(287,937)
Transferred to the first stage	33,297	(24,617)	(8,680)	-	-
Transferred to the second stage	(80,170)	80,170	-	-	-
Transferred to the third stage	(7,080)	(34,032)	41,112	-	-
Changes resulting from modifications	(23,686)	46,920	292,852	316,087	195,931
Balance at ending of period/year	460,356	196,970	17,241,426	17,898,752	19,619,183

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

	<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of the period / year	1,888,284	1,682,455
Revenues in suspense for the period / year	414,652	621,002
Revenues in suspense transferred to revenues for the period / year	(132,143)	(415,173)
Balance at ending of the period / year	<u>2,170,793</u>	<u>1,888,284</u>

7- Financial assets at fair value through income statement

This item consists of :

	<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Accounts receivables - financing activities	4,045,259	4,093,241
Financial assets listed in Amman stock exchange	125,806	161,595
Total	<u>4,171,065</u>	<u>4,254,836</u>

8- Other debit balances

This item consists of :

	<u>30-Jun-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Assets obtained by the company by calling on collateral	2,747,449	2,927,177
Other debts	1,777,762	1,384,417
Refudable deposits	347,158	347,507
Prepaid expenses	42,900	17,645
Total	<u>4,915,269</u>	<u>4,676,746</u>

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the condensed consolidated interim financial statements - reviewed not audited****9- Financial assets at fair value through comprehensive income**

A. This item consists of :

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Financial assets listed in Amman stock exchange	2,946,367	2,797,469
Financial assets unlisted in Amman stock exchange	2,100,129	2,100,129
Total	5,046,496	4,897,598

- B. The listed financial assets include pledged shares in favor of Safwa Islamic Bank against a ceiling of credits granted to the company in favor of its clients, amounting to JD **1,652,308** as on **June 30, 2021** (JD **1,577,630** in favor of Safwa Islamic Bank as of **December 31, 2020**).

For purposes of company's membership in the associates board of directors and other purposes for Security Depository Center , the reserved shares of the shares owned in those companies amounted to **38,034** Jordanian dinars.

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 the period / year	821,315	861,637
Additions for the period / year	31,942	31,942
Disposals for the period / year	(70,961)	(70,961)
Depreciation of the right to use assets	(56,423)	-
Payments on rents liabilities contracts	-	(119,100)
Rent liabilities contracts interests	-	20,911
Prepaid rent liabilities contracts interests	-	(2,342)
Balance ending of the period / year	725,873	722,087

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

11- Customers' investment accounts

This item represent of Wakala investments received from customers with a due date of **12 to 60** months to be invested in the companies activities. The average return paid to the customers range from **4% to 6%** as at **June 30,2021** (from **3.5% to 6.625%** as at **December 31,2020**).

12- Income tax provision

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

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	202,038	293,226
Tax of the period/year (note 12 D)	174,227	409,504
Paid tax during the period/year	(202,038)	(500,692)
Balance ending of the period/year	174,227	202,038

- B. The income tax of the parent company has been reviewed for the years from **2016 to 2019**, and the company has resulted in tax dues amounting to JD 1,418,591 , in addition to the amount of JD **106,961** , tax differences for the year **2020**, with a total of JD **1,525,551** ars, which have been paid in full. A final clearance for the end of **2019**, and a self-assessment statement for the **2020** income tax has been submitted and has not yet been reviewed by the Income and Sales Tax Department.

Income tax for the subsidiary company was accepted at the end of **2019** within the sampling system, and self-assessment statements for the years **2018** and **2020** were submitted and have not yet been reviewed by the Income and Sales Tax Department.

C. The income tax expenses shown in the consolidated comprehensive income is as follow"

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Accrued income tax on the period / year profit	174,227	409,504
Deffered tax assets effect	481,720	(220,836)
Income tax provision	655,947	188,668

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

D. Reconciliation of taxable income

	30-Jun-2021
	JD
	(Reviewed)
Recorded profit	2,186,635
Non-taxable income	(1,808,023)
Non-taxable expenses	243,627
Taxable income	622,239
Income tax rate	24%
Income tax for the period	149,337
National contribution accountt (4% of taxable income)	24,890
Income tax provision	174,227

The income tax provision has been distributed as follows:

Parent company income tax	168,618
Subsidiary income tax	5,609
Total	174,227

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

12- Income tax

E. Deferred tax assets

This item consists of :

	30-Jun-2021			31-Dec-2020		
Included accounts	Balance at beginning of the period JD	Amounts released JD	Amounts added JD	Balance at ending of the period JD	Deffered tax assets JD (Reviewed)	Deffered tax assets JD (Audited)
Impairmnet debts	19,619,183	(1,720,431)	-	17,898,752	5,011,651	5,493,371
Fair value reserve	1,884,231	(107,207)	-	1,777,024	254,188	295,879
Total	21,503,414	(1,827,638)	-	19,675,776	5,265,838	5,789,250

The deferred tax assets for the investment valuation reserve are calculated by taking into account domestic investments at a rate of **28%** and foreign investments at **10%**.

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

	30-Jun-2021 JD (Reviewed)	31-Dec-2020 JD (Audited)
Balance beginning of the period/year	5,789,250	5,709,179
Additions for the period / year	-	328,283
Disposals during the period / year	(523,412)	(248,212)
Balance ending of the period/year	5,265,838	5,789,250

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the condensed consolidated interim financial statements - reviewed not audited****13- Other credit balances**

This item consists of :

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Due to shareholders	1,321,815	1,477,331
Unearned revenues	609,175	728,613
Accrued Wakala investments profits	257,061	200,078
Others	251,370	228,791
Board of directors remunerations	29,169	45,000
Gurantees redemption	22,500	40,434
Cases provision	26,961	30,000
Due to income tax	30,000	8,800
Suppliers payable	521	28,796
Accrued expenses	77,546	120,872
Total	2,626,118	2,908,715

14- Basic and diluted earning per share for the period

This item consists of :

	30-Jun-2021	30-Jun-2020
	JD	JD
Profit (loss) for the period after tax (JD)	1,530,688	(1,000,536)
Weighted average shares (share)	35,000,000	35,000,000
Basic and diluted earning per share for the period	0.044	(0.029)

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

15- Contingent liabilities

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

	30-Jun-2021	31-Dec-2020
	JD	JD
	(Reviewed)	(Audited)
Banks gurantees	332,300	332,300
Less : cash deposits	(59,744)	(59,744)
Total	272,556	272,556

First Finance Company

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

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

16- Legal situation

There are lawsuits filed by the mother company against others (the company's clients) with a value of JD **27,767,585**.

There are lawsuits filed by others against the parent company with a value of **2,331,787** Jordanian dinars, and include cases of JD **2,200,000** related to preventing the company's claim against them.

And in the opinion of the legal advisor of the company, the cases brought are still under consideration and are proceeding in the interest of the company, and sufficient allocations have been made for them within the books.

17- 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-Jun-2021			31-Dec-2020
	Executive management	Company's employees	Other related parties	Total
	JD	JD	JD	JD
				(Reviewed)
				(Audited)
Accounts receivables - financing activities	38,342	78,401	-	116,743
				329,728

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

B. Details of due to related parties appear on financial position

	30-Jun-2021			31-Dec-2020
	Executive management	Company's employees	Other related parties	Total
	JD	JD	JD	JD
				(Reviewed)
				(Audited)
Customers' investment accounts	261,000	9,385	2,716,300	2,986,685
				7,069,885

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

First Finance Company**Public shareholding company****Amman - The Hashemite Kingdom of Jordan****Notes to the consolidated condensed interim financial statements - reviewed not audited****17- Related parties transactions****C. Details transactions with related parties appear on comprehensive income**

	30-Jun-2021			30-Jun-2020
	Executive management	Company's employees	Other related parties	Total
	JD	JD	JD	JD
Revenues from financing activities	2,744	2,874	-	5,618
Share of customers' investment accounts	76,274	90	62,868	139,232
				377,299

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

	30-Jun-2021	30-Jun-2020
	JD	JD
Wages & other benefits	125,503	176,038

18- Risk management

The company is exposed in general to financial risks, credit risks, liquidity risks and market risks, especially in light of the Corona pandemic, 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, 2020**.

19- Subsequent events

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

20- 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.