JORDAN TRADE FACILITIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBERS 2023

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)

Report on the Audit of the Consolidated Financial Statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jordan Trade Facilities Company (the "Company") and its subsidiary (together the "Group") as at 31 December 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as amended by the Central Bank of Jordan instructions.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

INDEPENDENT AUDITOR'S REPORT *(CONTINUED)*
TO THE SHAREHOLDERS OF JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)

As at 31 December 2023

Overview

Key Audit Matter	Measurement of Expected Credit Losses

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We have designed the scope of the audit to perform sufficient procedures that enable us to express an opinion on the consolidated financial statements as a whole, taking into account the Groups structure, accounting processes, controls and business segments.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Losses The Group applies the Expected Credit Loss model (ECL) on all its financial instruments measured at amortised cost in accordance with IFRS 9 "Financial Instruments" as amended by the Central Bank of Jordan instructions. The Group exercises significant judgement and makes a number of assumptions in developing its ECL models, which includes probability of default computation separately for retail and corporate portfolios, determining loss given default and exposure at default for both funded and unfunded exposures, forward looking adjustments, staging criteria and movement between stages. For defaulted exposures, the Group exercises judgements to estimate the expected future cash flows related to individual exposures, including the value of collateral. The Group's impairment policy under IFRS 9 as amended by the Central Bank of Jordan Instructions is presented in notes (2 and 4) to the consolidated financial statements, and which is related to the differences between IFRS 9 as should be implemented and what was implemented based on the Central Bank of Jordan instructions, and the material accounting policies implemented when calculating the expected credit loss. Measurement of ECL is considered as a key audit matter as the Group applies significant judgments and makes a number of assumptions in the staging criteria applied to the financial instruments as well as in developing ECL models for calculating its impairment provisions.	We performed the following audit procedures on the computation of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2023: ➢ We assessed and tested the design and operating effectiveness of the controls over the calculation of the excepted credit losses model. ➢ We tested the completeness and accuracy of the data used in the calculation of ECL. ➢ For a sample of exposures, we checked the appropriateness of the Group's application of the staging criteria. ➢ We involved our internal specialists to assess the following areas: • Conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of IFRS 9 as amended by the Central Bank of Jordan instructions. • ECL modelling methodology and calculations used to compute the probability of default (PD), loss given default (LGD), and exposure at default (EAD) for the Group's classes of financial instruments. • Reasonableness of the assumptions made in developing the modelling framework including assumptions used for estimating forward looking scenarios and significant increase in credit risk. • Recalculation of the expected credit losses for a sample of the impaired financial assets at each stage.

	➢ In addition, for the Stage 3 corporate portfolio, the appropriateness of provisioning assumptions were independently assessed for a sample of exposures selected on the basis of risk and the significance of individual exposures. An independent view was formed on the levels of provisions recognised, based on the detailed loan and counterparty information available in the credit file. For the Stage 3 retail portfolio, assumptions were independently assessed for each product category and an independent view was formed on the levels of provisions recognised at each category level. ➢ We recalculated the provision for non-performing loans in accordance with the Central Bank of Jordan Instructions Number (47/2009). ➢ We compared the expected credit loss calculated in accordance with IFRS 9 as amended by the Central Bank of Jordan Instructions with the provision for expected credit losses calculated in accordance with the instructions of the Central Bank of Jordan No. (47/2009) and ensured that the Group has recorded whichever is higher. ➢ We assessed the consolidated financial statement disclosures to ensure compliance with IFRS 7 and IFRS 9 as amended by the Central Bank of Jordan Instructions. We have also ensured completeness and accuracy of the disclosures by verifying the information to accounting records.

Other information

The directors are responsible for the other information. The other information comprises all the other information included in the Group's annual report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT *(CONTINUED)*
TO THE SHAREHOLDERS OF JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)

As at 31 December 2023

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as amended by the Central Bank of Jordan instructions, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Group maintains proper accounting records which are consistent, in all material aspects, with the accompanying consolidated financial statements. We recommend the General Assembly to approve them.

For and on behalf of PricewaterhouseCoopers "Jordan"

Omar Jamal Kalanzi
License No. (1015)

Certified Public Accountants
pwc
Amman - Jordan

Amman, Jordan
8 February 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	Note	2023	2022
		JD	JD
Assets			
Cash on hand and at banks	5	2,283,955	2,288,464
Financial assets at fair value through other comprehensive income	6	219,590	214,158
Financial assets at amortised cost	7	109,130,502	86,872,357
Other debit balances		366,812	296,241
Right of use of leased assets	8	362,072	277,411
Investment properties	9	218,966	351,000
Assets foreclosed against defaulted loans	10	2,720,158	2,692,228
Property and equipment	11	79,108	86,649
Intangible assets	12	51,844	49,745
Deferred tax assets	18	3,571,511	3,091,718
Total Assets		119,004,518	96,219,971
Liabilities and Shareholders' Equity			
Liabilities			
Bank overdrafts	13	9,210,050	4,905,297
Loans	14	58,585,957	40,916,622
Bonds	15	-	6,460,000
Lease liabilities	8	364,628	274,155
Other liabilities	16	1,083,509	782,057
Other provisions	17	360,514	301,357
Income tax provision	18	2,400,300	1,759,204
Total Liabilities		72,004,958	55,398,692
Shareholders' Equity			
Authorised, subscribed, and paid in capital	19	16,500,000	16,500,000
Statutory reserve	19	4,125,000	4,125,000
Financial assets valuation reserve		24,426	18,994
Retained earnings		26,350,134	20,177,285
Total Shareholders' Equity		46,999,560	40,821,279
Total Liabilities and Shareholders' Equity		119,004,518	96,219,971

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General Manager **Financial Manager**

The attached notes from 1 to 28 are an integral part of these consolidated financial statements

JORDAN TRADE FACILITIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		JD	JD
Revenues and commissions from commercial financing, Murabaha and finance lease	20	16,304,737	12,566,092
Other revenues	21	1,111,286	994,001
Deposit income	25	84,247	-
Total Revenues		17,500,270	13,560,093
Salaries, wages, and employees' benefits	22	(1,724,278)	(1,608,327)
Other expenses	23	(971,347)	(738,258)
Other provisions (recovered from)	17	(64,536)	21,246
Depreciation of investment properties	9	(22,753)	(23,400)
Depreciation of right of use leased assets	8	(96,805)	(86,089)
Depreciation of property and equipment	11	(50,397)	(75,979)
Amortization of intangible assets	12	(19,551)	(25,980)
Provision of expected credit losses of financial assets at amortised cost	7	(809,691)	(2,467,105)
Finance expenses	24	(5,076,908)	(2,913,684)
Total Expenses		(8,836,266)	(7,917,576)
Profit for the Year Before Income Tax		8,664,004	5,642,517
Income tax expense	18	(2,491,155)	(1,642,165)
Profit for the year		6,172,849	4,000,352
Other Comprehensive Income that will not be Subsequently Reclassified to Consolidated Statement of Profit or Loss:			
Net change in fair value of financial assets at fair value through other comprehensive income		5,432	2,221
Total Comprehensive Income for the Year		6,178,281	4,002,573
Basic and diluted earnings per share from profit of the period attributable to shareholders of the Company (JD/Share)	26	0.374	0.242

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JORDAN TRADE FACILITIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Authorised, subscribed, and paid in capital	Statutory Reserve	Financial Assets Valuation Reserve	Retained Earnings*	Total
	JD	JD	JD	JD	JD
2023					
Balance as at 1 January	16,500,000	4,125,000	18,994	20,177,285	40,821,279
Profit for the year	-	-	-	6,172,849	6,172,849
Net change in financial assets valuation reserve	-	-	5,432	-	5,432
Total comprehensive income for the year	-	-	5,432	6,172,849	6,178,281
Balance as at 31 December	16,500,000	4,125,000	24,426	26,350,134	46,999,560
2022					
Balance as at 1 January	16,500,000	4,125,000	16,773	16,176,933	36,818,706
Profit for the year	-	-	-	4,000,352	4,000,352
Net change in financial assets valuation reserve	-	-	2,221	-	2,221
Total comprehensive income for the year	-	-	2,221	4,000,352	4,002,573
Balance as at 31 December	16,500,000	4,125,000	18,994	20,177,285	40,821,279

* Use of the credit balance of the valuation reserve of financial assets through other comprehensive income is restricted in accordance with the instructions of the Central Bank of Jordan and Jordan Securities Commission.

** The retained earnings as at 31 December 2023 include deferred tax assets amounted to JD 3,571,511 (JD 3,091,718 as at 31 December 2022) is restricted in accordance with the instructions of the Central Bank of Jordan and Jordan Securities Commission.

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التسهيلات
الإدارة العامة (٢)

The attached notes from 1 to 28 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		JD	JD
Operating activities			
Profit for the year before income tax		8,664,004	5,642,517
Adjustments for:			
Depreciation of investment properties	9	22,753	23,400
Depreciation of right of use leased assets	8	96,805	86,089
Depreciation of property and equipment	11	50,397	75,979
Amortization of intangible assets	12	19,551	25,980
Gain on sale of property and equipment	21	(685)	(5,401)
Gain on sale of assets foreclosed against defaulted loans	21	(4,841)	(32,526)
Gain on sale of investment properties	21	(31,719)	
Expected credit losses provision of financial assets at amortised cost	7	809,691	2,467,105
Other provisions (recovered from)		64,536	(21,246)
Deposit income		(84,247)	-
Finance expenses		5,076,908	2,913,684
Changes in working capital items:			
Financial assets at amortised cost		(23,424,905)	(18,726,208)
Other debit balances		(70,571)	(71,333)
Other liabilities		281,245	(95,154)
Cash flows used in operating activities before income tax and other provisions paid		(8,531,078)	(7,717,114)
Income tax paid	18	(2,329,853)	(1,946,281)
Other provisions paid	17	(5,379)	(68,938)
Net cash flows used in operating activities		(10,866,310)	(9,732,333)
Investing activities			
Purchases of property and equipment	11	(42,917)	(29,581)
Purchases of intangible assets	12	(21,650)	(17,169)
Proceeds from sale of assets foreclosed against defaulted loans		333,980	655,880
Proceeds from sale of investment properties		141,000	-
Proceeds from sale of property and equipment		746	13,522
Deposit income received		84,247	-
Net cash flows from investing activities		495,406	622,652
Financing activities			
Bank overdrafts		4,304,753	1,226,588
Net movement on loans		17,669,335	11,532,168
Bonds		(6,460,000)	1,180,000
Dividends paid		(1,396)	(16,182)
Lease liabilities paid	8	(119,509)	(104,545)
Finance expenses paid		(5,026,788)	(2,736,947)
Net cash flows generated from financing activities		10,366,395	11,081,082
Net change in cash and cash equivalents		(4,509)	1,971,401
Cash and cash equivalents as at January 1		2,288,464	317,063
Cash and cash equivalents as at December 31	5	2,283,955	2,288,464
Non-cash transactions:			
Right of use leased assets/lease liabilities	8	181,466	13,382
Transferred from financial assets at amortised cost to assets foreclosed against defaulted loans	10	357,069	325,140

AL TAS-HEELAT التسهيلات
الإدارة العامة (٢)

The attached notes from 1 to 28 are an integral part of these consolidated financial statements

(1) GENERAL INFORMATION

Jordan Trade Facilities Company was incorporated on 13 March 1983 as a public shareholding limited company under No. (179) with a share capital of JD 16,500,000 divided into 16,500,000 shares with a nominal value of one JD for each share.

The main objectives of the Company are:

- Carrying out financial leasing activities
- Real estate financing
- Granting loans and direct financing for consumer goods
- Project financing
- Finance leasing by Murabaha method in accordance with the provisions of Islamic Sharia
- Financing family tourism trips
  Vehicle financing
- Obtaining guarantees and bank credits

The Group's shares are listed on the Amman Stock Exchange.

The Group's head office is located in Amman - the Hashemite Kingdom of Jordan, and its address is in Shmeisani.

The Company is 97.8% owned by Tamkeen Leasing Company (the parent company) and the ultimate parent company is Invest Bank - Public Shareholding Company whose shares are listed on the Amman Stock Exchange. The Company's financials statements are consolidated with the Ultimate Parent Company's consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on 30 January 2024.

(2) MATERIAL ACCOUNTING POLICY INFORMATION

The principal material accounting policy information applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2-1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee, which are adopted by the International Accounting Standards Board, as amended by the Central Bank of Jordan's instructions.

The main differences between the International Financial Reporting Standards for Accounting as they should be applied and what has been approved by the Central Bank of Jordan are the following:

1. Some items are classified and presented in the consolidated statement of financial position, consolidated statement of income and the consolidated statement of cash flows and the related disclosure, such as credit facilities, interest in suspense, expected credit losses, Assets foreclosed against defaulted loans, fair value levels, segments classification and disclosures related to risks and others, in accordance with the requirements of the Central Bank of Jordan, its instructions and circulated guidance which might not include all the requirements of IFRS such as IFRS 7, 9 and 13.

2 Custom credit loss provisions are formed in accordance with the Central Bank of Jordan's instructions No (13/2018) Application of International Financial Reporting Standard No (9) dated June 6, 2018 The essential differences are as follows:

   (A) Debt instruments issued by the Jordanian government or guaranteed by it are excluded from calculating expected credit losses

   (B) When calculating credit losses against credit exposures, the results of calculation according to International Financial Reporting Standard No (9) with the Central Bank of Jordan's instructions No (47/2009) dated December 10, 2009 are compared for each stage separately, and the most severe results are taken

According to the Central Bank of Jordan's instructions for classifying credit facilities and calculating the impairment allowance No (47/2009) issued on December 10, 2009, credit facilities are classified into the following categories:

Low-risk credit facilities are not subject to provisions:

These are credit facilities that have any of the following characteristics:

1) Granted to the Jordanian government and guaranteed by it, as well as to the governments of countries where Jordanian banks have branches, provided that these facilities are granted in the same currency as the host country
2) Secured by cash collateral of (100%) of the outstanding balance at any time
3) Guaranteed by an acceptable bank guarantee of (100%)

Acceptable credit facilities are not subject to provisions:

These are credit facilities that have the following characteristics:

1) Strong financial centers and sufficient cash flows
2) Documented by contracts and covered by acceptable guarantees according to the assets
3) Good sources of repayment
4) Active account movement and regular repayment of the principal and interest
5) Efficient management of the client

Credit facilities under supervision (require special attention) and are subject to a minimum allocation ranging from (1.5% - 15%):

These are credit facilities that have any of the following characteristics:

1) The presence of receivables for a period exceeding (60) days and less than (90) days for
2) the principal of credit facilities and/or their interest
3) Exceeding the debit current balance to the ceiling set at a rate of (10%) or more for a period
4) exceeding (60) days and less than (90) days
5) Credit facilities that have been classified as non-performing credit facilities and have been
6) removed from the non-performing credit facilities framework under an asset schedule.
7) 4) Acceptable credit facilities that have been restructured twice within a year
8) 5) Credit facilities whose expiry date has elapsed for a period exceeding (60) days and less
9) than (90) days and have not been renewed

This is in addition to other conditions mentioned in detail in the instructions.

Non-performing credit facilities:

They are credit facilities that have any of the following characteristics:

1) The following periods have passed since its maturity or the maturity of one of its instalments, the irregular payment of the principal amount and/or interest or the rigidity of the overdraft account:

Classification	Number of override days	Percentage of the allocation for the first year
Substandard credit facilities	From (90) days to (179) days	25%
Doubtful Credit Facilities	From (180) days to (359) days	50%
Doubtful Credit Facilities	From (360) days or more	100%

2) The debtor who exceeds the granted ceiling by (10%) or more and for a period of (90) days or more
3) Credit facilities that have expired for a period of (90) days or more and have not been renewed
4) Credit facilities granted to any client who has declared bankruptcy or to any company that has been declared under liquidation.
5) Credit facilities that have been restructured three times within a year
6) Current and demand accounts that have been overdrawn for a period of (90) days or more
7) The value of guarantees paid on behalf of clients and not restricted to their accounts and have been due for (90) days or more.

The minimum fee for credit facilities is calculated according to instructions No (47/2009) for this category of facilities, according to the above rates and for the amount of facilities not covered by acceptable guarantees during the first year, while the fee for the amount covered by 25% is completed over four years.

1- Profits and commissions on non-performing credit facilities granted to customers are suspended in accordance with the instructions of the Central Bank of Jordan.

2- The assets that have been transferred to the company's ownership appear in the unified financial statements under the category of owned properties against outstanding debts, at either the value at which they were transferred to the company or the fair value, whichever is lower They are re-evaluated individually on the date of the unified financial statements, and any decrease in their value is recorded as a loss in the unified income statement, while any increase is not recorded as revenue Any subsequent increase in value is taken into account in the income statement up to the amount of the previously recorded decrease As at the beginning of 2015, a gradual allowance has been calculated for properties owned against debts and that have been held for more than 4 years, based on the circular of the Central Bank of Jordan 15/1/4076 dated March 27, 2014 and number 10/1/2510 dated February 14, 2017.

According to the Central Bank of Jordan's circular No 10/1/13967 dated October 25, 2019, the implementation of circular No 10/1/16607 dated December 17, 2017 has been extended until the end of 2020 The circular confirmed the postponement of the calculation of the reserve until the end of 2020 In accordance with the Central Bank's circular No 10/1/16239 dated November 21, 2020, the deduction of the required reserves for owned properties has started at a rate of 5% of the total book value of those properties (regardless of the duration of their violation) starting from the beginning of 2021, and the required percentage of 50% of those properties will be reached by the end of 2030.

The Central Bank circular number 10/3/16234 dated October 10, 2022 has suspended the gradual allocation calculation for owned properties, provided that the allocations reserved for properties that violate the provisions of the Banks Law are maintained, and that the allocations reserved for any violating properties that are disposed of are released.

The Jordanian Dinar is the currency used to present these consolidated financial statements and represents the main currency of the Group.

The preparation of financial statements in accordance with International Financial Reporting Standards requires the use of important and specific accounting estimates, as well as requiring management to express an opinion on the application of the company's accounting policies The areas that involve a high degree of diligence or complexity or areas where assumptions and estimates are fundamental to the consolidated financial statements have been disclosed in clarification number (4).

2-2 Basis of consolidation of consolidated financial statements

Unified financial statements include the financial statements of the company and its controlled entities (subsidiaries), and control is achieved when the company has:

- The ability to control the invested entity
- Exposed to variable returns, or has the right to variable returns, resulting from its links with the invested entity
- The ability to use its power to influence the returns of the invested entity

In case the voting rights of the company decrease below the majority of voting rights in any of the invested facilities, it will have the ability to control when the voting rights are sufficient to grant the company the ability to direct the activities of the related facility from one side The company takes into account all facts and circumstances when assessing whether it has voting rights in the invested facility sufficient to grant it control or not Among those facts and circumstances:

- Voting rights owned by the company in relation to the size and distribution of other voting rights
- Potential voting rights held by the company and any other holders of voting rights or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances indicating that the company is or is not currently responsible for directing related activities and making required decisions, including how to vote in previous general meetings

The subsidiary is consolidated when the company gains control over it and is deconsolidated when the company loses control over it Specifically, the results of the acquired or disposed subsidiaries during the year are included in the consolidated income statement from the date control is achieved until the date control is lost over the subsidiary Profits, losses, and each item of comprehensive income are allocated to the owners of the subsidiary and to the non-controlling interest Comprehensive income of subsidiaries is allocated to the owners of the subsidiary and to the non-controlling interest even if this results in a deficit balance of the non-controlling interest.

The financial statements of subsidiaries are adjusted, when necessary, to align their accounting policies with those of the company Non-controlling interests in subsidiaries are separately identified from the company's ownership rights in these subsidiaries The non-controlling interests currently held by non-controlling shareholders are measured at either fair value or the proportionate share of the identifiable net assets at acquisition The measurement basis is chosen on a transaction-by-transaction basis and other non-controlling interests are initially measured at fair value after acquisition The carrying amount of non-controlling interests is the amount of these interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity, even if this results in a deficit balance for the non-controlling interests.

The changes in the company's shares in subsidiaries, which do not result in loss of control, are accounted for as equity transactions The current value of the company's shares and non-controlling interests are adjusted to reflect the changes in their relative shares in the subsidiaries Any difference between the amount used to adjust non-controlling interests and the fair value of the consideration paid or received directly in equity is recognized and attributed to the owners of the company.

When a company loses control of a subsidiary facility, the profit or loss resulting from the exclusion is calculated in the income statement by the difference between (1) the total fair value of the consideration received and the fair value of any remaining interests and (2) the previous current value of the assets (including goodwill) less any liabilities of the subsidiary facility and any interests held by non-controlling parties

All previously recognized amounts are accounted for in other comprehensive income in respect of that subsidiary as if the company had directly disposed of assets or liabilities related to the subsidiary.

The fair value of the investment held in the former subsidiary at the date control is lost is considered fair value when recognizing subsequent accounting under IFRS 9 Financial Instruments when the provisions of the standard apply, or the cost of recognizing the investment in an associate or joint venture

The Company owns the following subsidiary:

31 December 2023:

	Paid-in capital	Company's ownership	Company's activity nature	Registration centre	Date of acquisition
Jordanian Facilities for Financial Leasing Co. LLC	2,000,000	100%	Finance lease	Jordan	5 May 2010

31 December 2022:

	Paid-in capital	Company's ownership	Company's activity nature	Registration centre	Date of acquisition
Jordanian Facilities for Financial Leasing Co. LLC	2,000,000	100%	Finance lease	Jordan	5 May 2010

2-3 Changes in accounting policies and disclosures

(A) New and amended standards and interpretations issued and adopted by the Group in the financial year beginning on 1 January 2023:

Key requirements	*Effect date*
IFRS 17 "Insurance Contracts" - IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts, which are often written by non-life insurers. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023. Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17.	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2: The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 "Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures".	1 January 2023

Definition of Accounting Estimates – Amendments to IAS 8: 1 January 2023

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12:

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. 1 January 2023

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

OECD Pillar Two Rules: In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global AntiBase Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. In May 2023, the IASB made narrow-scope amendments to IAS 12 which provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require affected companies to disclose: • the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes • their current tax expense (if any) related to the Pillar Two income taxes, and • during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure. ** The amendments must be applied immediately, subject to any local endorsement process, and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the disclosures about the known or reasonably estimable exposure to Pillar Two income taxes are only required for annual reporting periods beginning on or after 1 January 2023 and do not need to be made in interim financial reports for interim periods ending on or before 31 December 2023.	1 January 2023

The implementation of the above standards did not have a material impact on the consolidated financial statements.

b) The Group has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

Key requirements	*Effect date*
Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1 - Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include: • the carrying amount of the liability • information about the covenants, and • facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16: In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate	1 January 2024

Supplier finance arrangements – Amendments to IAS 7 and IFRS 7:	1 January 2024

The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.

2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.

3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.

4. Non-cash changes in the carrying amounts of financial liabilities in (b).

5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 -	n/a

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

The management is still in the process of evaluating the impact of these new amendments on the Group's consolidated financial statements, and it believes that there will be no significant impact on the consolidated financial statements when they are implemented.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current year starting 1 January 2023 or future reporting periods and on foreseeable future transactions.

2-4 Foreign currency translation

(a) Operating currency and presentation currency of financial statements

The items appearing in the consolidated financial statements are evaluated using the main economic environment currency in which the group conducts its activities (operating currency) The currency used to present these consolidated financial statements is the Jordanian Dinar, which is considered the operating currency and the currency used to present the consolidated financial statements of the Group.

(b) Operations and balances

The transactions that are made in foreign currencies are converted to Jordanian dinars at the prevailing conversion rate at the time of the transaction, and assets and financial liabilities in foreign currencies are converted to Jordanian dinars at the prevailing rates at the end of the fiscal year, and the resulting conversion gains and losses are included in the consolidated income statement.

2-5 Property and equipment

The properties and equipment are recorded at their historical cost minus accumulated depreciation The historical cost includes expenses related to the acquisition of these properties and equipment.

Subsequent costs are included in the value of the assets or recognized as separate assets when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably The carrying amount of the replaced item is derecognized All repair and maintenance expenses are recognized when incurred in the unified income statement

Depreciation is calculated using the straight-line method to allocate the cost over the useful life of the properties and equipment The main useful lives used for this purpose are as follows:

	Useful lives (Years)
Furniture and fixtures	5
Office devices, tools, and computers	3-5
Decorations	5
Vehicles	7

The remaining value and productive life of assets are reviewed and adjusted, if necessary, at the end of each financial period When the amount that can be recovered from any of the assets and equipment is less than its net book value, its value is reduced to the recoverable amount and the impairment loss is recorded in the consolidated income statement.

The profits or losses resulting from the disposal of assets and equipment are determined based on the difference between their book value and proceeds, and are recorded in the income statement.

2-6 Intangible assets

Intangible assets acquired through a merger are credited to fair value on the date they were acquired. Intangible assets acquired through a method other than a merger are recorded at cost.

Assets that are intangible are classified based on whether they have a specific or indefinite lifespan Intangible assets with a specific lifespan are extinguished during that lifespan and are recorded in the consolidated income statement Intangible assets with an indefinite lifespan are reviewed for impairment at the financial statement date and any impairment is recorded in the consolidated income statement

Intangible assets resulting from the Group's business are not capitalized and are recorded in the consolidated income statement in the same period.

Any indications of impairment of intangible assets are audited at the date of the consolidated financial statements. The chronological life estimate of those assets is also reviewed and any adjustments are made to subsequent periods.

Computer systems and programs: to be extinguished using the straight-line method within a period not exceeding four years from the date of purchase.

2-7 Assets foreclosed against defaulted loans

The properties that have been transferred to the group due to outstanding debts appear in the unified financial statement under the Properties owned against debts item, at the value that was transferred to the group or the fair value, whichever is lower They are individually re-evaluated at fair value, and any decrease in their value is recorded as a loss in the income statement, while any increase is not recorded as revenue Any subsequent increase is recorded in the income statement up to the limit that does not exceed the previously recognized decrease

2-8 Investment Properties

Real estate investment is a property that is acquired either for rental income or for an increase in its value or both, but not for the purpose of selling it through normal group activities, and it is not used in production, supply of goods or services, or for administrative purposes Real estate investments are initially displayed at cost plus acquisition expenses Their fair value is disclosed in the notes to the consolidated financial statements, which are revalued every two years individually by an independent real estate expert based on market prices for those properties in an active real estate market When the amount recoverable from any of the real estate investments is less than its net book value, its value is reduced to the recoverable amount and the impairment is recorded in the income statement, and no revaluation gains are recognized.

Gains and losses from disposals are determined by comparing receipts with book value and are recorded in the income statement.

2-9 Impairment of non-financial assets

Reviewed consumable and extinguishable assets to determine impairment loss when events or changes in circumstances indicate that the carrying amount may not be recoverable Impairment loss is calculated as the amount by which the carrying amount of an asset exceeds its recoverable amount The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) Non-financial assets, except for goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date

2-10 Financial assets at fair value through other comprehensive income

This financial assets represent investments in property tools for the purpose of retaining them for the long term These assets are proven at fair value, plus acquisition expenses at the time of purchase, and are subsequently re-evaluated at fair value The change in fair value appears in other comprehensive income and within unified property rights, including the change in fair value resulting from differences in the conversion of non-cash asset items in foreign currencies In the event of the sale of these assets or part of them, the profits or losses resulting from this are taken in other comprehensive income and within unified property rights, and the balance of the reserve for the evaluation of the financial assets sold is transferred directly to the circulating profits and losses, not through the income statement

These assets are not subject to impairment testing

The distributed profits from these assets are recorded in the unified income statement

2-11 Financial assets at amortized cost

These are the financial assets that the Group's management aims to maintain in accordance with its business model to collect contractual cash flows, which are represented by payments of principal and interest on the balance of outstanding debt.

The financial assets are proven at cost plus acquisition expenses, and the premium/discount is extinguished using the effective interest method, whether on or for interest account, and any allowances resulting from the decrease in their value that lead to the inability to recover the asset or part of it appear later in the unified income statement and later appear at the extinguished cost after reducing it by impairment losses.

The impairment of financial assets at amortized cost represents the difference between the value recognized in the records and the present value of the expected cash flows discounted at the original effective interest rate.

2-12 Financial Instruments

Initial recognition and measurement:

Financial assets and liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument and loans and advances are recognized to customers if credited to the clients' account.

Assets and financial liabilities are initially measured at fair value, and transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities are added to or deducted from the fair value of financial assets or liabilities, as appropriate, at initial recognition Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value are recognized in the income statement directly.

If the transaction price differs from the fair value at initial recognition, the group treats this difference as follows:

- If fair value is established at a specified price in an active market for identical assets or liabilities or based on a valuation technique that uses only observable inputs, it recognizes the profit or loss difference upon initial recognition (ie, the first day's profit or loss);
- In all other cases, fair value is adjusted to reflect the transaction price (ie, the first day's profit or loss will be deferred by including it in the initial book value of the asset or liability)
- After initial recognition, deferred profit or loss will be taken to income statement on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability or when derecognizing that instrument.

Initial recognition

All financial assets are recognized at the date of trading when buying or selling a financial asset under a contract that requires the delivery of the financial asset within a specified time frame by the relevant market, and is initially measured at fair value plus transaction costs, except for those financial assets classified at fair value in the income statement Transaction costs directly related to the acquisition of financial assets classified at fair value are recognized through profit or loss in the income statement.

Subsequent measurement

Requires measuring all recognized financial assets that fall within the scope of International Financial Reporting Standard (9) subsequently at amortized cost or fair value based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets Specifically:

Financing instruments held in the business model aimed at collecting contractual cash flows, which have contractual cash flows that are only principal payments and interest on the principal amount outstanding, and are subsequently measured at amortized cost;

Tools of finance are held within a business model that aims to collect contractual cash flows and sell debt instruments, which have contractual cash flows that are only payments of principal and interest on the outstanding principal amount, and are subsequently measured at fair value through other comprehensive income.

All other financing instruments (such as debt instruments managed on a fair value basis, or held for sale) and investments in equity instruments are subsequently measured at fair value through the consolidated income statement.

However, the Group can select/identify the irrevocable after the initial recognition of the financial asset on an asset-by-asset basis as follows:

The Group may choose to irrevocably include subsequent changes in the fair value of non-controlling interests in tradable or potentially replaceable proprietary instruments recognized by the buyer in a business combination that applies International Financial Reporting Standard (IFRS) 3, in other comprehensive income.

The Group can irrevocably determine the financing tools that meet the cost extinguishing criteria or fair value through other comprehensive income as measured by fair value through income statement if it cancels or significantly reduces accounting mismatch (referred to as fair value option)

For an asset that is classified and measured at amortized cost or at fair value through other comprehensive income, its contractual terms should result in cash flows which are only principal payments and interest on the outstanding principal amount.

Debt instruments that are subsequently measured at amortized cost or at fair value through other comprehensive income are subject to a test of decline.

Expected credit losses

The Group recognizes provisions for expected credit losses on the following financial instruments that are not measured at fair value through the consolidated income statement:

- Balances with banks.
- Financial assets at amortized cost.

No impairment loss is proven.

Except for purchased or emerging financial assets with low credit value (which are considered separately below), expected credit losses must be measured by a loss provision in an amount equivalent to:

- Expected credit losses for a period of (12) months, which is the time horizon for expected credit losses resulting from those hypothetical events on financial instruments that can be realized within (12) months after the reporting date, referred to as Stage 1; or
- Expected credit losses for a period of (12) months, which is the time horizon for expected credit losses resulting from all potential hypothetical events over the life of the financial instrument referred to as Stage 2 and Stage 3.

The expected lifetime credit loss must be recorded for the financial instrument if the credit risks on that financial instrument have increased significantly since initial recognition For all other financial instruments, the expected credit loss is measured at an amount equal to the expected credit loss for a period of (12) months

Expected credit losses are a probable estimate of the current value of credit losses This value is measured as the current value of the difference between the cash flows due to the group under the contract and the cash flows received by the group and arising from the preference of several future economic scenarios, deducted according to the effective interest rate of the asset

2-13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of three months or less.

2-14 Capital

The Group's capital shares are included in the shareholders' equity.

2-15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trades payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2-16 Investment in Financial Leasing Contracts

Under the lease contract, the lessor transfers the usufruct of an asset for a limited period of time ending with the transfer of ownership to the lessee.

All lease contracts are classified in the unified financial statements as finance leases when all risks and benefits associated with them are transferred to the lessee Investments in finance lease contracts are shown at the present value of lease payments after deducting expected credit losses for financial assets at amortized cost (if any) All direct costs of finance lease contracts are included in the present value of investments in finance lease contracts.

Financial lease payments are divided between the revenues of lease contracts and the principal amount paid so that the revenue appears as a fixed return on investment in financial leasing contracts.

2-17 Revenue Generation and Recognition of Expenses

Revenues and expenses of interest are calculated for all financial instruments bearing interest by applying the actual interest rate to the total book value of the financial instrument, except for financial assets that have subsequently experienced a credit loss (or stage three), for which interest revenue is continued to be recognized and suspended so that it is not recorded in the income statement and appears as a credit balance against the total balance of the liability.

2-18 Borrowings

Loans are initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost Any differences between the amounts received (net of transaction costs) and the amounts repaid are recognized in the income statement over the period of the loans using the effective interest method.

Loans are classified as current assets unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2-19 Borrowing Costs

The costs of public, private, and directly related borrowing to the production of qualified assets are amortized during the period necessary to prepare these assets for use or sale Qualified assets are assets that require a long period to prepare them to be ready for use for their intended purposes.

Other borrowing costs are charged to the period in which they are incurred.

2-20 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made.

The value recognised as a provision represents the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount represents the present value of those cash flows.

Where some or all of the economic benefits are required to settle a provision expected to be recovered from other parties, the receivable is recognised as an asset if it is almost certain that the receivable can be recovered and the receivable can be measured reliably.

2-21 Employees' benefits

For defined benefits plans, the Group mandatorily pays contributions to the pension insurance fund managed by a government entity (the Social Security Corporation). The Group has no further payment obligations once the contributions are paid. Such contributions are recognised as social security expense as they fall due.

2-22 Income tax

Tax expenses represent amounts of tax payable and deferred tax

Payable tax expenses are calculated based on taxable profits. Taxable profits are different from profits disclosed in the consolidated financial statements, as disclosed profits include revenue that is not subject to tax, expenses that are not recognisable in the financial year but in subsequent years or accumulated losses that are accepted in terms of tax or items that are not taxable or recognisable for tax purposes.

Taxes are calculated as per the tax rates established by the laws, regulations and instructions.

Deferred tax is the tax expected to be paid or recovered as a result of temporary timing differences between the value of assets or liabilities in the financial statements and the value based on which tax profit is calculated. Deferred tax is calculated using the liability method in the statement financial position, and deferred tax is accounted for in accordance with tax rates expected to be applied to settle the tax liability or realise deferred tax assets.

Deferred tax assets and liabilities balance is reviewed at the consolidated financial statements date and written down when it is not probable to utilise tax assets partially or fully or upon settlement of the tax obligation.

2-23 Leases

Lease contracts are recognized as assets for the right to use and corresponding obligations on the date the leased assets are available for use in the group Each lease payment is allocated between the obligation and finance cost The finance cost is charged to the comprehensive income statement over the lease period to obtain a constant periodic interest rate on the remaining balance of the liability for each period Depreciation is calculated on the right-of-use assets over the asset's productive life or lease term, whichever is shorter, using the straight-line method contracts may contain rental and non-rental components The corresponding group in the contract is dedicated to rental and non-rental items based on their independent relative prices Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions Lease agreements do not impose any commitments beyond the interests in the leased assets retained by the lessor Leased assets cannot be used as collateral for borrowing purposes.

(3) FINANCIAL RISK MANAGEMENT

3-1 Financial risk factors

The Group is exposed to various financial risks as a result of its activities, including the impact of market volatility (currency conversion risk, interest rate risk for cash flows and fair value), credit risk and liquidity risk. The Group's overall risk management program focuses on minimizing the potential negative impact on the Group's financial results.

(a) Market risk

- Foreign exchange risk

The Group faces risks arising from its dealings in foreign currencies, the most important of which is the US dollar. The conversion rate between USD and Jordanian Dinar remained unchanged during the year.

These risks arise from the change in the value of financial instruments as a result of currency exchange rate fluctuations and the Group follows a deliberate policy in managing its foreign currency positions.

The following is a summary of the quantitative data related to the Group's exposure to currency fluctuation risks provided to the Group's management based on the risk management policy:

	Jordanian Dinar	Kuwaiti Dinar	Total
As at 31 December 2023			
Cash on hand and at banks	2,283,955	-	2,283,955
Financial assets at fair value through other comprehensive income	-	219,590	219,590
Financial assets at amortised cost	109,130,502	-	109,130,502
Other debit balances	366,812	-	366,812
Right of use of leased assets	362,072		362,072
Investment properties	218,966	-	218,966
Assets foreclosed against defaulted loans	2,720,158	-	2,720,158
Property and equipment	79,108	-	79,108
Intangible assets	51,844	-	51,844
Deferred tax assets	3,571,511	-	3,571,511
Total assets	118,784,928	219,590	119,004,518
Bank overdrafts	9,210,050	-	9,210,050
Loans	58,585,957	-	58,585,957
Lease liabilities	364,628	-	364,628
Other liabilities	1,083,509	-	1,083,509
Other provisions	360,514	-	360,514
Income tax provision	2,400,300	-	2,400,300
Total liabilities	72,004,958	-	72,004,958
Net	46,779,970	219,590	46,999,560

	Jordanian Dinar	Kuwaiti Dinar	Total
As at 31 December 2022			
Cash on hand and at banks	2,288,464	-	2,288,464
Financial assets at fair value through other comprehensive income	-	214,158	214,158
Financial assets at amortised cost	86,872,357	-	86,872,357
Other debit balances	296,241	-	296,241
Right of use of leased assets	277,411		277,411
Investment properties	351,000	-	351,000
Assets foreclosed against defaulted loans	2,692,228	-	2,692,228
Property and equipment	86,649	-	86,649
Intangible assets	49,745	-	49,745
Deferred tax assets	3,091,718	-	3,091,718
Total assets	96,005,813	214,158	96,219,971
Bank overdrafts	4,905,297	-	4,905,297
Loans	40,916,622	-	40,916,622
Bonds	6,460,000	-	6,460,000
Lease liabilities	274,155	-	274,155
Other liabilities	782,057	-	782,057
Other provisions	301,357	-	301,357
Income tax provision	1,759,204	-	1,759,204
Total liabilities	55,398,692	-	55,398,692
Net	40,607,121	214,158	40,821,279

- Interest rate risk for cash flows and fair value.

The Group's interest rate risks arise from bank loans. Loans granted to the Group at a variable interest rate expose the Group to interest rate risk for cash flows, while fixed interest loans expose the Group to fair value interest rate risk.

As at 31 December 2023, loans granted to the Group at a variable interest rate consist of bank loans and credit banks granted in Jordanian Dinars and US Dollars (Notes 13 and 14).

If the interest rate on loans and facilities changes by 1% assuming other variables are constant, the impact on the statement of comprehensive income will be an increase in interest expense by JD 677,960 as at 31 December 2023 (2022: JD 458,219).

The effect of a lower interest rate of the same value will have the same effect as above with the reversal of the signal.

For the year 2023	Less than a month	from month Up to (3) months	More than (3) months Up to (6) months	More than (6) months To a year	More than a year Up to 3 years	More than (3) years Up to 5 years	Useless items	Total
Assets	JD	JD	JD	JD	JD	JD	JD	JD
Cash on hand and at banks	-	-	-	-	-	-	2,283,955	2,283,955
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	219,590	219,590
Financial assets at amortised cost	5,153,428	4,246,324	5,036,783	7,124,625	49,232,598	38,336,744		109,130,502
Other debit balances	-	12,892	-	128,778	225,142	-	-	366,812
Right of use of leased assets	-	24,535	24,535	47,955	145,869	119,178	-	362,072
Investment properties	-	-	-	-	-	-	218,966	218,966
Assets foreclosed against defaulted loans	-	-	-	-	-	-	2,720,158	2,720,158
Property and equipment	-	-	-	-	-	-	79,108	79,108
Intangible assets	-	-	-	-	-	-	51,844	51,844
Deferred tax assets	-	-	-	-	-	-	3,571,511	3,571,511
Total assets	5,153,428	4,283,751	5,061,318	7,301,358	49,603,609	38,455,922	9,145,132	119,004,518
Liabilities								
Bank overdrafts	-	-	2,501,474	6,708,576	-	-	-	9,210,050
Loans	-	4,684,312	8,350,354	14,355,427	31,008,767	187,097	-	58,585,957
Lease liabilities	-	35,750	27,384	33,843	135,149	132,502	-	364,628
Other liabilities	-	917,229	125,844	22,135	18,301	-	-	1,083,509
Other provisions	-	-	-	360,514	-	-	-	360,514
Income tax provision	618,800	-	1,781,500	-	-	-	-	2,400,300
Total liabilities	618,800	5,637,291	12,786,556	21,480,495	31,162,217	319,599	-	72,004,958
Interest repricing gap	4,534,628	(1,353,540)	(7,725,238)	(14,179,137)	18,441,392	38,136,323	9,145,132	46,999,560
For the year 2022								
Total Assets	5,313,498	2,892,620	3,605,269	7,033,817	45,494,725	22,828,669	9,051,373	96,219,971
Total Liabilities	571,741	5,305,216	7,842,738	20,057,455	21,094,910	526,632	-	55,398,692
Interest repricing gap	4,741,757	(2,412,596)	(4,237,469)	(13,032,638)	24,399,815	22,302,037	9,051,373	40,821,279

(b) Credit risk

The Group does not have significant credit risk concentrations. Financial assets subject to credit risk are limited to balances with banks, trade receivables, some other receivables and amounts due from related parties. The Group only deals with financial institutions with high credit solvency. The Group also has a clear credit policy for all customers.

The following table shows the balances of banks and their credit rating as at 31 December distributed as follows:

	Rating	2023	2022
		JD	JD
Invest Bank	BB	2,057,276	2,038,927
Jordan Ahli Bank	B+	37,312	11,881
Egyptian Land Bank	NR	23,714	136,859
Arab Bank	Ba2	10,320	1,262
Housing Bank	BB-	385	7,106
Jordan Kuwait Bank	B+	4,815	14,442
		2,133,822	2,210,477

(c) Liquidity risk

Liquidity risk is defined as the risk that a group is exposed to difficulties in meeting its obligations.

The Group manages liquidity risk by providing the necessary cash through borrowing and credit facilities. The Group also monitors cash flows for outstanding instalments from customers.

The table below shows the Group's financial liabilities (not discounted) to certain categories as at the date of the statement of financial position based on the maturity date for the remaining periods.

	Less than one year One.	More than one year	Total
	JD	JD	JD
As at 31 December 2023			
Bank overdrafts	9,210,050	-	9,210,050
Loans	27,390,093	31,195,864	58,585,957
Lease liabilities	96,977	267,651	364,628
Other liabilities	1,065,208	18,301	1,083,509
Other provisions	360,514	-	360,514
As at 31 December 2022			
Bank overdrafts	4,905,297	-	4,905,297
Loans	19,518,351	21,398,271	40,916,622
Bonds	6,460,000	-	6,460,000
Lease liabilities	70,581	203,574	274,155
Other liabilities	762,360	19,697	782,057
Other provisions	301,357	-	301,357

3-2 Capital Risk Management

The Group's objective in capital management is to maintain the Group's viability which generates a return for shareholders and maintains an optimal capital structure, thereby reducing capital costs. The Group monitors capital by monitoring the debt ratio. This ratio is calculated by dividing the net debts by the total capital, and the net debts are calculated by counting the total loans, which include loans, credit banks, obligations of operating leases and loan bonds, from which cash and the like are reduced, as shown in the consolidated statement of financial position. Total capital is calculated by adding shareholders' equity with net debt, as shown in the consolidated statement of financial position.

The gearing ratio was as follows:

	2023	2022
	JD	JD
Total loans	68,160,635	52,556,074
Cash on hand and at banks	(2,283,955)	(2,288,464)
Net debt	65,876,680	50,267,610
Net equity	46,999,560	40,821,279
Total capital	112,876,240	91,088,889
Gearing ratio	%58	%55

3-3 Fair Value

Fair Value Levels

The following table represents the financial instruments recorded at fair value based on the valuation method, where the different levels are defined as follows:

Level 1: Declared (unadjusted) prices of assets or liabilities in active markets.

Level 2: Prices published in active markets for similar financial assets and liabilities, or other price valuation methods for which material data are based on market information.

Level 3: Pricing methods in which not all material data is based on observable market information, and the Group has used book value, which is the best tool available to measure the fair value of those investments.

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
31 December 2023				
Financial assets at fair value through other comprehensive income	-	-	219,590	219,590
31 December 2022				
Financial assets at fair value through other comprehensive income	-	-	214,158	214,158

(a) Financial assets and liabilities that are not measured at fair value on a recurring basis:

	Book Value	Fair Value		
		Level 1	Level 2	Level 3
31 December 2023	JD	JD	JD	JD
Assets				
Cash on hand and at banks	2,283,955	2,283,955	-	-
Financial assets at amortised cost	109,130,502	-	109,130,502	-
Other debit balances	366,812	-	366,812	-
Right of use of leased assets	362,072	-	362,072	-
Property and equipment	79,108	-	79,108	-
Intangible assets	51,844	-	51,844	-
Deferred tax assets	3,571,511	-	3,571,511	-
Liabilities				
Bank overdrafts	9,210,050	-	9,210,050	-
Loans	58,585,957	-	58,585,957	-
Lease liabilities	364,628	-	364,628	-
Other liabilities	1,083,509	-	1,083,509	-
Other provisions	360,514	-	360,514	-
Income tax provision	2,400,300	-	2,400,300	-
31 December 2022				
Assets				
Cash on hand and at banks	2,288,464	2,288,464	-	-
Financial assets at amortised cost	86,872,357	-	86,872,357	-
Other debit balances	296,241	-	296,241	-
Right of use of leased assets	277,411	-	277,411	-
Property and equipment	86,649	-	86,649	-
Intangible assets	49,745	-	49,745	-
Deferred tax assets	3,091,718	-	3,091,718	-
Liabilities				
Bank overdrafts	4,905,297	-	4,905,297	-
Loans	40,916,622	-	40,916,622	-
Bonds	6,460,000		6,460,000	
Lease liabilities	274,155	-	274,155	-
Other liabilities	782,057	-	782,057	-
Other provisions	301,357	-	301,357	-
Income tax provision	1,759,204	-	1,759,204	-

Management believes that the carrying amount of financial assets and liabilities is close to their fair value.

There are no transfers between level 1 and level 3 during the year ended 31 December 2023 and 2022.

(b) Non-financial assets measured at fair value in the consolidated financial statements:

	31 December 2023			
	Book value	Fair Value		
		Level 1	Level 2	Level 3
	JD	JD	JD	JD
Investment properties	218,966	-	218,966	-
Assets foreclosed against defaulted loans	2,720,158	-	2,720,158	-

	31 December 2022			
	Book value	Fair Value		
		Level 1	Level 2	Level 3
	JD	JD	JD	JD
Investment properties	351,000	-	351,000	-
Assets foreclosed against defaulted loans	2,692,228	-	2,692,228	-

3-4 Financial instruments by category

	2023	2022
	JD	JD
Assets as per the consolidated statement of financial position		
Financial assets at fair value		
Financial assets at fair value through other comprehensive income	219,590	214,158
Financial assets at amortized cost		
Cash on hand and at banks	2,283,955	2,288,464
Financial assets at amortised cost	109,130,502	86,872,357
Other debit balances (excluding prepaid expenses)	366,812	296,241
	111,781,269	89,457,062
Liabilities as per the consolidated statement of financial position		
Financial liabilities at amortised cost		
Bank overdrafts	9,210,050	4,905,297
Loans	58,585,957	40,916,622
Bonds	-	6,460,000
Lease liabilities	364,628	274,155
Other liabilities	1,083,509	782,057
	69,244,144	53,338,131

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group conducts an ongoing assessment of accounting estimates and judgments based on past experience and other factors, including anticipated events that are believed to be reasonable based on current circumstances.

The group makes estimates and assumptions regarding the future. The resulting accounting estimates are by their nature rarely equal to the relevant actual results. Estimates and assumptions that have significant risks and cause a material adjustment in the book values of assets and liabilities during the next fiscal year are as follows:

- **Impairment of seized assets**

Impairment of seized assets is recognised based on most recent property valuation approved by accredited valuators for the purposes of calculating the impairment. The impairment provisions for seized assets is reviewed periodically.

- **Expected credit loss provisions**

The Group's management is required to use significant judgments and estimates to estimate future cash flows amounts and timings and estimate the risks of a significant increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses.

- **Leases**

Determining of lease term: In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee. Extension and termination of leases options: these are included in a number of leases. These conditions are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the Group and the lessor.

Discounting of lease payments: Lease payments are discounted using the Group' incremental borrowing rate ("IBR"). Management applied judgements and estimates to determine the incremental borrowing rate at the start of the lease.

- **Assets and liabilities that are stated at cost**

Management reviews, on a regular basis, the assets and liabilities that are stated at cost to estimate impairments, if any. Impairment losses are recognised in the consolidated condensed interim statement of other comprehensive income for the period.

- **Income tax**

The financial year is charged with its own income tax expense in accordance with the laws and regulations, and accounting standards. Deferred tax assets and liabilities and required tax provision are accounted for.

- **Provision for legal cases**

A provision is made for any potential legal obligations based on the legal study prepared by the Group's legal advisor that identifies the potential risks that may occur in the future. Such study is reviewed periodically.

(5) CASH ON HAND AND AT BANKS

	2023	2022
	JD	JD
Cash on hand	150,133	77,987
Deposits at banks	2,000,000	-
Current accounts at banks	133,822	2,210,477
	2,283,955	2,288,464

* This item represents term deposits in Jordanian Dinars with local banks at an annual interest rate of 7% and maturing on a monthly basis. Interest income amounted to JD 84,247 during the year 2023.

The Group has calculated the expected credit loss provision on bank balances and has not recorded it as the expected credit loss is immaterial.

(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2022
	JD	JD
Outside the Kingdom		
Shares of unlisted companies	219,590	214,158

The investment represents shares in Al-Soor Finance and Leasing Company (Limited Liability Company - Kuwait). The total number of shares owned is 500,000 shares representing 0.1% of the Company's paid in capital. The fair value has been calculated based on the percentage of the Company's contribution to the net assets according to the latest audited financial statements of the investee. Management believes that this value is the best measure according to available valuation methods.

(7) FINANCIAL ASSETS AT AMORTIZED COST

	2023	2022
	JD	JD
Installment receivables (1) – net	108,438,694	85,893,911
Finance lease receivables (2) – net	691,808	974,844
Loans granted to clients - credit cards	-	3,602
	109,130,502	86,872,357

These assets were distributed according to their maturity date as follows:

	2023	2022
	JD	JD
Due within less than one year	37,278,232	37,437,585
Due within more than one year and less than five years	103,598,165	74,900,496
Due within more than five years	8,777,215	5,970,630
	149,653,612	118,308,711
Provision of ECL in facilities contracts	(8,844,688)	(8,085,957)
Revenue from unearned facilities contracts	(28,151,241)	(20,707,844)
Interest in suspense within instalments payable	(3,527,181)	(2,642,553)
Net investment in instalment receivables	109,130,502	86,872,357

Loans classified as stage 3 as at 31 December 2023 amounted to JD 14,353,159 (2022: JD 10,590,80).

A. Disclosure of movement on total facilities aggregate (installment receivables, finance lease receivables, and credit cards) minus revenues from unearned facilities contracts:

	As at 31 December 2023				As at 31 December 2022
	Stage One	Stage Two			
	Individual Level	Individual Level	Stage Three	Total	Total
	JD	JD	JD	JD	JD
Item					
Beginning Balance	79,201,963	7,808,102	10,590,802	97,600,867	79,655,994
New Facilities during the year	41,845,771	4,604,199	1,629,697	48,079,667	41,243,644
Paid Facilities	(9,303,136)	(1,674,854)	(1,311,894)	(12,289,884)	(13,366,752)
Transfer to stage one	2,230,452	(1,617,957)	(612,495)	-	-
Transfer to stage two	(7,836,195)	8,435,084	(598,889)	-	-
Transfer to stage three	(3,171,154)	(1,672,842)	4,843,996	-	-
Changes from adjustments	(11,097,149)	(603,070)	176	(11,700,043)	(8,588,118)
Written off balances	-	-	(188,236)	(188,236)	(1,343,901)
Gross Balance as at Year End	91,870,552	15,278,662	14,353,157	121,502,371	97,600,867

B. Disclosure of movement in a collective expected credit loss allowance (installment receivables and finance lease contracts receivables):

	As at 31 December 2023				As at 31 December 2022
	Stage One	Stage Two			
	Individual Level	Individual Level	Stage Three	Total	Total
	JD	JD	JD	JD	JD
Item					
Beginning Balance	556,505	372,186	7,157,266	8,085,957	6,447,554
Impairment loss on new balances during the year/ additions	1,002,540	488,838	1,270,196	2,761,574	4,051,265
Recovered from impairment loss on outstanding balances	(58,044)	(114,726)	(1,533,369)	(1,706,139)	(1,092,069)
Transfer to stage one	395,269	(75,141)	(320,128)	-	-
Transfer to stage two	(59,075)	292,834	(233,759)	-	-
Transfer to stage three	(21,406)	(94,182)	115,588	-	-
Total impact on impairment loss due to classification change between stages	(1,206,218)	(275,969)	1,482,187	-	-
Changes from adjustments	(153,088)	(92,152)	(504)	(245,744)	(492,091)
Written off balances	-	-	(50,960)	(50,960)	(828,702)
Gross Balance as at Year End	456,483	501,688	7,886,517	8,844,688	8,085,957

Installment receivables

Installment receivables represent the installments incurred by the Company's clients from commercial financing operations and Murabaha for cars and real estate, as these installments include the principal of the funds in addition to the revenue amounts calculated on these financing. The balances of installment receivables are as follows:

	2023	2022
	JD	JD
Due within less than one year	36,513,614	36,414,954
Due within more than one year and less than five years	103,120,492	74,376,183
Due within more than five years	8,741,734	5,922,933
	148,375,840	116,714,070
Provision of ECL in facilities contracts	(8,588,322)	(7,819,312)
Revenue from unearned facilities contracts*	(27,974,057)	(20,492,031)
Interest in suspense within instalments payable	(3,374,767)	(2,508,816)
Net Investment in Instalment Receivables	108,438,694	85,893,911

* This item includes deferred income for each of the commercial financing operations, Murabaha for purchase order, international Murabaha and deferred sale murabaha as on 31 December 2023 and 2022.

The sectorial distribution of instalment receivables is as follows:

	2023	2022
	JD	JD
Real-estates	9,631,441	10,699,434
Companies	16,967,009	18,771,152
Loans and bills	121,777,390	87,243,484
Total Instalment Receivables	148,375,840	116,714,070
Provision of ECL in facilities contracts	(8,588,322)	(7,819,312)
Revenue from unearned facilities contracts	(27,974,057)	(20,492,031)
Interest in suspense within instalments payable	(3,374,767)	(2,508,816)
Net Investment in Instalment Receivables	108,438,694	85,893,911

- Instalment receivables are distributed net after subtracting revenues from unearned facilities contracts in addition to loans granted to clients - credit cards in an aggregate manner according to credit stages in accordance with the requirements of IFRS (9) amended according to the instructions of Central Bank of Jordan as follows:

	31 December 2023			
	Stage One Individual Level	Stage Two Individual Level	Stage Three Individual Level	Total
	JD	JD	JD	JD
Beginning Balance	78,395,579	7,672,327	10,157,735	96,225,641
New Facilities during the year	41,453,809	4,590,225	1,609,423	47,653,457
Paid Facilities	(8,960,983)	(1,618,232)	(1,265,822)	(11,845,037)
Transfer to stage one	2,193,120	(1,580,625)	(612,495)	-
Transfer to stage two	(7,825,865)	8,424,754	(598,889)	-
Transfer to stage three	(3,096,933)	(1,666,110)	4,763,043	-
Changes from adjustments	(10,853,725)	(591,713)	-	(11,445,438)
Written off balances	-	-	(186,840)	(186,840)
Gross Balance as at Year End	91,305,002	15,230,626	13,866,155	120,401,783

	31 December 2022			
	Stage One Individual Level	Stage Two Individual Level	Stage Three Individual Level	Total
	JD	JD	JD	JD
Beginning Balance	60,395,268	7,717,275	8,658,462	76,771,005
New Facilities during the year	38,466,149	1,495,410	1,178,250	41,139,809
Paid Facilities	(9,137,615)	(2,129,372)	(696,390)	(11,963,377)
Transfer to stage one	3,062,919	(2,608,633)	(454,286)	-
Transfer to stage two	(4,465,141)	4,757,772	(292,631)	-
Transfer to stage three	(2,036,327)	(1,078,727)	3,115,054	-
Changes from adjustments	(7,889,674)	(481,398)	(9,685)	(8,380,757)
Written off balances	-	-	(1,341,039)	(1,341,039)
Gross Balance as at Year End	78,395,579	7,672,327	10,157,735	96,225,641

Disclosure of movement in the allowance for expected credit losses:

	31 December 2023			
	Stage One Individual Level	Stage Two Individual Level	Stage Three Individual Level	Total
	JD	JD	JD	JD
Beginning Balance	553,550	368,550	6,897,212	7,819,312
Impairment loss on new balances during the year / additions	1,000,816	486,640	1,263,495	2,750,951
Recovered from impairment loss on outstanding balances	(56,161)	(112,019)	(1,516,846)	(1,685,026)
Transfer to stage one	395,039	(74,911)	(320,128)	-
Transfer to stage two	(58,920)	292,679	(233,759)	-
Transfer to stage three	(21,205)	(93,274)	114,479	-
Total impact on impairment loss due to classification change between stages	(1,204,590)	(276,335)	1,480,925	-
Changes from adjustments	(152,611)	(93,600)	-	(246,211)
Written off balances	-	-	(50,704)	(50,704)
Gross Balance as at Year End	455,918	497,730	7,634,674	8,588,322

	31 December 2022			
	Stage One Individual Level	Stage Two Individual Level	Stage Three Individual Level	Total
	JD	JD	JD	JD
Beginning Balance	869,438	533,795	4,751,137	6,154,370
Impairment loss on new balances during the year / additions	1,484,554	788,301	1,762,929	4,035,784
Recovered from impairment loss on outstanding balances	(164,658)	(322,139)	(575,760)	(1,062,557)
Transfer to stage one	348,851	(103,064)	(245,787)	-
Transfer to stage two	(74,810)	203,253	(128,443)	-
Transfer to stage three	(30,515)	(76,559)	107,074	-
Total impact on impairment loss due to classification change between stages	(1,498,952)	(555,595)	2,054,547	-
Changes from adjustments	(380,358)	(99,442)	-	(479,800)
Written off balances	-	-	(828,485)	(828,485)
Gross Balance as at Year End	553,550	368,550	6,897,212	7,819,312

Scheduled debts:

They are those debts that were previously classified as non-performing credit facilities and were excluded from the framework of non-performing credit facilities according to a basic schedule and were classified as debts under supervision or transferred to working, amounted to JD 2,738,115 as at 31 December 2023 (2022: JD 2,175,161).

Restructured debt:

Restructuring means re-arranging the status of credit facilities in terms of modifying installments, extending the life of credit facilities, postponing some installments or extending the grace period, and they were classified as debts under supervision, amounted to JD 4,717,642 as at 31 December 2023 (2022: JD 6,818,037).

The Installments receivable balances include installments cases filed by the company against customers to collect the unpaid amounts is as follow:

	31 December 2023		31 December 2022	
	Total debt balance	Due and past due instalment receivables	Total debt balance	Due and past due instalment receivables
Customers balances – Legal cases	24,480,523	8,046,949	16,264,262	6,165,208

Interest in suspense within due instalment

The following is the movement in interest in suspense within due instalments:

31 December 2023	Real Estates JD	Companies JD	Loans and Bills of Exchange JD	Total JD
Balance at the beginning of the year	83,652	1,441,956	983,208	2,508,816
Add: interest suspended during the year	35,566	618,023	570,623	1,224,212
Reduces: Transferred benefits to revenue	(3,848)	(72,234)	(146,043)	(222,125)
Decreases: Outstanding revenue that has been written off *	-	(65,406)	(70,730)	(136,136)
Total balance as at the end of the year	115,370	1,922,339	1,337,058	3,374,767

31 December 2022	Real Estates	Companies	Loans and Bills of Exchange	Total
	JD	JD	JD	JD
Balance at the beginning of the year	81,312	1,267,587	792,752	2,141,651
Add: interest suspended during the year	67,528	521,801	432,060	1,021,389
Reduces: Transferred benefits to revenue	-	-	(141,670)	(141,670)
Decreases: Outstanding revenue that has been written off *	(65,188)	(347,432)	(99,934)	(512,554)
Total balance as at the end of the year	83,652	1,441,956	983,208	2,508,816

* Based on the decision of the Company's board of directors, an amount of JD 50,704 was written off from the provision of expected credit losses during the period ending 31 December 2023 (2022: JD 828,485) and an amount of JD 136,136 was written off during the period ending on 31 December 2023 (2022: JD 512,554) from the interest in suspense.

Finance lease contract receivables

The following table shows the maturity periods of finance lease contracts receivables before deducting the deferred revenue:

	2023	2022
	JD	JD
Maturity within less than a year	764,618	1,019,029
Maturity within more than a year and less than five years	477,673	524,313
Maturity within more than five years	35,481	47,697
	1,277,772	1,591,039
Expected credit loss provision of finance lease contracts	(256,366)	(266,645)
Deferred revenue	(177,184)	(215,813)
Interest in suspense within due instalments	(152,414)	(133,737)
Net Investment in Finance Lease Contracts	691,808	974,844

The Company grants real estate finance to its customers through closed end leasing contract, with average terms of 5 years, the sectorial distribution of finance lease contracts receivables is as follows:

	2023	2022
	JD	JD
Real-estates	996,980	968,573
Companies	53,908	236,013
Borrowings	226,884	386,453
Total Investment in Finance Lease contracts	1,277,772	1,591,039
Provision of ECL of finance leases contracts	(256,366)	(266,645)
Deferred revenue	(177,184)	(215,813)
Interest in suspense within due instalments	(152,414)	(133,737)
Net Investment in Finance Lease contracts	691,808	974,844

The finance lease contract receivables are distributed in net after subtracting the revenue in suspense and the deferred revenue in a grouped manner according to the credit stages according to the requirements of IFRS 9 amended according to the instructions of Central Bank of Jordan as follows:

	31 December 2023			
	Stage One Individual Level	Stage Two Individual Level	Stage Three Individual Level	Total
	JD	JD	JD	JD
Beginning Balance	806,384	135,775	433,067	1,375,226
New Facilities During the year	391,962	13,974	20,274	426,210
Paid Facilities	(342,153)	(56,622)	(46,072)	(444,847)
Transfer to stage one	37,332	(37,332)	-	-
Transfer to stage two	(10,330)	10,330	-	-
Transfer to stage three	(74,221)	(6,732)	80,953	-
Changes from adjustments	(243,424)	(11,357)	176	(254,605)
Written off balances	-	-	(1,396)	(1,396)
Gross Balance as at Year End	565,550	48,036	487,002	1,100,588

	31 December 2022			
	Stage One Individual Level	Stage Two Individual Level	Stage Three Individual Level	Total
	JD	JD	JD	JD
Beginning Balance	2,142,041	234,920	508,028	2,884,989
New Facilities During the year	66,148	17,202	20,485	103,835
Paid Facilities	(1,208,515)	(82,199)	(112,661)	(1,403,375)
Transfer to stage one	45,330	(43,979)	(1,351)	-
Transfer to stage two	(59,081)	59,081	-	-
Transfer to stage three	(14,632)	(16,225)	30,857	-
Changes from adjustments	(164,907)	(33,025)	(9,429)	(207,361)
Written off balances	-	-	(2,862)	(2,862)
Gross Balance as at Year End	806,384	135,775	433,067	1,375,226

- Disclosure of movement in the allowance for expected credit losses:

	31 December 2023			
	Stage One	Stage Two	Stage Three	
	Individual Level	Individual Level	Individual Level	Total
Beginning Balance	2,955	3,636	260,054	266,645
Impairment loss on new balances during the year	1,725	2,198	6,702	10,625
Recovered from impairment loss on paid balances	(1,872)	(2,707)	(16,523)	(21,102)
Transfer to stage one	230	(230)	-	-
Transfer to stage two	(154)	154	-	-
Transfer to stage three	(202)	(908)	1,110	-
Total impact on impairment loss due to classification change between stages	(1,627)	366	1,261	-
Changes from adjustments	(490)	1,449	(505)	454
Written off balance	-	-	(256)	(256)
Gross Balance as at Year End	565	3,958	251,843	256,366

	31 December 2022			
	Stage One	Stage Two	Stage Three	
	Individual Level	Individual Level	Individual Level	Total
Beginning Balance	14,881	12,145	266,158	293,184
Impairment loss on new balances during the year	4,281	3,031	8,169	15,481
Recovered from impairment loss on paid balances	(5,607)	(5,062)	(18,843)	(29,512)
Transfer to stage one	2,319	(2,319)	-	-
Transfer to stage two	(1,643)	1,643	-	-
Transfer to stage three	(272)	(596)	868	-
Total impact on impairment loss due to classification change between stages	(5,137)	55	5,082	-
Changes from adjustments	(5,867)	(5,261)	(1,163)	(12,291)
Written off balance	-	-	(217)	(217)
Gross Balance as at Year End	2,955	3,636	260,054	266,645

Scheduled debts:

They are those debts that were previously classified as non-performing credit facilities and were excluded from the framework of non-performing credit facilities according to a basic schedule and were classified as debts under supervision or transferred to working, and amounted to JD 18,973 as at 31 December 2023 (2022: JD 113,241).

Restructured debt:

Restructuring means re-arranging the status of credit facilities in terms of modifying instalments, extending the life of credit facilities, postponing some instalments or extending the grace period, and they were classified as debts under supervision, amounted to JD 67,088 as at 31 December 2023 (JD 255,953 as at 31 December 2022).

Balances of finance lease contracts include accounts for which the Company has filed legal cases against customers in order to collect unpaid and due amounts are as follows:

	31 December 2023		31 December 2022	
	Total debt balance	Due and past due instalment receivables	Total debt balance	Due and past due instalment receivables
	JD	JD	JD	JD
Customers balances – Legal cases	541,736	385,199	527,569	356,370

Interest in suspense within due instalments

The following is the movement in interest in suspense within due instalments:

	Real Estate	Companies	Loans	Total
	JD	JD	JD	JD
31 December 2023				
Balance at the beginning of the year	104,754	-	28,983	133,737
Added: interest outstanding during the year	17,684	-	15,251	32,935
Reduces: Transferred benefits to revenue	(3,107)	-	(10,011)	(13,118)
Decreases: Outstanding revenue that has been written off	-	-	(1,140)	(1,140)
Total balance as at the end of the year	**119,331**	**-**	**33,083**	**152,414**

	Real Estate	Companies	Loans	Total
	JD	JD	JD	JD
31 December 2022				
Balance at the beginning of the year	98,419	-	29,978	128,397
Added: interest outstanding during the year	19,386	-	3,766	23,152
Reduces: Transferred benefits to revenue	(13,051)	-	(2,116)	(15,167)
Decreases: Outstanding revenue that has been written off	-	-	(2,645)	(2,645)
Total balance as at the end of the year	104,754	-	28,983	133,737

- Based on the decision of the Company's board of directors, an amount of JD 256 was written off from the expected credit loss provision during the year ending 31 December 2023 (31 December 2022: JD 217) and an amount of JD 1,140 was written off from the interest in suspense during the year ended 31 December 2022 (31 December 2022: JD 2,645).

(8) RIGHT TO USE OF LEASED ASSETS / LEASE LIABILITIES

Right of use leased assets:

	2023	2022
	JD	JD
Cost		
Balance as at 1 January	572,836	559,454
Additions	181,466	13,382
Balance as at December 31	754,302	572,836
Accumulated Depreciation		
Balance as at 1 January	295,425	209,336
Depreciation for the year	96,805	86,089
Balance as at December 31	392,230	295,425
Net Book Value as at December 31	362,072	277,411

Lease liabilities:

2023	Beginning Balance	Interest expense	Additions	Lease payments	Ending Balance	Current	Non-Current
	JD	JD	JD	JD	JD	JD	JD
Lease liabilities	274,155	28,516	181,466	(119,509)	364,628	96,977	267,651

2022	Beginning Balance	Interest expense	Additions	Lease payments	Ending Balance	Current	Non-Current
	JD	JD	JD	JD	JD	JD	JD
Lease liabilities	343,817	21,501	13,382	(104,545)	274,155	70,581	203,574

(9) INVESTMENT PROPERTIES

	2023	2022
	JD	JD
Cost		
Balance as at 1 January	585,000	585,000
Disposals	(193,990)	-
Balance as at 31 December	391,010	585,000
Accumulated depreciation		
Balance as at 1 January	234,000	210,600
Depreciation expense	22,753	23,400
Related to Disposals	(84,709)	-
Balance as at 31 December	172,044	234,000
Net book value as at 31 December	218,966	351,000

Investment properties are presented at cost less depreciation and impairment (if any). This item represents the allocation of 24 residential units of Al Majd residential project for the benefit of the Group, based on the agreement signed with the developer Tameer International Real Estate Company, noting that the Group acquired the apartments and issued ownership deeds in its name. The fair value of the investment properties is amounted to JD 375,300 under the latest real estate valuation available to the Group dated 14 June 2022. Eight apartments were sold in 2023 and a profit of JD 31,719 was made.

(10) ASSETS FORECLOSED AGAINST DEFAULTED LOANS

	2023	2022
	JD	JD
Balance at the beginning of the year	2,692,228	2,990,442
Additions	357,069	325,140
Disposals	(329,139)	(623,354)
Balance at the year end	2,720,158	2,692,228

The Group assessed these properties during the year 2023 by independent real estate experts, and there is no impairment in the value of the real estate acquired as at 31 December 2023.

(11) PROPERTY AND EQUIPMENT

	Furniture and Fixtures	Office Devices, Tools, and Computer	Decorations	Vehicles	Total
2023	JD	JD	JD	JD	JD
Cost					
Balance as at 1 January	69,489	364,693	206,822	84,500	725,504
Additions	5,789	35,848	1,280	-	42,917
Disposals	(2,670)	(14,222)	-	-	(16,892)
Balance as at 31 December	72,608	386,319	208,102	84,500	751,529
Accumulated depreciation					
Balance as at 1 January	58,282	313,451	182,626	84,496	638,855
Depreciation expense	3,485	36,726	10,186	-	50,397
Disposals	(2,641)	(14,190)	-	-	(16,831)
Balance as at 31 December	59,126	335,987	192,812	84,496	672,421
Net book value as at 31 December 2023	13,482	50,332	15,290	4	79,108
2022					
Cost					
Balance as at 1 January	76,966	382,091	215,940	84,500	759,497
Additions	9,395	18,647	1,539	-	29,581
Disposals	(16,872)	(36,045)	(10,657)	-	(63,574)
Balance as at 31 December	69,489	364,693	206,822	84,500	725,504
Accumulated depreciation					
Balance as at 1 January	70,932	294,807	168,094	84,496	618,329
Depreciation expense	4,214	46,758	25,007	-	75,979
Disposals	(16,864)	(28,114)	(10,475)	-	(55,453)
Balance as at 31 December	58,282	313,451	182,626	84,496	638,855
Net book value as at 31 December	11,207	51,242	24,196	4	86,649

Fully depreciated assets amounted to JD 552,749 as at 31 December 2023 (2022: JD 453,970).

(12) INTANGIBLE ASSETS

	Software and Website	Project under Construction	Total
	JD	JD	JD
2023			
Cost			
Balance as at 1 January	361,224	14,160	375,384
Additions	11,000	10,650	21,650
Disposals	(1,843)	-	(1,843)
Balance as at 31 December	370,381	24,810	395,191
Accumulated Amortization			
Balance as at 1 January 2023	325,639	-	325,639
Amortization for the year	19,551	-	19,551
Related to disposals	(1,843)	-	(1,843)
Balance as at 31 December	343,347	-	343,347
Net Book Value	27,034	24,810	51,844
2022			
Cost			
Balance as at 1 January	358,217	-	358,217
Additions	3,009	14,160	17,169
Disposals	(2)	-	(2)
Balance as at 31 December	361,224	14,160	375,384
Accumulated Amortization			
Balance as at 1 January	299,659	-	299,659
Amortization for the year	25,980	-	25,980
Balance as at 31 December	325,639	-	325,639
Net Book Value	35,585	14,160	49,745

(13) BANK OVERDRAFTS

Credit type	Due date	Credit ceiling	Interest rate	Balance as at December 31 2023	Balance as at December 31 2022
		JD		JD	JD
Overdraft	September 2024	2,000,000	%8,25	1,769,592	1,160,671
Overdraft	May 2024	250,000	%8,75	181,618	171,135
Overdraft	November 2024	2,000,000	%8,6	1,754,814	809,456
Overdraft	December 2024	1,000,000	%7,75	551,809	898,919
Overdraft	November 2024	1,000,000	%9,25	558,655	195,169
Overdraft	September 2024	2,150,000	%8,95	1,774,910	600,656
Overdraft	July 2024	1,000,000	%8,75	544,945	462,373
Overdraft	August 2024	1,000,000	%9,25	398,319	-
Overdraft	November 2026	2,000,000	%8,75	1,675,388	606,918
				9,210,050	**4,905,297**

The facilities granted to the Group in the form of Overdraft are owed to local banks in exchange for insurance books issued by the invest bank. The interest rates ranged from 7.75% - 9.25% as at 31 December 2023 (2022: 7.25% - 9%). The main objective of these facilities is to finance the Group' s activity. All these facilities are due during a year.

(14) LOANS

	2023	2022
	JD	JD
Loans payable within one year	27,390,093	19,518,351
Loans payable within more than one year	31,195,864	21,398,271
	58,585,957	**40,916,622**

* The table below shows the loans granted by local banks or financial institutions to finance the Company's activity:

Type of facilities	Maturity date	Facilities limit	Currency	Balance as at 31 December 2023	Balance as at 31 December 2022
		JD		JD	JD
Renewal loan	November 2026	6.000.000	JD	5,434,482	4,215,914
Renewal loan	October 2025	5.000.000	JD	4,765,625	2,620,344
Revolving loan	September 2027	3.000.000	JD	2,601,318	2,757,339
Renewal loan	September 2026	1.500.000	JD	1,275,572	823,333
Renewal loan	September 2026	4.000.000	JD	3,000,000	-
Renewal loan	January 2026	12.000.000	JD	11,750,000	5,243,591
Renewal loan	November 2025	4.000.000	JD	3,751,773	1,865,513
Renewal loan	January 2026	3.700.000	JD	3,536,195	1,955,989
Renewal loan	November 2026	11.500.000	JD	11,495,991	8,217,149
Renewal loan	January 2026	8.000.000	JD	7,571,801	7,545,450
Loan*	October 2023	3.545.000	USD	-	1,418,000
Loan**	October 2025	4.254.000	USD	3,403,200	4,254,000
				58,585,957	40,916,622

All these loans are in Jordanian Dinars and USD it is granted by local banks and an international financial institution with letters of guarantee issued by Invest Bank. The interest rate on the above loans ranges 6% - 9.25% as at 31 December 2023 (December 30, 2022: 5%-9%).

* The Company obtained a loan of JD 3,545,000 from (Sanad Fund for Micro, Small and Medium Enterprises) on 10 December 2020, at an interest rate of 5%, which is adjustable, and the interest is due every three months, starting from 5 January 2021, and to be paid in semi-annual payments, to which the first instalment is due on 5 October 2021 and the last instalment on 5 October 2023.

** The Company obtained a loan of JD 4,254,000 from (Sanad Fund for Micro, Small and Medium Enterprises) on 20 July 2022 at an interest rate of 6% adjustable, and the interest is due every six months starting 5 October 2023, and to be paid in semi-annual payments, to which the first instalment is due on 5 October 2023 and the last instalment on 6 October 2025.

(15) Bonds

	2023	2022
	JD	JD
Bonds payable within one year	-	6,460,000
	-	6,460,000

During the year 2022, the Group issued bonds with an amount of JD 6,460,000, with a nominal value of JD 10,000, for a single non-transferable bond for a period of 365 days. Moreover, the interest rate on bonds is 7% and due during each six months on 15 Jun 2022 and 14 December 2023. The bonds were settled on 14 December 2023.

(16) OTHER LIABILITIES

	2023	2022
	JD	JD
Deposits	445,860	274,398
Accrued interest	389,393	367,790
Accounts payable	156,747	50,939
Accrued expenses	73,208	69,233
Accrued dividends	18,301	19,697
	1,083,509	782,057

(17) OTHER PROVISIONS

	2023	2022
	JD	JD
Lawsuits provision	285,000	232,357
Vacation provision	25,514	19,000
Other provisions	50,000	50,000
	360,514	301,357

* The movement on other provisions during the year was as follows:

	Beginning Balance	Additions	Used During the Year	Reversed to Revenues during the Year	Ending Balance
	JD	JD	JD	JD	JD
2023					
Lawsuits provision	232,357	52,643	-	-	285,000
Vacation provision	19,000	7,736	(1,222)	-	25,514
Other provisions	50,000	4,157	(4,157)	-	50,000
	301,357	64,536	(5,379)	-	360,514

	Beginning Balance	Additions	Used During the Year	Reversed to Revenues during the Year	Ending Balance
	JD	JD	JD	JD	JD
2022					
Lawsuits provision	279,173	17,119	(63,935)	-	232,357
Vacation provision	28,355	-	(5,003)	(4,352)	19,000
Other provisions	84,013	-	-	(34,013)	50,000
	391,541	17,119	(68,938)	(38,365)	301,357

(18) INCOME TAX

A. Deferred tax assets

	For the year ended 31 December 2023				
	Balance at Beginning of the Year	Additions	Released Amounts	Balance as at 31 December 2023	Deferred Tax Assets as at 31 December 2023
	JD	JD	JD	JD	JD
Items included as at December 2023					
Provision of ECL of financial assets at amortized cost	8,085,957	2,766,404	(2,007,673)	8,844,688	2,476,513
Outstanding revenues	2,642,553	1,257,147	(372,519)	3,527,181	987,611
Vacation provision	19,000	7,736	(1,222)	25,514	7,144
Accrued expenses provisions	8,937	17,803	(11,743)	14,997	4,199
Lawsuits provision	232,357	52,643	-	285,000	79,800
Other provision	50,000	4,157	(4,157)	50,000	14,000
Interests on lease liabilities	3,044	8,015	(3,044)	8,015	2,244
	11,041,848	4,113,905	(2,400,358)	12,755,395	3,571,511

	For the year ended 31 December 2022				
	Balance at Beginning of the Year	Additions	Released Amounts	Balance as at 31 December 2022	Deferred Tax Assets as at 31 December 2022
	JD	JD	JD	JD	JD
Items included as at December 2022					
Provision of ECL of financial assets at amortized cost	6,447,554	4,051,265	(2,412,862)	8,085,957	2,264,069
Outstanding revenues	2,270,048	1,044,541	(672,036)	2,642,553	739,915
Vacation provision	28,355	-	(9,355)	19,000	5,320
Accrued expenses provisions	2,369	6,568	-	8,937	2,502
Lawsuits provision	279,173	17,119	(63,935)	232,357	65,060
Other provision	84,013	-	(34,013)	50,000	14,000
Interests on lease liabilities	14,107	3,044	(14,107)	3,044	852
	9,125,619	5,122,537	(3,206,308)	11,041,848	3,091,718

Movement on deferred tax assets account during the year is as follows:

	2023	2022
	JD	JD
Balance at 1 January	3,091,718	2,555,175
Additions during the year	1,151,893	1,434,310
Released during the year	(672,100)	(897,767)
Balance at 31 December	3,571,511	3,091,718

B. Income tax provision

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

	2023	2022
	JD	JD
Balance at January	1,759,204	1,526,777
Income tax expense	2,970,949	2,178,708
Income tax paid	(2,329,853)	(1,946,281)
Balance at December	2,400,300	1,759,204

Income tax expense presented in the consolidated statement of comprehensive income consists of the following:

	2023	2022
	JD	JD
Tax payable on the year's profit	2,962,670	2,178,708
Prior year's taxes	8,278	(536,543)
Effect of deferred tax assets	(479,793)	-
	2,491,155	1,642,165

* The deferred tax was calculated as at 31 December 2023 at 28% (2022: 28%) according to the new Income Tax Law for the year 2018, which came into effect as at 1 January 2019.

C. Summary of reconciliation between accounting profit and taxable profit:

	2023	2022
	JD	JD
Accounting profit	8,664,004	5,642,517
Amendments	1,912,403	2,131,874
Taxable profit	10,576,407	7,774,391
Tax due on the profit for the year except for dividends from financial assets at fair value through other comprehensive income (Shares outside Jordan)	2,961,394	2,176,829
Tax due on dividends of financial assets at fair value through other comprehensive income (shares outside Jordan) at 14%	1,276	1,879
Tax due from profits for the year	2,962,670	2,178,708
Effective tax rate	34%	39%
Statutory tax rate	28%	28%

D. Tax Status

Jordan Trade Facilities Company (Parent Company)

The Company obtained a final clearance from the Income and Sales Tax Department until the end of the year 2014.

The tax returns were audited and the statement was amended with approval for the years 2015 and 2016.

The Company has submitted tax returns for the years 2019 till 2022 according to the rules and on the legally specified date.

The Company submitted the general sales tax returns on the legally specified date, and the Income and Sales Tax Department audited the returns submitted till the end of the year 2016, noting that the returns submitted for the tax periods until the end of the year 2018 were considered acceptable according to the provisions of the law, and the tax returns related to the subsequent periods are submitted on time and according to the rules.

Jordan Facilities for Leasing Company (Subsidiary)

The Company obtained a final clearance from the Income and Sales Tax Department until the end of the year 2022.

The Company submitted the general sales tax returns on the legally specified date, and the Income and Sales Tax Department audited the returns submitted till the end of the year 2022, and the tax returns related to subsequent periods are submitted on time and according to the rules.

In the opinion of the Group's management and the tax consultant, the Group will not have any obligations that exceed the provision taken until 31 December 2023.

(19) Shareholders' Equity

The authorised, subscribed and paid-up capital

The authorised, subscribed and paid-up capital of the company is 16,500,000 JD, with a nominal value of one JD per share.

The Company is 97.8% owned by Tamkeen Leasing Company (the parent Company) and the ultimate parent Company is Invest Bank - Public Shareholding Company.

Statutory reserve

According to the Jordanian Companies Law and the Company's by-laws, the Group should deduct 10% of its annual net profit to transfer to the statutory reserve, and continue do so each year provided that the total deducted amounts for the reserve do not exceed 25% of the Group's capital. For the purposes of this law, net profits represent profits before the income tax provision deduction. This reserve is not available for distribution to shareholders.

(20) REVENUES AND COMMISSIONS FROM COMMERCIAL FINANCING, MURABAHAH AND FINANCE LEASE

	2023	2022
	JD	JD
Interest income	12,360,442	9,426,723
Commissions	3,944,295	3,139,369
	16,304,737	12,566,092

(21) OTHER REVENUE

	2023	2022
	JD	JD
File opening fees	567,629	517,753
Collection fees, late fines, returned checks, and others	418,239	338,856
Gain on sale of investment properties	31,719	-
Bad debt income	27,976	16,595
Instalment postponement fees	18,434	63,542
Gain on sale of assets foreclosed against defaulted loans	4,841	32,525
Gain on sale of property and equipment	685	5,401
Credit card revenues	446	3,751
Others	41,317	15,578
	1,111,286	994,001

(22) SALARIES, WAGES AND EMPLOYEES' BENEFITS

	2023	2022
	JD	JD
Salaries and wages	1,022,179	977,925
Group's share in social security	129,308	121,971
Bonuses and incentives	447,774	382,620
Health insurance	109,745	115,701
Others	15,272	10,110
	1,724,278	1,608,327

(23) OTHER EXPENSES

	2023	2022
	JD	JD
Life insurance – clients	414,750	199,847
Maintenance	77,586	77,844
Board of Directors transportation fees and remunerations	50,000	50,000
Sales tax	48,732	31,256
Telecommunication and post expenses	44,771	39,895
Professional fee	21,378	34,382
Audit fees	20,480	17,690
Fees and subscriptions	27,370	31,733
Stationery and printing	24,058	27,620
Traveling and transportation	22,187	19,853
Commercial commissions	19,207	17,353
Hospitality	14,989	13,943
Advertisement	13,610	18,503
Water and electricity	9,580	12,196
Legal cases fees	8,250	7,294
General assembly meetings expenses	1,147	1,136
Board of Director Chairman fees	-	30,000
Rent	-	9,761
Others	153,252	97,952
	971,347	**738,258**

(24) FINANCE EXPENSES

	2023	2022
	JD	JD
Interest on borrowing facilities	5,048,392	2,892,183
Interest on ease liabilities (Note 8)	28,516	21,501
	5,076,908	2,913,684

(25) RELATED PARTY TRANSACTIONS AND BALANCES

Relevant stakeholders include major group contributors, board members and controlled enterprises by them, their families or those with significant administrative influence, as well as key management personnel.

25-1 Consolidated statement of financial position

	Related Party			
	Parent Company	Employees, relatives, board members and their relatives	31 December 2023	31 December 2022
	JD	JD	JD	JD
Financial assets at amortised cost	-	8,439	8,439	13,761
Borrowings	551,809	-	551,809	898,919
Bonds	2,059,643	-	2,059,643	2,051,092
Current accounts				

25-2 Consolidated statement of comprehensive income

	Related Party				
	Sister Company	Parent Company	Employees, relatives, board members and their relatives	2023	2022
	JD	JD	JD	JD	JD
Instalments revenue	-	-	910	910	1,757
Expenses of financing borrowings	-	32,211	-	32,211	121,329
Deposit income	-	84,247	-	84,247	-
An operating-investment lease contract to finance the supply chain	13,920	-	-	13,920	11,721
Commissions for financial investments -Invest Bank	-	-	-	-	10,000
An operating lease contract – Invest Bank	-	31,300	-	31,300	31,300

The balance of guarantees with the parent Company as at 31 December 2023 is Nil (2022: JD 2,500).

25-3 Executive management salaries and remuneration

Salaries and remuneration of the executive management of the Group amounted to JD 403,060 for the year ended 31 December 2023 (2022: JD 374,460).

(26) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS

	2023	2022
	JD	JD
Profit for the year (JD)	6,172,849	4,000,352
Weighted average number of outstanding shares (share)	16,500,000	16,500,000
	0.374	0.242

The basic earnings per share from the net profit for the year equals the diluted earnings as the Group did not issue any financial instruments that may have an impact on the basic earnings per share.

(27) CONTINGENT LIABILITIES

At the consolidated financial statements date, the Group has contingent liabilities as follows:

	2023	2022
	JD	JD
Bank guarantees	2,000	14,000

Lawsuits against the Group

Jordan Trade Facilities Company (Parent company):

The value of legal cases filed against the Company amounted to JD 153,045 as at 31 December 2023 (31 December 2022: JD 79,090), while the balance of provisions recorded against these cases amounted to JD 220,000 as at 31 December 2023 (31 December 2022: 220,000 JD) and in the opinion of the management and the legal counsel of the Company, the Company will not incur any additional obligations in respect of with these cases.

Jordan Facilities for Leasing Company (Subsidiary)

The value of the cases filed against the Company amounted to JD 10,001 as of 31 December 2023 (31 December 2022: JD 10,601), while the balance of allocations to confront these cases amounted to JD 65,000 as of 31 December 2023 (31 December 2022: JD 12,375), according to the estimation of the management and the company's legal advisor. The Company will not have any additional obligations for these issues.

(28) SUBSEQUENT EVENTS

On 8 January 2024, the Group issued 416 bonds with a nominal value of JD 10,000 per bond with a total value of JD 4,160,000 for a period of 365 days. The interest rate on these bonds will be 7.5% and interest is accrued every six months on 8 July 2024 and 6 January 2025, while the bond will be payable in full on 6 January 2025.