الأولى للتمويل
FIRST FINANCE

Ref:
Date: 6-5-2018

الرقم :
التاريخ : 2018-5-6

To : Jordan Securities Commission
To : Amman Stock Exchange

السادة / هيئة الأوراق المالية
السادة / بورصة عمان

Subject: Audited Financial Statements For The three months ended at 31/3/2018

الموضوع : القوائم المالية المرحلية باللغة الانجليزية المختصرة المدققة للثلاثة اشهر المنتهية في 2018/3/31

Attached the Audited Financial Statements of The First Finance CO. For The three months ended at 31/3/2018

مرفق طيه نسخة من القوائم المالية باللغة الانجليزية المرحلية المختصرة المدققة للثلاثة اشهر المنتهية في 2018/3/31

Kindly accept our high appreciation and respect

وتفضلوا بقبول فائق الاحترام،،،

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٠٦ أيار ٢٠١٨
الرقم المتسلسل: 2838
رقم الملف: 3125
الجهة المختصة:

First finance co.

الشركة الاولى للتمويل

الاولى للتمويل
FIRST FINANCE
الدائرة المالية

FIRST FINANCE COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2018
TOGETHER WITH REVIEW REPORT

FIRST FINANCE COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
MARCH 31, 2018

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Review Report

AM/ 32710

To the Chairman and Board Members of
First Finance Company
(A Public Limited Shareholding Company)
Amman - Jordan

Introduction
We have reviewed the accompanying condensed interim consolidated statement of financial position of First Finance Company (Public Limited Shareholding Company) as of March 31, 2018 and the related condensed interim consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

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

Basis for Qualified Conclusion
Included in the net receivables shown on the condensed interim consolidated statement of financial position at March 31, 2018 is an amount of approximately JD 56 million. According to International Financial Reporting Standard No. (9) Financial Instruments which became effective for accounting periods commencing on or after January 1, 2018. Management has to calculate and record the provision resulting from the application of the above standard and record its effect within the shareholder's equity, however, the Company's management did not completed their calculation of impairment in line with the standard because not all systems and processes have been implemented by management that support this calculation. In these circumstances, we are unable to quantify the effect of any adjustments related to the departure from the accounting standard.

Qualified Conclusion
Based on our review, except for the possible effects of the matter described in the paragraph above, nothing has come to our attention that the accompanying condensed interim financial statements are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Explanatory Paragraph
The Company's fiscal year ends on December 31 of each year. However, the condensed interim consolidated financial statements have been prepared for management purposes and for the Jordan Securities Commission requirements only.

Other Matter
The accompanying condensed interim consolidated financial statements are a translation of the statutory condensed interim consolidated financial statements in the Arabic language to which reference is to be made.

Deloitte & Touche (M.E.)

FIRST FINANCE COMPANY

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN- JORDAN

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	March 31, 2018 (Reviewed not Audited)	December 31, 2017
		JD	JD
Current Assets:			
Cash on hand and at banks		695,511	529,598
Accounts receivable from financing activities - Net	5	56,489,203	52,426,650
Financial assets at fair value through statement of income	6	52,113	68,859
Due from brokerage companies		23,266	5,255
Other debit balances	7	1,977,555	2,325,254
		59,237,648	55,355,616
Deferred tax assets	20/d	3,396,619	3,432,211
Financial assets at fair value through other comprehensive income	8	5,527,859	5,671,001
Property and equipment - Net		514,895	528,534
Intangible assets-Net		7,781	11,114
TOTAL ASSETS		68,684,802	64,998,476
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Customers' investment accounts	9	13,121,871	10,384,223
Income tax provision	10/a	1,075,582	904,842
Other credit balances		3,009,548	3,036,787
Total Liabilities		17,207,001	14,325,852
Shareholders' Equity:			
Paid-up capital		35,000,000	35,000,000
Statutory reserve		3,120,815	3,120,815
Special reserve		229,851	229,851
Investments valuation reserve		(517,834)	(335,885)
Retained earnings		12,657,843	12,657,843
Profit for the period		987,126	-
Total Shareholders' Equity		51,477,801	50,672,624
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		68,684,802	64,998,476

Chairman of the Board of Directors　　　　General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM

FIRST FINANCE COMPANY

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME

(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended March 31,	
		2018	2017
Revenue:		JD	JD
Finance revenue		1,743,811	1,188,768
(Deduct): Investment accounts owners share of the revenue		(145,606)	(73,732)
Company's share of revenue		1,598,205	1,115,036
(Losses) from valuation of Financial assets at fair value through statement of income		(519)	(3,509)
Other revenue-net		220,290	210,370
Total Revenue		1,817,976	1,321,897
Expenses:			
Employees expenses		(201,172)	(168,671)
Other operating expenses		(250,549)	(209,929)
Total expenses		(451,721)	(378,600)
Profit for the Period before Tax		1,366,256	943,297
Less: Income tax expense	10/b	(379,130)	(275,491)
Profit for the Period		987,126	667,806
Earnings per Share from the profit for the Period	11	0.03	0.02

hairman of the Board of Directors | General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

FIRST FINANCE COMPANY

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM CONSOLIDATED STATEMENT OF

OTHER COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
Profit for the period	987,126	667,806
Other comprehensive income items:		
Items Not Subsequently Transferrable to Statement of Income:		
Net changes in investments valuation reserve net of tax	(181,949)	192,533
Total Comprehensive Income for the Period	805,177	860,339

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

FIRST FINANCE COMPANY

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Paid-up Capital	Statutory Reserve	Special Reserve	Investments Valuation Reserve **	Retained Earnings *	Profit for the Period	Total
For the Three Months Ended March 31, 2018	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	35,000,000	3,120,815	229,851	(335,885)	12,657,843	-	50,672,624
Profit for the period	-	-	-	-	-	987,126	987,126
Net change in investment valuation reserve	-	-	-	(181,949)	-	-	(181,949)
Total comprehensive income for the period	-	-	-	(181,949)	-	987,126	805,177
Balance at the End of the Period	35,000,000	3,120,815	229,851	(517,834)	12,657,843	987,126	51,477,801
For the Three Months Ended March 31, 2017							
Balance at the beginning of the year	35,000,000	2,691,970	229,851	(438,843)	11,998,909	-	49,481,887
Profit for the period	-	-	-	-	-	667,806	667,806
Net change in investments valuation reserve - net of tax	-	-	-	192,533	-	-	192,533
Total comprehensive income for the period	-	-	-	192,533	-	667,806	860,339
Balance at the End of the Period	35,000,000	2,691,970	229,851	(246,310)	11,998,909	667,806	50,342,226

** The retained earnings blanace includes an amount of JD 3,396,619 representing the value of deferred tax assets as of March 31, 2018 (JD 3,432,211 as of December 31, 2017). This balance may not be utilized based on the instructions of the Jordan Securities Commission.

** Based on the instructions of the Jordan Securities Commission, the Company may not use or distribute an amount of JD (517,834) from the retained earnings, representing the negative investments valuation reserve.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

FIRST FINANCE COMPANY

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended March 31, 2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before income tax		1,366,256	943,297
Adjustments:			
Depreciation and amortization		29,001	41,865
Losses from valuation of financial assets at fair value through statement of income		519	3,509
Net Cash Flows from Operating Activities before Changes in Working Capital Items		1,395,776	988,671
Decrease in cheques under collection		-	5,338,775
(Increase) in account receivables from financing activities-Net		(4,062,553)	(1,658,400)
(Increase) in due from brokerage companies		(18,011)	(36,913)
Decrease (increase) in other debit balances		347,699	(611,606)
Increase (decrease) in investors Investment accounts		2,737,648	(4,476,512)
(Decrease) in other credit balances		(27,239)	(103,068)
Net Cash Flows from (used in) Operating Activities before Income Tax Paid		373,320	(559,053)
Income tax paid	10/a	(208,390)	(202,066)
Net Cash Flows from (used in) Operating Activities		164,930	(761,119)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment and intangible assets		(12,029)	(4,410)
(Purchase) of financial assets at fair value through other comprehensive income		(3,215)	(313,086)
(Sale) of financial assets at fair value through statement of income		16,227	-
Net Cash Flows from (used in) Investing Activities		983	(317,496)
Net Increase (Decrease) in Cash		165,913	(1,078,615)
Cash on hand and at banks - beginning of the year		529,598	3,502,514
Cash on Hand and at Banks - End of the Period		695,511	2,423,899

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

FIRST FINANCE COMPANY
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

a. First Finance Company was established as a public limited shareholding company and register with the Ministry of Industry and Trade under No. (390). The company's address is Building No (172), king Abdullah II Street, Khalda P.O Box 144596 Amman, 11814 Jordan. The Company's authorized capital is JD 50 million, which was fully paid on March 5, 2006. In accordance with the resolution of the General Assembly of Shareholders, in its extraordinary meeting of April 14, 2011, and after the approval of the Minister of Industry and Trade on June 22, 2011 in the Controller of Companies' Letter No. MSH/1/390 dated June 27, 2011, the Company reduced its authorized and paid-up capital by JD15 million to amortize the accumulated losses. Consequently, the Company's capital has become JD 35 million instead of JD 50 million.

The Company's main objectives are as follows:

- Preforming financing activities for natural and legal persons in accordance with the Sharia Islamic Religions Law. This includes, for example, direct financing of consumer and durable goods; financing of real estate, including financing of land, housing, buildings and construction; as well as financing the establishment of private and public projects.

- Acting as intermediary between banks, local lending and financing institutions, international and regional development funds and banks, and beneficiaries of the programs of these institutions.

- Managing others' funds in the financial and investment fields for specific fees or shares from the proceeds of such funds.

- Managing property, real estate, and other immovable and movable properties owned by others.

b. Based on the Ministry of Industry and Trade's Letter No. MSh/1/390/19827 dated September 3, 2006, the Company started operating effective from the date of the Ministry's letter.

c. The condensed interim consolidated financial statements have been approved by the Board of Directors on April 26, 2018.

2. Most Significant Accounting Policies

Basis of Preparation

- The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting.

- The condensed interim consolidated financial statements are prepared in accordance with the historical cost principle, except for certain financial assets and financial liabilities which are stated at fair value as of the date of the condensed interim financial statements.

- The condensed interim consolidated financial statements are stated in Jordanian Dinar, which is the functional currency of the Company.

- The condensed consolidated interim financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and must be read with the annual report of the Company as of December 31, 2017. In addition, the results of the Company's operations for the three months ended March 31, 2018 do not necessarily represent indications of the expected results for the year ending December 31, 2018, and do not contain the appropriation of the profit for the three months ended March 31, 2018, which is usually performed at year-end.

- Changes in Accounting Policies
  The accounting policies adopted in the preparation of the condensed interim consolidated financial statement are consistent with those adopted for the year ended December 31, 2017, except for the effect of the application of the New and revised International Financial Reporting Standards effective for accounting periods commencing on or after 1 January 2018 as follows:

a. Amendments with no material effect on the condensed interim consolidated financial statements:

Annual Improvements to IFRS Standards 2014 – 2016 The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 *Share Based Payment*
The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 Insurance Contracts
The amendments relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*
The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

Amendments to IAS 40 *Investment Property*
These amendments show when the entity shall transfer (reclass) a property including investments under process or development to, or from, investment property.

IFRS 15 *Revenue from Contracts with Customers*
In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 may be adopted retrospectively, by restating comparatives and adjusting retained earnings at the beginning of the earliest comparative period. - Alternatively, IFRS 15 may be adopted as of the application date on January 1, 2018, by adjusting retained earnings at the beginning of the first reporting year (the cumulative effect approach).

Amendments to IFRS 15 *Revenue from Contracts* with Customers
The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

Amendments to IFRS 7 *Financial Instruments: Disclosures*
The amendments are related to disclosures about the initial application of IFRS 9. The amendments are effective when IFRS (9) is first applied.

IFRS 7 Financial Instruments: Disclosures
The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied.

b. Amendments will have an effect on the condensed interim consolidated financial statements of the Company

The application of IFRS 9 *Financial Instruments:*
IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. And a new version of the new standard includes the requirements of **recognition, measurement, impairment and hedge accounting**.

The final version of IFRS 9 relating to financial instruments was replaced which relates to the credit loss model incurred in accordance with IAS 39 Financial Instruments: Recognition and Measurement, replacing a model for expected credit losses. The Standard includes a business model for debt instruments, loans, financial liabilities, financial guarantee contracts, deposits and receivables, but does not apply to equity instruments.

In case there is a low credit risk to the financial asset at the date of initial application of IFRS (9), the credit risk relating to the financial asset is considered to have not been changed substantially since its initial recognition.

In accordance with IFRS 9 Financial Instruments the expected credit losses are recognized at an early date in accordance with IAS 39.

The revised version of IFRS 9 (2014) (Financial Instruments) includes a classification mechanism for financial assets and liabilities. IFRS 9 requires all financial assets to be classified based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Company have been implemented the IFRS (9) (stage 1) issued the year 2009 and associated with the classification and measurement of financial assets, the finalised version of IFRS 9 have not been impleneted by the Company.

The Company calculated the initial impact of the International financial reporting standard (IFRS 9), as it is not material, it's impact has not been reversed in the attached condensed interim financial statements.

The Company have been implemented the IFRS (9) (stage 1) issued the year 2009 and associated with the classification and measurement of financial assets, the finalised version of IFRS 9 have not been impleneted by the company which become applicable for accounting periods on the condensed interim financial statements commencing on or after 1 January 2018, because of the non-complition of the calculation of impairment in line with the standard because not all systems and processes have been implemented that support this calculation yet.

3. Basis of consolidation of the Condensed Interim Financial Statements

- The condensed consolidated interim financial statement encompass the financial statement of the company and its subsidiary after eliminating balances and transactions between the two companies.

- The Company established Sokuk for Finance leasing company (Limited liability company) under number (47453) on April 19, 2017 with authorized share capital equal to 1 million Dinar and the paid-up capital of JD 500 thousand, and it's %100 owned by First Finance Company , and it's main activities is Finance leasing.

- The Company own as of March 31, 2018 Sokuk for Finance Leasing (a subsidiary company) as follow:

Paid share capital	Ownership	Nature of business	country	Incorporation date
JD	%			
500,000	100	Commercial	Jordan	April 19, 2017

The following table illustrate the financial and performance position for Sokuk Company for Finance Leasing (Subsidiary) as of March 31, 2017:

March 31, 2018		For the period from incorporation on April 19, 2017 until March 31, 2018	
Assets	Liabilities	Revenue	Expenses
JD	JD	JD	JD
493,983	-	-	6,017

The control is established when the company is able to control the financial and operating policies for the subsidiary company for the purpose of obtaining benefits from it's activities after eliminating transaction, balances, revenue and expenses during the period between the two companies .

The operation of the subsidiary company is consolidated in the statement of income and comprehensive income from the state of incorporation, which it's the date on which the actual control is transferred on the subsidiary company, and the operation results of the subsidiary company are eliminated in the consolidated statement of income and comprehensive income until its disposing date, which it's the date when the company lose control of the subsidiary company.

4. Using Estimates

Preparation of the condensed consolidated interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities and disclosures on contingent liabilities. These estimates and judgments impact revenue, expenses, and provisions. In particular, this requires from the Company's management to issue significant judgments for estimating the amounts of future cash flows and their timing. These estimates are necessarily based on several assumptions and factors with varying degrees of consideration and uncertainty. Actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates in the condensed interim consolidated financial statements are reasonable, and consistent with the estimates used during the year ended December 31, 2017, Except for the use and implementation of the estimations related to IFRS (9).

5. Account Receivables from Financing Activities - Net

This account represents the accounts receivable that resulted from Bel-Ajel Financing and credits granted as follows:

	March 31, 2018	December 31, 2017
	JD	JD
Finance receivables	82,344,187	78,293,826
(Less): Unrealized revenue on financing contracts	(10,086,942)	(10,104,770)
	72,257,245	68,189,056
Less: Provisions for impairment	(13,377,080)	(13,377,080)
Suspense revenue	(2,390,962)	(2,385,326)
	56,489,203	52,426,650

The details of this balance as per the financing activities are as follows:

	Total Accounts Receivable as of March 31, 2018	Unrealized Revenue as of March 31, 2018	Net Accounts Receivable as of March 31, 2018	Net Accounts Receivable as of December 31, 2017
	JD	JD	JD	JD
sued Wakala investments (Shares)	9,334,965	-	9,334,965	9,348,063
ars financing	25,152,942	3,855,179	21,297,763	22, 056, 091
eal estate financing	15,366,589	1,994,318	13,372,271	12,257,213
ompanies financing	29,679,868	4,014,193	25,655,675	22,239,345
ndividuals financing	2,809,823	223,252	2,566,571	2,288,345
	82,344,187	10,086,942	72,257,245	68,189,056

Provision for Impairment

The movement on the provision for impairment is as follows:

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	13,377,080	13,377,080
Balance at the End of the Period / Year	13,377,080	13,377,080

Suspense revenue

The movement on suspense revenue is as follows:

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance - beginning of the period / year	2,385,326	2,033,987
Suspended revenue during the period / year	195,374	1, 223, 821
Suspended revenue transferred to revenue	(189,738)	(872,482)
Balance - End of the Period / Year	2,390,962	2, 385, 326

The Company follows a policy of dealing with creditworthy parties as well as obtaining adequate collateral whenever it is possible, in order to mitigate the risk of financial losses arising from non-fulfillment of obligations.

Doubtful accounts receivable amounted to JD 21 million are covered by provisions or guarantees for the full balance as at March 31, 2018 and December 31, 2017.

There is a credit concentration of JD 29 million, representing 48% of total receivables from performing financing activities after deducting unrealized revenue, granted to only ten customers, noting that there is a guarantee for most of these receivables as of March 31, 2018 (20,989,785 as of December 31, 2017 which is equivalent to 46.6%).

6. Financial Assets at Fair Value through Statement of Income

This item consists of the following:

	March 31, 2018	December 31, 2018
	JD	JD
Shares listed in Amman Stock Exchange	23,312	35,619
Shares listed in Dubai Stock Exchange	28,801	33,239
	52,113	68,859

7. Other Debit Balances

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Prepaid expenses *	156,814	179,180
Accrued and unearned revenue	68,744	68,744
Refundable deposits	352,290	677,602
Assets seized by the Company against due balances	1,036,060	1,036,060
Deferred notes receivable	37,700	39,700
Other debtors	325,947	269,141
	1,977,555	2,325,254

* This item includes rent of the Head Office Building, paid in advance of JD 73,882 extended until the end of the year 2026 (JD 98,512 as of December 31, 2017).

8. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Shares listed in Amman Stock Exchange	4,340,819	3,994,105
Foreign listed shares	541,640	1,048,120
Unquoted shares	645,400	628,776
	5,527,859	5,671,001

- Shares of JD 1,591,060 have been mortgaged for the benefit of Jordan Kuwait Bank against a letter of credit ceiling granted to the Company. Moreover, shares of JD 933,606 have been mortgaged for the benefit of Al-Rajhi Bank against a letter of credit ceiling granted to the Company.

9. Customers' Investments Accounts

This item represents wakala investments received from customers to be invested in the Company's activities. The rate for account owners range from 4.25% to 6.75% as of March 31, 2018 (4.75% - 7.25% as of December 31, 2017).

10. Income Tax Provision

a. The details of this item is as follows:

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	904,842	795,712
Income tax paid	(208,390)	(991,544)
Income tax provision for the period / year	379,130	1,100,674
Balance at the End of the Period / Year	1,075,582	904,842

The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2015. Furthermore, the Company has submitted its income tax return for the year 2016 and it has paid the due amounts within the legal period. However, the Income and Sales Tax Department has not yet reviewed the Company's operations for this year yet.

The Company has also calculated a provision for income tax for the three months ended on March 31, 2018. In the opinion of the Company's management and its tax advisor, the provisions recorded in the financial statements as of March 31, 2018 are sufficient to meet the expected tax liabilities.

b. The income tax expense shown in the condensed interim consolidated statement of income is as follows:

	For the Three Months Ended March 31, 2018	For the Three Months Ended March 31, 2017
	JD	JD
Accrued income tax on the period profit	(379,130)	(275,491)
Income Tax Expense	(379,130)	(275,491)

c. The details of deferred tax assets is as follow:

	March 31, 2018	December 31, 2017
	JD	JD
Provision for impairment of receivables	3,210,499	3,210,499
Investments valuation reserve	186,120	221,712
	3,396,619	3,432,211

The movement on deferred tax assets is as follow:

	For the Three Months Ended March 31, 2018	For the Year Ended December 31, 2017
	JD	JD
Beginning balance for the period /year	3,432,211	3,430,863
(Deduct) addition to investment valuation reserve	(35,592)	1,348
Balance at the End of the Period /Year	3,396,619	3,432,211

11. Earnings per Share for the Period

This item consists of the following:

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
Profit for the period	987,126	667,806
Number of shares	35,000,000	35,000,000
Earnings per share for the period	0.03	0.02

12. Balance and Transactions with Related Parties

The details for balances and transactions with related parties during the period is as follows:

arch 31, 2018	Executive Management	Company's Employees	Other Related Parties **	Total
ondensed Interim Consolidated tatement of Financial Position Items	JD	JD	JD	JD
ccount receivable from financing activities-net *	27,984	149,342	-	177,326
ustomers' investments accounts	142,000	-	6,769,000	6,911,000
ondensed Interim consolidated Income Statement ems for the Three Months Ended March 31, 2018				
evenue from financing activities	691	7,789	-	8,480
ivestment accounts owners' share from revenue	613	-	57,060	57,673
ecember 31, 2017				
onsolidated Statement of Financial Position Items				
Account receivable from financing activities *	29,601	176,532	-	206,133
ustomers' investments accounts	-	-	4,600,000	4,600,000
ondensed Interim Income Statement Items or the Three Months Ended March 31, 2017				
evenue from financing activities	2,477	20,026	-	22,50
nvestment accounts owners' share from revenue	-	-	100,271	100,27
hare dividends	-	-	233,272	233,27

* Net after deducting unearned revenue.

** Other parties include companies partially owned by members and relatives of the members of the Board of Directors.

- The salaries and other remunerations of executive management amounted to JD 129,615 during the Three months ended on March 31, 2018 (JD 45,194 during the Three months ended on March 31, 2017).

13. Information on the Company's Business Segment

The Company performs it's business through two major activities:

1. Financing activities

Includes following up on customers and granting financing.

2. Investment activities

Includes the investments in different financial instruments.

The following table shows revenue allocation between these two segments:

	Financing	Investing	Total For the Three Months Ended March 31, 2018	2017
	JD	JD	JD	JD
Gross profit	1,743,811	(519)	1,743,292	1,185,259
Investment accounts owners' share from revenue	(145,606)	-	(145,606)	(73,732)
Un-distributed revenue			220,290	210,370
Un-distributed expenses			(451,721)	(378,600)
Income tax expense			(379,130)	(275,491)
Profit for the Period			987,126	667,806

	Financing	Investing	March 31, 2018	December 31, 2017
Other Information	JD	JD	JD	JD
Assets of the sectors	56,489,203	5,544,380	62,033,583	58,166,510
Un-distributed assets			6,651,219	6,831,966
Total			68,684,802	64,998,476
Liabilities of the sectors	13,121,871	-	13,121,871	10,384,223
Un-distributed liabilities	-	-	4,085,130	3,941,629
Total			17,207,001	14,325,852

14. Contingent Liabilities

As of the date of the condensed interim consolidated statement of financial position, the Company was contingently liable for the following:

	March 31, 2018	December 31, 2017
	JD	JD
Letter of credit *	33,583	130,994
Banks letters of guarantee	303,500	687,300
Less: refundable deposits	(302,500)	(643,230)
	34,583	175,064

* In additions to the above mentioned, there is a credit ceiling for the benefit of the Company's customers of JD 1.5 million at Jordan Kuwait Bank and of JD 1.25 million at Al-Rajhi Bank.

There are cash margins approximately JD 302,500 that relate to the above commitments as of March 31, 2018 (JD 643,230 as of December 31, 2017).

15. Lawsuits

There are several lawsuits raised against the Company of JD 3,000 claiming employees' rights. These lawsuits are still pending at Amman Magistrate Court as of March 31, 2018. In the opinion of the Company's management, no provisions for these lawsuits are required (15,850 as of December 31, 2017).

The Company raised several legal cases against its defaulting customers. These legal cases amounted to approximately JD 12,932,037 as of March 31, 2018 (JD 12,856,925 as of December 31, 2017).

16. Subsequent Events

In its ordinary meeting held on April 26, 2018, the General Assembly has approved the Board of Directors' recommendation to distribute JD 1.4 million, which is equivalent to 4% from the share capital of JD 35 million.

. Fair Value Hierarchy

The fair value of financial assets of the Company specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Company are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets (evaluation methods and inputs used).

Financial Assets	Fair Value		The Level of	Evaluation Method	Important Intangible	Relation between Fair Value
	March 31, 2018	December 31, 2017	Fair Value	and Inputs Used	Inputs	and Important Intangible Inputs
	JD	JD				
Financial Assets at Fair Value through Profit or Loss:						
Share with market value	52,113	68,859	Level One	Market value	Not applicable	Not applicable
Financial Assets at Fair Value through other comprehensive income:						
Share with market value	5,386,416	4,038,975	Level One	Market value	Not applicable	Not applicable
Shares without market value	284,585	1,632,026	Level Two	Equity Method based on the latest audited financial statements	Not applicable	Not applicable
Total Financial Assets at Fair value	5,723,114	5,739,860				

There is no transfers between level one and two during the three month period ended March 31, 2018 and the year 2017.

B -The fair value of the financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

We believe that the carrying amount of financial assets and liabilities shown in the condensed interim consolidated financial statements of the Company approximates their fair value.