



التواقي المالية
FIRST FINANCE

نرقم ٢٠٢٠/٤/١٦٩

التاريخ : ٢٠٢٠/٠٨/٢٥

الساده : هيئة الاوراق المالية المحترمين

الساده : بورصة عمان المحترمين

السيرة الذاتية : البيانات المالية باللغة الانجليزية للربع الثاني من عام ٢٠٢٠

نرفق لكم طيا البيانات المالية باللغة الانجليزية كما في ٢٠٢٠/٠٦/٣٠

وتأملوا بقدومنا فائق الاحترام

الدائرة المالية

25/8/2020

التواقي المالية
FIRST FINANCE
الدائرة المالية

بورصة عمان
الدائرة الإدارية والمالية
الديوان

٢٦ آب ٢٠٢٠

الرقم المتسلسل: 3252

رقم الملف: 3105

الجهة المختصة:

فرع العقبة
Aqaba Branch

فرع المدينة الرياضية
Al Madanah Al Ruarfiah Branch

فرع الوحدات
Al Wahdat Branch

فرع الزرقاء
Zarqa Branch

فرع اربد
Irbid Branch

الفرع الرئيسي
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First Finance Company

Public Shareholding Company

Unaudited Interim Condensed Consolidated Financial Statements

30 June 2020



Building a better
working world

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**REPORT ON REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF FIRST FINANCE COMPANY (PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of First Finance Company (Public Shareholding Company) (the "Company") and its subsidiary (the "Group") as at 30 June 2020, comprising of the interim condensed consolidated statement of financial position as at 30 June 2020 and the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. Board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed 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 Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for the 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.

Conclusion

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

Amman – Jordan
6 August 2020

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2020

| | Notes | 30 June 2020 JD (Unaudited) | 31 December 2019 JD (Audited) |
|---|-------|--------------------------------------|--|
| <u>ASSETS</u> | | | |
| Cash on hand, at banks and financial institutes | 3 | 731,954 | 1,121,854 |
| Accounts receivable from financing activities - net | 4 | 38,271,088 | 39,812,993 |
| Financial assets at fair value through profit or loss | 5 | 3,475,381 | 3,447,258 |
| Financial assets at fair value through other comprehensive income | 6 | 4,543,035 | 4,627,100 |
| Right of use assets | | 891,642 | 928,901 |
| Property and equipment - net | | 345,329 | 380,945 |
| Deferred tax assets | 12 | 6,068,643 | 5,709,179 |
| Other debit balances | 7 | 3,198,859 | 3,051,975 |
| Intangible assets | | 71,770 | - |
| TOTAL ASSETS | | 57,597,701 | 59,080,205 |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | | |
| LIABILITIES | | | |
| Customers' investment accounts | 8 | 9,524,411 | 9,452,692 |
| Income tax provision | 12 | 95,541 | 293,226 |
| Lease liabilities | | 845,393 | 934,220 |
| Other credit balances | 9 | 3,042,300 | 3,205,364 |
| Total liabilities | | 13,507,645 | 13,885,502 |
| SHAREHOLDERS' EQUITY | | | |
| Paid in capital | 10 | 35,000,000 | 35,000,000 |
| Statutory reserve | 10 | 3,482,369 | 3,482,369 |
| Voluntary reserve | 10 | 229,851 | 229,851 |
| Fair value reserve | 11 | (1,233,428) | (1,129,317) |
| Retained earnings | | 6,611,264 | 7,611,800 |
| Total shareholders' equity | | 44,090,056 | 45,194,703 |
| Total Liabilities and shareholders' equity | | 57,597,701 | 59,080,205 |

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

| | Notes | For the three months | | For the six months ended 30 | |
|---|-------|----------------------|------------------|-----------------------------|--------------------|
| | | ended 30 June | | June | |
| | | 2020 | 2019 | 2020 | 2019 |
| | | JD | JD | JD | JD |
| Revenue- | | | | | |
| Finance revenue | | 363,898 | 805,976 | 1,117,901 | 2,048,915 |
| (Less): share of customers' investment accounts | | (132,041) | (116,757) | (263,471) | (239,551) |
| Company's share of revenue | | 231,857 | 689,219 | 854,430 | 1,809,364 |
| Dividends income from financial assets at fair value through profit or loss | | 1,833 | 152,363 | 1,833 | 152,363 |
| (Loss) gain from valuation of financial assets at fair value through profit or loss | | (17,897) | (3,520) | 21,466 | (20,221) |
| Other income – net | | 113,369 | 183,378 | 295,245 | 638,376 |
| Total revenue | | 329,162 | 1,021,440 | 1,172,974 | 2,579,882 |
| Expenses- | | | | | |
| Employees expenses | | (224,403) | (248,033) | (426,501) | (446,114) |
| Other operating expenses | | (124,954) | (165,568) | (333,478) | (296,433) |
| Expected credit loss | 4 | (443,964) | (94,510) | (1,355,384) | (311,037) |
| Finance cost - lease liability | | (14,355) | (28,070) | (25,856) | (28,070) |
| Depreciation expense | | (65,635) | (71,062) | (132,146) | (140,743) |
| Total Expenses | | (873,311) | (607,243) | (2,273,365) | (1,222,397) |
| Profit for the period before tax | | (544,149) | 414,197 | (1,100,391) | 1,357,485 |
| Income tax (expense) recovery | 12 | (44,388) | (97,225) | 99,855 | (355,355) |
| Profit for the period | | (588,537) | 316,972 | (1,000,536) | 1,002,130 |
| | | JD/ Fils | JD/ Fils | JD/ Fils | JD/ Fils |
| Basic and diluted earnings per share from the profit for the period | 13 | (0,02) | 0/010 | (0,03) | 0/030 |

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

| | For the Three months ended | | For the Six months ended | |
|--|----------------------------|----------------|--------------------------|------------------|
| | 30 June | | 30 June | |
| | 2020 | 2019 | 2020 | 2019 |
| | JD | JD | JD | JD |
| (Losses) Profit for the period | (588,537) | 316,972 | (1,000,536) | 1,002,130 |
| Other comprehensive income items: | | | | |
| Items will not be transferred to profit or loss in subsequent periods: | | | | |
| Net changes in fair value of financial assets through other comprehensive incomes in subsequent periods: | <u>128,034</u> | <u>161,562</u> | <u>(104,111)</u> | <u>(296,221)</u> |
| Total comprehensive income for the period | <u>(460,503)</u> | <u>478,534</u> | <u>(1,104,647)</u> | <u>705,909</u> |

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

| | Paid in capital | Statutory reserve | Voluntary reserve | Fair value reserve | Retained earnings | Total |
|--|--------------------|----------------------|----------------------|-----------------------|----------------------|-------------------|
| | JD | JD | JD | JD | JD | JD |
| For the period ended 30 June 2020- | | | | | | |
| Beginning balance of the period | 35,000,000 | 3,482,369 | 229,851 | (1,129,317) | 7,611,800 | 45,194,703 |
| Total comprehensive income for the period | - | - | - | (104,111) | (1,000,536) | (1,104,647) |
| Balance at 30 June 2020 | <u>35,000,000</u> | <u>3,482,369</u> | <u>229,851</u> | <u>(1,233,428)</u> | <u>6,611,264</u> | <u>44,090,056</u> |
| For the period ended 30 June 2019 - | | | | | | |
| Beginning balance of the period | 35,000,000 | 3,253,739 | 229,851 | (683,787) | 7,473,522 | 45,273,325 |
| Total comprehensive income for the period | - | - | - | (296,221) | 1,002,130 | 705,909 |
| Net change in fair value reserve (Note 10) | - | - | - | - | (1,400,000) | (1,400,000) |
| Balance at 30 June 2019 | <u>35,000,000</u> | <u>3,253,739</u> | <u>229,851</u> | <u>(980,008)</u> | <u>7,075,652</u> | <u>44,579,234</u> |

* The retained earnings balance includes an amount of JD 6,068,643 representing the value of deferred tax assets as of 30 June 2020 (31 December 2019: JD 5,709,179), which is restricted from use or distribution in accordance with the Jordan Securities Commission regulations.

** According to Jordan Securities Commission instructions, the company should not use or distribute an amount of JD 1,233,428 from the retained earnings balance, which represents the negative fair value reserve.

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

| | Notes | For the period ended 30 June | |
|---|-------|------------------------------|--------------------|
| | | 2020 JD | 2019 JD |
| <u>OPERATING ACTIVITIES</u> | | | |
| (Loss) Profit for the period before tax | | (1,100,391) | 1,357,485 |
| Adjustments- | | | |
| Expected Credit Loss | 4 | 1,355,384 | 311,037 |
| Dividends from financial assets at fair value through profit or loss | | (1,833) | (152,363) |
| Depreciation | | 132,146 | 140,743 |
| Loss on disposal of property and equipment | | 2,053 | |
| Finance cost on lease contract obligations | | 25,856 | |
| Loss (gain) from valuation of financial assets at fair value through profit or loss | | (21,466) | 20,221 |
| Net cash flows from operating activities before changes in working capital items | | 391,749 | 1,677,123 |
| (Increase) in account receivables from financing activities - net | | 186,521 | (771,366) |
| (Increase) decrease in other current assets | | (146,884) | (1,259,154) |
| (Decrease) increase in customers' investment accounts | | 71,719 | (1,970,426) |
| Increase in other current liabilities | | (38,858) | 1,210,742 |
| Net cash flows from (used in) operating activities before income tax paid | | 464,247 | (1,113,081) |
| Income tax paid | 12 | (476,480) | (5,857) |
| Net cash flows used in operating activities | | (12,233) | (1,118,938) |
| <u>INVESTING ACTIVITIES</u> | | | |
| Purchase of property and equipment | | (27,030) | (6,254) |
| Proceeds from sale of property and equipment | | 70 | - |
| Purchase of investment in property | | (71,770) | |
| Project under construction | | - | (23,229) |
| Dividends income received | | 1,833 | 122,623 |
| Purchase of financial assets at fair value through profit or loss | | (6,401) | - |
| Net cash flows (used in) from investing activities | | (103,298) | 93,140 |
| <u>FINANCING ACTIVITIES</u> | | | |
| Dividend paid to shareholders | | (124,206) | (512,711) |
| Lease payments | | (150,163) | - |
| Net cash flows used in financing activities | | (274,369) | (512,711) |
| Net decrease in cash on hand and at banks | | (389,900) | (1,538,509) |
| Cash on hand and at banks at the beginning of the period | | 1,121,854 | 2,693,792 |
| Cash on hand and at banks at the end of the period | 3 | 731,954 | 1,155,283 |

The accompanying notes from 1 to 21 are an integral part of these interim condensed consolidated financial statements

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

1 GENERAL

First Finance Company (“the Company”) was established as a Public Shareholding Company and is registered with the Ministry of Industry and Trade under no. (390) on 5 March 2006. The Company’s address is King Abdullah II street building No (172), Khalda, P.O.Box 144596 Amman 11841 Jordan. The Company’s authorized capital is JD 50 Million. Based on the Ministry of Industry and Trade’s Letter No. MSH/1/390.19827 dated on 3 September 2006, the Company started operating effective from the date of the Ministry’s letter. In accordance with the resolution of the General Assembly of shareholders, in its extraordinary meeting held on 14 April 2011, and after the approval of the Minister of Industry and Trade on 22 June 2011 in the Controller of Companies’ Letter No. MSH/1/390 dated on 27 June 2011, and reduced its authorized and paid-in capital by JD 15 million to write-off 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:

- Providing financing to individuals and entities in accordance with the Islamic Sharia. This includes, for example, direct financing of consumer and durable goods, financing of real estate, including financing of land, housing, buildings, and construction financing the establishment of private and public projects.
- Acting as intermediary between banks, local lending and financing companies, international and regional development funds and banks, and between the beneficiaries of their programs.
- Managing others’ funds for others in the financial and investment sectors for specific fees or shares from the proceeds of such funds.
- Managing property, real estate and other fixed and transferred assets owned by others.

The condensed interim consolidated financial statements have been approved by the Board of Directors on 4 August 2020.

2 ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements as of 30 June 2020 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, expected for financial assets at fair value through profit and loss and through other comprehensive income and liabilities are measured at fair value.

The interim condensed consolidated financial statement have been presented in Jordanian Dinars, which is the functional currency of the Company.

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements as of 31 December 2019. In addition, results of the six-month period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2019.

2-2 BASIS OF CONSOLIDATION

The consolidated financial statements for the Company and its subsidiary (Sukok Leasing Company) (together the “Group”) for the period ended on 30 June 2020 consist of the following:

The interim condensed consolidated financial statements for the Company and its subsidiary (Sukok Leasing Company) (together the “Group”) for the period ended on 30 June 2020 consist of the following:

| | <u>Paid in capital</u> | <u>Ownership</u> | <u>Nature</u> | <u>Location</u> | <u>Establishment</u> |
|-----------------------|------------------------|------------------|---------------|-----------------|----------------------|
| | <u>JD</u> | <u>interest</u> | | | <u>date</u> |
| | | <u>%</u> | | | |
| Sukok Leasing Company | 500,000 | 100 | Trading | Jordan | 19 April 2017 |

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss.

2-3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards and amendments effective as of 1 January 2020:

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

The amendments are applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, the Group did not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group was not be affected by these amendments on the date of transition.

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an “RFR”). The effective date of the amendments was for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB’s project. The Group was not be affected by these amendments on the date of transition and concluded that the uncertainty arising from IBOR reform is did not affect its hedge relationships to the extent that the hedge relationships need to be discontinued.

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

3 CASH AT HAND AND AT BANKS

This item represents the following:

| | 30 June 2020 | 31 December 2019 |
|--------------------------------------|-----------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Current accounts at Islamic banks | 410,455 | 308,498 |
| Current accounts at commercial banks | 305,383 | 810,700 |
| Cash on hand | 16,116 | 2,656 |
| | <u>731,954</u> | <u>1,121,854</u> |

The cash and cash equivalents appearing in the statement of cash flows are represented as follows:

| | 30 June 2020 | 30 June 2019 |
|--------------------------------------|-----------------|------------------|
| | JD | JD |
| | (Unaudited) | (Unaudited) |
| Current accounts at Islamic banks | 410,455 | 269,603 |
| Current accounts at commercial banks | 305,383 | 876,473 |
| Cash on hand | 16,116 | 9,207 |
| | <u>731,954</u> | <u>1,155,283</u> |

4 ACCOUNTS RECEIVABLE FROM FINANCING ACTIVITIES - NET

This item represents accounts receivable derived from deferred sales and granted facilities as shown below:

| | 30 June 2020 | 31 December 2019 |
|---|---------------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Gross finance receivables | 70,312,205 | 70,692,687 |
| Less: Unrealized revenue on financing contracts | <u>(10,278,367)</u> | <u>(10,514,032)</u> |
| | 60,033,838 | 60,178,655 |
| Less: Provision for expected credit losses | <u>(20,038,591)</u> | <u>(18,683,207)</u> |
| Revenue in suspense | <u>(1,724,159)</u> | <u>(1,682,455)</u> |
| | <u>38,271,088</u> | <u>39,812,993</u> |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

The details of accounts receivable from financing activities after deducting unrealized revenues are as follows:

| | Gross accounts receivable as of 30 June 2020 | Unrealized revenues as of 30 June 2020 | Net accounts receivable as of 30 June 2020 | Net accounts receivable as of 31 December 2019 |
|---------------------------------------|--|--|--|--|
| | JD (Unaudited) | JD (Unaudited) | JD (Unaudited) | JD (Audited) |
| Corporates | | | | |
| Corporates' financing- goods | 31,233,218 | 4,301,311 | 26,931,907 | 26,260,673 |
| Corporates' financing-bills of lading | 2,528,336 | - | 2,528,336 | 2,528,336 |
| Corporates financing- real estate | 4,819,758 | 1,009,747 | 3,810,011 | 4,097,196 |
| | <u>38,581,312</u> | <u>5,311,058</u> | <u>33,270,254</u> | <u>32,886,205</u> |
| Individuals | | | | |
| Individual's financing- goods | 1,468,059 | 68,809 | 1,399,250 | 1,636,181 |
| Stocks financing | 2,785,590 | - | 2,785,590 | 2,785,590 |
| Real estate financing | 9,421,374 | 2,290,500 | 7,130,874 | 6,935,526 |
| Vehicles and machinery | 18,055,870 | 2,608,000 | 15,447,870 | 15,935,153 |
| | <u>31,730,893</u> | <u>4,967,309</u> | <u>26,763,584</u> | <u>27,292,450</u> |
| | <u>70,312,205</u> | <u>10,278,367</u> | <u>60,033,838</u> | <u>60,178,655</u> |

Provision for expected credit losses

The movement on the provision for expected credit losses is as follows:

| | 30 June 2020 | 31 December 2019 |
|---------------------------------------|-------------------|-------------------|
| | JD (Unaudited) | JD (Audited) |
| Beginning balance for the period/year | 18,683,207 | 18,328,886 |
| Additions during the period/ year | 1,355,384 | 354,321 |
| Ending balance for the period/ year | <u>20,038,591</u> | <u>18,683,207</u> |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

The movement on the accounts receivable from financing activities during the period is as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|-------------------|------------------|-------------------|-------------------|
| | JD | JD | JD | JD |
| <u>For the period ended 30 June 2020 (Unaudited)</u> | | | | |
| Gross balance at the beginning of the period | 29,121,939 | 1,861,201 | 39,709,547 | 70,692,687 |
| New finances during the period | 6,695,617 | 242,912 | 26,089 | 6,964,618 |
| Payments received | (6,645,242) | (209,989) | (1,213,150) | (8,068,381) |
| Transferred to stage 1 | 1,061,440 | (422,605) | (638,835) | - |
| Transferred to stage 2 | (3,063,543) | 3,115,737 | (52,194) | - |
| Transferred to stage 3 | (685,630) | (1,120,954) | 1,806,584 | - |
| Changes due to modification | (1,034,391) | 1,843,496 | (85,824) | 723,281 |
| Gross balance at the end of the period | 25,450,190 | 5,309,798 | 39,552,217 | 70,312,205 |

The movement on the provision for Expected Credit Loss during the period is as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|------------------|----------------|-------------------|-------------------|
| | JD | JD | JD | JD |
| <u>For the period ended 30 June 2020 (Unaudited)</u> | | | | |
| Gross balance at the beginning of the period | 296,711 | 190 | 18,386,306 | 18,683,207 |
| New finances impairment during the period | 750,479 | 70,627 | 418 | 821,524 |
| Recoveries from impaired provision for paid finances | (143,540) | (97) | (1,293,576) | (1,437,213) |
| Transferred to stage 1 | 4,971 | - | (4,971) | - |
| Transferred to stage 2 | (46,648) | 46,648 | - | - |
| Transferred to stage 3 | - | (93) | 93 | - |
| Changes due to modifications | 209,973 | 231,595 | 1,529,505 | 1,971,073 |
| Gross balance at the end of the period | 1,071,946 | 348,870 | 18,617,775 | 20,038,591 |

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|-------------------|------------------|-------------------|-------------------|
| | JD | JD | JD | JD |
| <u>For the year ended 31 December 2019 (Audited)</u> | | | | |
| Gross balance at the beginning of the year | 27,292,877 | 10,180,610 | 35,749,420 | 73,222,907 |
| New finances during the year | 14,127,456 | 399,094 | 4,408,225 | 18,934,775 |
| Payments received | (7,073,169) | (1,381,924) | (3,371,844) | (11,826,937) |
| Transferred to stage 1 | 4,344,944 | (437,947) | (3,906,997) | - |
| Transferred to stage 2 | (2,679,368) | 2,774,384 | (95,016) | - |
| Transferred to stage 3 | 2,802,834 | 7,978,527 | (10,781,361) | - |
| Changes due to modifications | (9,693,635) | (17,651,543) | 17,707,120 | (9,638,058) |
| Gross balance at the end of the year | 29,121,939 | 1,861,201 | 39,709,547 | 70,692,687 |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

The movement on the provision for expected credit loss for the year 31 December 2019 is as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|--|----------------|-------------|-------------------|-------------------|
| | JD | JD | JD | JD |
| <u>For the year ended 31 December 2019</u> | | | | |
| <u>(Audited)</u> | | | | |
| Gross balance at the beginning of the year | 77,962 | 3,238,570 | 15,012,354 | 18,328,886 |
| New finances impairment during the year | 271,699 | 97 | 1,852,915 | 2,124,711 |
| Recoveries from impaired provision for paid finances | (62,229) | (246,982) | (3,660,079) | (3,969,290) |
| Transferred to stage 1 | 250,171 | (19,267) | (230,904) | - |
| Transferred to stage 2 | (4,410) | 4,410 | - | - |
| Transferred to stage 3 | (1,006) | (2,972,321) | 2,973,327 | - |
| Changes due to modifications | (235,476) | (4,317) | 2,438,693 | 2,198,900 |
| Gross balance at the end of the year | 296,711 | 190 | 18,386,306 | 18,683,207 |

Revenues in suspense

The movement on the revenues in suspense is as follows:

| | 30 June 2020 | 31 December 2019 |
|---|-------------------|---------------------|
| | JD (Unaudited) | JD (Audited) |
| Balance at the beginning of the period / year | 1,682,455 | 1,651,004 |
| Revenue in suspense during the period/ year | 162,847 | 582,866 |
| Revenue in suspense transferred to revenue | (121,143) | (551,415) |
| Balance at the end of the period/ year | 1,724,159 | 1,682,455 |

Total credit granted to the largest ten customers amounted to JD 4.5 million, representing 6.45% of total performing account receivables from financing activities for stages 1 and 2. Noting that there are guarantees for most of these receivables as of 30 June 2020 (31 December 2019: JD 5.1 million which is equivalent to 6.94%).

5 FINANCING ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 30 June 2020 | 31 December 2019 |
|--|-------------------|---------------------|
| | JD (Unaudited) | JD (Audited) |
| Accounts receivable - financing activities | 3,406,976 | 3,400,318 |
| Quoted shares in Amman Stock Exchange | 68,405 | 46,940 |
| | 3,475,381 | 3,447,258 |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

6 FINANCING ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 30 June 2020 | 31 December 2019 |
|--|------------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Quoted Shares | | |
| Quoted shares in Amman Stock Exchange | 2,454,801 | 3,492,000 |
| Quoted shares in foreign stock markets | 440,371 | 537,752 |
| | <u>2,895,172</u> | <u>4,029,752</u> |
| Unquoted shares | <u>1,647,863</u> | <u>597,348</u> |
| | <u>4,543,035</u> | <u>4,627,100</u> |

Shares amounting to JD 1,584,885 (2019: 1,602,666 JD) have been mortgaged for the benefit of Jordan Kuwait Bank against a letter of credit ceiling granted to the Company.

7 OTHER CURRENT ASSETS

| | 30 June 2020 | 31 December 2019 |
|--|------------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Prepaid expense | 69,131 | 29,188 |
| Refundable deposits | 347,507 | 430,007 |
| Assets seized by the Company by calling on collaterals | 2,621,882 | 2,477,736 |
| Others | 160,339 | 115,044 |
| | <u>3,198,859</u> | <u>3,051,975</u> |

8 CUSTOMERS' INVESTMENTS ACCOUNTS

This item represents Wakala investments received from customers with a due date of 1 to 60 months to be invested in the Group's activities. The average return paid to the customers range from 3.5% to 6.625% as of 30 June 2020 (31 December 2019 3.5% to 6.625%).

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

9 OTHER CURRENT LIABILITIES

| | 30 June 2020 | 31 December 2019 |
|-------------------------------------|------------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Suppliers balances | 19,036 | 19,036 |
| Accrued expenses | 69,745 | 63,450 |
| Dividends payable | 1,525,609 | 1,648,466 |
| Contributors deposits-refunds | 145,523 | 146,349 |
| Income tax provision | 69,167 | 52,558 |
| Unearned revenue | 813,481 | 882,456 |
| Wakala investments payable earnings | 228,527 | 216,999 |
| Board of Director's remuneration | 67,500 | 45,000 |
| Mortgage release deposits | 52,723 | 99,394 |
| Litigations provision | 30,000 | - |
| Others | 20,989 | 31,656 |
| | <u>3,042,300</u> | <u>3,205,364</u> |

10 PAID IN CAPITAL AND RESERVE

Paid in Capital

The Company's paid in capital is JD 35,000,000 divided into 35,000,000 shares as of 30 June 2020 and 31 December 2019.

Statutory Reserve

Represents the transfers from the annual profit during the year and prior years, before income tax at a rate of 10%. This reserve is not available for distribution to the shareholders. The Company did not provide for statutory reserve based on companies law as these are interim financial statements.

Voluntary Reserve

Represents transfers from profit before tax during the year and prior year at a maximum of 20% according to the companies law. This reserve is available for distribution to the shareholders, and might be used in any purposes decided by the Board of Directors.

Distributed dividends

On 23 June 2020, the General Assembly decided in its ordinary meeting not to distribute dividends as of 30 June 2020 as a consequences of the coronavirus and its effect on the the global and local markets.

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

11 FAIR VALUE RESERVE

| | 30 June 2020 | 31 December 2019 |
|---|--------------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Beginning balance of period/ year | (1,129,317) | (683,787) |
| Net change in fair value after tax for the period/ year | <u>(104,111)</u> | <u>(445,530)</u> |
| Ending balance of period/ year | <u>(1,233,428)</u> | <u>(1,129,317)</u> |

12 INCOME TAX PROVISION

A. The details of this item is as follows:

| | 30 June 2020 | 31 December 2019 |
|--|-----------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Balance at the beginning of the period/ year | 293,226 | 272 |
| Income tax provision for the period/ year | 96,712 | 352,086 |
| Income tax paid | (476,480) | (59,132) |
| Previous year income tax | 182,083 | - |
| Balance at the end of the period/ year | <u>95,541</u> | <u>293,226</u> |

* This amount represents the amount of tax on financial assets at fair value through other comprehensive income that is not recorded in the income statement as it is recognized in other comprehensive income and equity.

The Group has reached a final settlement with the Income and Sales Tax Department until the year 2015. Furthermore, the Group has submitted its income tax return for the years 2016, 2017, 2018 and 2019 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 those years yet.

The Company has also calculated a provision for the income tax for the period ended on 30 June 2020. In the opinion of the Group's management and its tax advisor, the provisions recorded in the financial statement as of 30 June 2020 are sufficient to meet the expected tax liabilities.

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

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

| | For the six months ended 30 June | |
|---|----------------------------------|-------------------|
| | 2020 | 2019 |
| | JD (Unaudited) | JD (Unaudited) |
| Accrued income tax on the period profit | (278,795) | (160,751) |
| Deferred tax assets | 378,650 | (194,604) |
| Income tax recovery (provision) | 99,855 | (355,355) |

The details of deferred tax assets are as follows:

| | 30 June 2020 | | | | 31 December 2019 | |
|--------------------|-------------------|-------------------|-----------------------|-------------------|-------------------|------------------|
| | Beginning balance | Additions | Released/ written-off | Ending balance | Deferred tax | Deferred tax |
| | JD (Unaudited) | JD (Unaudited) | JD (Unaudited) | JD (Unaudited) | JD (Unaudited) | JD (Audited) |
| Expected Credit | | | | | | |
| Loss | 18,835,064 | 1,355,389 | - | 20,190,453 | 5,625,991 | 5,246,482 |
| Fair value reserve | 1,592,013 | 84,067 | - | 1,676,080 | 442,652 | 462,697 |
| | <u>20,427,077</u> | <u>1,439,456</u> | <u>-</u> | <u>21,866,533</u> | <u>6,068,643</u> | <u>5,709,179</u> |

* Deferred tax asset for the fair value reserve is calculated based on 28% on local investments and 10% on foreign investments.

The movement on the deferred tax assets is as follows:

| | 30 June 2020 | 31 December 2019 |
|--|------------------|------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Balance at beginning of the period/ year | 5,709,179 | 5,644,738 |
| Additions during the period/ year | 379,509 | 423,881 |
| Released during the period/ year | (20,045) | (359,440) |
| Balance at the end of the period/ year | <u>6,068,643</u> | <u>5,709,179</u> |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

13 EARNINGS PER SHARE FOR THE PERIOD

| | For the three months ended 30 June | | For the six months ended 30 June | |
|--|---------------------------------------|---------------------|-------------------------------------|---------------------|
| | 2020 (Unaudited) | 2019 (Unaudited) | 2020 (Unaudited) | 2019 (Unaudited) |
| Profit for the period (JD) | (588,537) | 316,972 | (1,000,536) | 1,002,130 |
| Number of shares - Shares | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 |
| | JD/ Fils | JD/ Fils | JD/ Fils | JD/ Fils |
| Basic and diluted earnings per share for the period | (0,02) | 0/010 | (0,03) | 0/030 |

14 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

| | Executive Management JD | Company's Employees JD | Other Related Parties** JD | Total JD |
|---|-------------------------------|------------------------------|----------------------------------|-------------|
| 30 June 2020 (Unaudited) | | | | |
| Statement of financial position items | | | | |
| Accounts receivable from financing activities – net* | 57,031 | 104,662 | 266,137 | 427,830 |
| Customers' investments accounts | 5,438,700 | 9,385 | 1,455,500 | 6,903,585 |
| Other credit balances | 132,536 | - | - | 132,536 |
| Statement of profit or loss and other comprehensive income | | | | |
| Revenues from financing activities | 516 | 5,169 | 13,308 | 18,993 |
| Share of customers' Investment accounts | 102,425 | - | 36,210 | 138,635 |
| 31 December 2019 (Audited) | | | | |
| Statement of financial position items | | | | |
| Accounts receivable from financing activities - net* | 12,493 | 116,952 | 277,696 | 407,141 |
| Customers' investments accounts | 5,355,000 | 9,385 | 1,455,500 | 6,819,885 |
| Other credit balances | 245,208 | - | - | 245,208 |
| Statement of consolidated income items | | | | |
| Revenues from financing activities | 1,993 | 14,368 | 22,654 | 39,015 |
| Share of customers' Investment accounts | 332,894 | 175 | 44,230 | 377,299 |

* After deducting unrealized revenues

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

- Interest rate on accounts receivable from financing activities to related parties range from 5% to 7%
- The rate of return on the customers' investment accounts ranges between 3.5% and 6%.
- The salaries and other remunerations of executive management amounted to JD 176,038 during the six months ended 30 June 2020 (30 June 2019: JD 210,260).

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

15 FINANCIAL INSTRUMENTS

The financial assets of the Group mainly comprises of cash, bank balances, checks under collection, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and accounts receivable from financing activities. Financial liabilities comprises from customers' investment accounts and other credit balances.

16 CAPITAL MANAGEMENT

The primary objective for the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. The Group did not make any amendments to its goals and policies throughout the year and the prior year.

Capital comprise of paid in capital, statutory reserve, voluntary reserve, fair value reserve and retained earnings amounting to JD 44,090,056 as at 30 June 2020 (31 December 2019: JD 45,194,703).

The following table represents the ratio of liabilities to shareholders' equity as of 30 June 2020 and 31 December 2019:

| | 30 June 2020 JD (Unaudited) | 31 December 2019 JD (Audited) |
|--|--------------------------------------|--|
| Total liabilities | 13,507,645 | 13,885,502 |
| Shareholders' equity | 44,090,056 | 45,194,703 |
| Ratio of liabilities to shareholders' equity | 31% | 31% |

17 CONTINGENT LIABILITIES

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

| | 30 June 2020 JD (Unaudited) | 31 December 2019 JD (Audited) |
|-------------------|--------------------------------------|--|
| Letters of credit | 432,300 | 517,300 |
| Guarantees* | 216,832 | - |
| | 649,132 | 517,300 |

* This item represents unutilized letters of credit ceiling to the benefit of the Company's customers of JD 2,283,168 from Al Safwa Bank.

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

Lawsuits against the company

Lawsuits raised against the Group in its ordinary course of business amounted to JD 81,000 as of 30 June 2020 (JD 20,000 as of 31 December 2019). Management and the Group's lawyer, believe the cases against the group are still pending, and provision for these cases were calculated at JD 30,000 as of June 30, 2020. No allowances were calculated as of 31 December 2019.

The Group has raised several lawsuits against defaulting customers. The total amount of these lawsuits is JD 15,500,386 as of 30 June 2020 (31 December 2019: JD 14,111,554).

18 INFORMATION ON THE COMPANY'S BUSINESS SEGMENT

The Company performs its 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 represents the revenue, assets and liabilities allocation between these two segments:

| | <u>Financing</u> | <u>Investing</u> | <u>Total</u> |
|---|------------------|------------------|--------------------|
| | JD | JD | JD |
| 30 June 2020 (Unaudited) | | | |
| Gross profit | 1,117,901 | 23,299 | 1,141,200 |
| Share of customers' investment accounts | (263,471) | - | (263,471) |
| Undistributed revenue | | | 295,245 |
| Undistributed expenses | | | (917,981) |
| Expected credit loss provision | (1,355,384) | | (1,355,384) |
| Profit before tax | | | (1,100,391) |
| Income tax provision | | | 99,855 |
| Profit for the period | | | (1,000,536) |
| Other information | | | |
| Segment assets | 39,003,042 | 8,018,416 | 47,021,458 |
| Undistributed assets | | | 10,576,243 |
| Total | | | 57,597,701 |
| Segment liabilities | 9,524,411 | - | 9,524,411 |
| Undistributed liabilities | | | 3,983,234 |
| Total | | | 13,507,645 |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

| | <u>Financing</u> | <u>Investing</u> | <u>Total</u> |
|---|------------------|------------------|--------------------------|
| | JD | JD | JD |
| 30 June 2019 (Unaudited) | | | |
| Gross profit | 2,048,915 | 132,142 | 2,181,057 |
| Share of customers' investment accounts | (239,551) | - | (239,551) |
| Undistributed revenue | | | 638,376 |
| Undistributed expenses | | | (911,360) |
| Expected credit loss provision | (311,037) | - | (311,037) |
| Profit before tax | | | <u>1,357,485</u> |
| Income tax provision | | | (355,355) |
| Profit for the period | | | <u>1,002,130</u> |
| | | | |
| Other information | | | |
| Segment assets | 43,069,027 | 4,863,912 | 47,932,939 |
| Undistributed assets | | | 10,101,235 |
| Total | | | <u>58,034,174</u> |
| | | | |
| Segment liabilities | 8,432,046 | - | 8,432,046 |
| Undistributed liabilities | | | 5,022,894 |
| Total | | | <u>13,454,940</u> |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

19 Fair value Hierarchy

A- 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 (valuation methods and inputs used):

| | Fair value | | The level of fair value | Valuation method and inputs used | Important intangible inputs | Relation between fair value and Important intangible inputs |
|---|-------------------|------------------|-------------------------|--|-----------------------------|---|
| | 30 June 2020 | 31 December 2019 | | | | |
| Financial Assets | JD (Unaudited) | JD (Audited) | | | | |
| Financial assets at fair value through profit or loss: | | | | | | |
| Quoted share | 68,405 | 46,940 | | | | |
| Financing activities | 3,406,976 | 3,400,318 | Level One | Market value | Not applicable | Not applicable |
| Financial assets at fair value through comprehensive income: | | | | | | |
| Quoted share | 2,895,172 | 4,029,752 | Level One | Market value | Not applicable | Not applicable |
| Unquoted share | 1,647,863 | 597,348 | Level Two | Equity method based on the latest audited financial statements | Not applicable | Not applicable |
| Total financial assets at fair value | 8,018,416 | 8,074,358 | | | | |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except what is detailed in the following table, the carrying amounts of financial assets recognized in the Company's financial statements approximate their fair values, due to that the Company's management believes that the item's book value equals to the fair value which is due to its short term maturity or to the rates being revaluated during the year.

| | 30 June 2020 | | 31 December 2019 | | Fair value hierarchy |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|
| | (Unaudited) | | (Audited) | | |
| | Book value | Fair value | Book value | Fair value | |
| | JD | JD | JD | JD | |
| Cash on hand, at banks and financial institutes | 731,954 | 731,954 | 1,121,854 | 1,121,854 | Level 3 |
| Accounts receivable from financing activities – net | 38,271,088 | 38,271,088 | 39,812,993 | 39,812,993 | Level 3 |
| Total Financial assets not calculated at fair value | <u>39,003,042</u> | <u>39,003,042</u> | <u>40,934,847</u> | <u>40,934,847</u> | |
| Customers' investment accounts | 9,524,411 | 9,524,411 | 9,452,692 | 9,452,692 | Level 3 |
| Other current liabilities | 3,042,300 | 3,042,300 | 3,205,364 | 3,205,364 | Level 3 |
| Total Liabilities not Calculated at Fair Value | <u>12,566,711</u> | <u>12,566,711</u> | <u>12,658,056</u> | <u>12,658,056</u> | |

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020 (UNAUDITED)

20 COMPARATIVE FIGURES

Certain balances for the year 2019 have been reclassified to conform with the balances as at 30 June 2020. The reclassification did not affect previously reported profit or equity.

21 IMPACT OF COVID-19

On March 17, 2020, the Prime Minister of the Hashemite Kingdom of Jordan decided to activate the defense law and suspend many business activities in the Kingdom until further notice as part of the precautionary measures that the government has taken to combat the spread of the Corona virus, and consequently the majority of business activities in the Kingdom have been affected as a result of the decision.

The extent and duration of these effects are not specified and depend on future developments that cannot be accurately predicted at the present time, such as the rate of spread of the virus and the effectiveness of measures taken to contain it. Considering the current economic disturbance, it is not possible to make reliable estimates on the impact of the virus until the date of approval of these financial statements. Future developments may affect the Group's future results, cash flows and financial position. Management is in the process of completing an assessment of the impact of the Corona virus on the Group's activities to take the necessary actions.