

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMNET FOR THE SIX MONTHS ENDED 30 JUNE 2022
TOGETHER WITH INDEPENDENT
AUDITOR’S REPORT ON THE REVIEW OF THE INTERIM
CONDENSED CONSOLIDATED FINANCIAL STATEMNET**

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX-
MONTHS PERIOD ENDED JUNE 30, 2022**

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Independent Auditor’s Report on the Review of the Interim Condensed Consolidated Financial Statements | 1 |
| Interim Consolidated Condensed Statement of Financial Position | 2 |
| Interim Consolidated Condensed Statement of Profit or Loss and Other Comprehensive Income | 3 |
| Interim Consolidated Condensed Statement of Changes in Shareholders' Equity | 4 |
| Interim Consolidated Condensed Statement of Cash Flows | 5 |
| Notes to the Interim Consolidated Condensed Financial Statements | 6-18 |



Review Report

To the Chairman and Board of Directors of
Bindar for Trade and Investment Company
(Public Shareholding Company Limited)
Amman -Hashemite Kingdom of Jordan
June 30, 2022

Review Report on Interim Consolidated Condensed Financial Statements

Introduction

We have reviewed the accompanying interim consolidated condensed statement of the financial position of **Bindar for Trade and Investments Company – Public Shareholding Company Limited** – (“the Company”) and its subsidiaries (“the Group”) as of June 30, 2022, and the interim consolidated condensed statements of profit or loss and other comprehensive income, the interim consolidated condensed statement of changes in shareholders’ equity and the interim consolidated condensed statement of cash flows for the six-months then ended, and the notes to the interim consolidated condensed financial statements (“**Interim Consolidated Condensed Financial Statements**”).

Management is responsible for the preparation of these interim consolidated condensed financial statements in accordance with IAS 34, ‘Interim Financial Reporting’ as modified by the Central Bank of Jordan instructions. Our responsibility is to express a conclusion on these interim consolidated condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (2410) “Review of Interim Financial Statements Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated financial statements 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial statements as of June 30, 2022, are not prepared, in all material respects, in accordance with International Accounting Standard number (34) “Interim Financial Reporting” as modified by the Central Bank of Jordan instructions.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License no. (656)

Amman – Jordan
July 26, 2022



**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | As of June 30, 2022 (Reviewed not audited) | As of December 31, 2021 (Audited) |
|---|-------------|---|--|
| <i>In Jordanian Dinar</i> | | | |
| Assets | | | |
| Cash on hand and at banks | 5 | 580,334 | 523,413 |
| Financial assets at fair value through other comprehensive income | 6 | 144,657 | 146,660 |
| Financial assets at amortized cost | 7 | 80,289,963 | 65,662,292 |
| Other debit balances | 8 | 459,200 | 295,245 |
| Investment properties | 9 | 2,856,844 | 2,860,244 |
| Asset foreclosed against defaulted loans | | 1,552,280 | 1,674,879 |
| Right of use assets | | 177,340 | 227,386 |
| Property and equipment | | 263,877 | 238,910 |
| Deferred tax asset | | 2,842,475 | 1,638,388 |
| Total assets | | 89,166,970 | 73,267,417 |
| Liabilities and Shareholders' equity | | | |
| Liabilities | | | |
| Bank loans | 10 | 49,270,032 | 36,026,930 |
| Trade and other payables | | 652,588 | 509,628 |
| Sundry provisions | | 168,082 | 32,840 |
| Bonds | 12 | - | 3,000,000 |
| Lease liabilities | | 165,250 | 241,997 |
| Income tax provision | 11 | 707,912 | 1,045,114 |
| Total liabilities | | 50,963,864 | 40,856,509 |
| Shareholders' equity | | | |
| Subscribed and paid in capital | | 20,000,000 | 20,000,000 |
| Share premium | | 1,602 | 1,602 |
| Statutory reserve | 13 | 3,467,489 | 3,467,489 |
| Financial assets valuation reserve | | 9,604 | 11,607 |
| Retained earnings | | 8,930,210 | 8,930,210 |
| Profit for the period | | 5,794,201 | - |
| Total shareholders' equity | | 38,203,106 | 32,410,908 |
| Total liabilities and shareholders' equity | | 89,166,970 | 73,267,417 |

The accompanying notes from (1) to (19) are an integral part of these interim condensed consolidated financial statements and should be read with it and with the review report.

The interim condensed consolidated financial statements were approved by the Board of Directors on 20 July, 2022 and approved by:

General Manager

Financial Manager

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| <i>Jordanian Dinars</i> | Notes | For the Three - Month Period ended June 30 (Reviewed not audited) | | For the Six - Month Period ended June 30 (Reviewed not audited) | |
|--|-------|--|------------------|--|------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Revenue and commissions from conventional Murabah and finance leases | | 2,212,037 | 1,550,427 | 4,231,539 | 3,065,847 |
| Other operating revenue | | 498,681 | 414,642 | 895,537 | 806,433 |
| Total Revenue | | 2,710,718 | 1,965,069 | 5,127,076 | 3,872,280 |
| Salaries, wages and benefits | | (378,630) | (249,743) | (697,288) | (523,859) |
| Administrative expenses | | (292,307) | (130,934) | (494,740) | (257,278) |
| Depreciation and amortization expense | | (47,176) | (43,284) | (89,165) | (86,959) |
| Recovered from (Provision) of expected credit losses on financial assets at amortized cost | 7 | 489,452 | (564,524) | 637,735 | (698,794) |
| Sundry provisions | | (64,995) | - | (64,995) | (2,590) |
| Finance cost | | (760,829) | (465,744) | (1,363,725) | (895,980) |
| Profit for the period from operating activities | | 1,656,233 | 510,840 | 3,054,898 | 1,406,820 |
| Other Income | | - | - | 464 | - |
| Gain from the acquisition of a subsidiary | 2 | - | - | 3,596,992 | - |
| Profit for the period before income tax | | 1,656,233 | 510,840 | 6,652,354 | 1,406,820 |
| Income tax | 11 | (465,138) | (145,429) | (858,153) | (410,339) |
| Profit for the period | | 1,191,095 | 365,411 | 5,794,201 | 996,481 |
| Other comprehensive income items | | (1,371) | 658 | (2,003) | 1,607 |
| Total comprehensive income for the period | | 1,189,724 | 366,069 | 5,792,198 | 998,088 |
| Basic and diluted earnings per share of the profit for the period (JOD / share) | 15 | 0,059 | 0,018 | 0,290 | 0,050 |

The accompanying notes from (1) to (19) are an integral part of these interim condensed consolidated financial statements and should be read with it and with the review report.

The interim condensed consolidated financial statements were approved by the Board of Directors on 20 July ,2022 and approved by:

General Manager

Financial Manager

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| <i>Jordanian Dinars</i> | <u>Authorized and Paid-in capital</u> | <u>Share premium</u> | <u>Statutory reserve</u> | <u>Fair value reserve</u> | <u>Retained Earnings</u> | <u>Profit for the period</u> | <u>Total</u> |
|---|---|--------------------------|------------------------------|-----------------------------------|------------------------------|--------------------------------------|--------------------------|
| <u>Changes for the period ended 30 June 2022</u> | | | | | | | |
| <u>(reviewed not audited)</u> | | | | | | | |
| Balance as at January 1, 2022 | 20,000,000 | 1,602 | 3,467,489 | 11,607 | 8,930,210 | - | 32,410,908 |
| Total comprehensive income for the period | - | - | - | (2,003) | - | 5,794,201 | 5,792,198 |
| Balance as of June 30, 2022 | <u>20,000,000</u> | <u>1,602</u> | <u>3,467,489</u> | <u>9,604</u> | <u>8,930,210</u> | <u>5,794,201</u> | <u>38,203,106</u> |
| <u>Changes for the period ended 30 June 2021</u> | | | | | | | |
| <u>(reviewed not audited)</u> | | | | | | | |
| Balance as at January 1, 2021 | 20,000,000 | 1,602 | 2,994,990 | 12,025 | 5,996,628 | - | 29,005,245 |
| Total comprehensive income for the period | - | - | - | 1,607 | - | 996,481 | 998,088 |
| Balance as of June 30, 2021 | <u>20,000,000</u> | <u>1,602</u> | <u>2,994,990</u> | <u>13,632</u> | <u>6,993,109</u> | <u>996,481</u> | <u>30,003,333</u> |

* Retained earnings as of June 30, 2022 include deferred tax assets totaling JOD 2,842,475 (December 31, 2021: JOD 1,638,388) restricted and shall not be distributed to shareholders in accordance with Jordan Securities Commissions instructions.

The companying notes from (1) to (19) are an integral part of these interim condensed consolidated financial statements and should be read with it and with the review report.

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| <i>Jordanian Dinars</i> | <u>Notes</u> | For the six months ended June 30 (Reviewed not audited) | |
|---|--------------|--|--------------------|
| | | <u>2022</u> | <u>2021</u> |
| Cash flows from operating activities: | | | |
| Profit for the period before tax | | 6,652,354 | 1,406,820 |
| Adjustments for: | | | |
| Depreciation on property and equipment | | 35,719 | 33,513 |
| Depreciation on investment property | | 3,400 | 3,400 |
| Depreciation on right of use assets | | 50,046 | 50,046 |
| Recovered from (Provision) for expected credit losses on financial assets at amortized cost | | (637,735) | 698,794 |
| Gain from the acquisition of a subsidiary | | (3,596,992) | - |
| Other Income | | (464) | - |
| Gain from sales of property and equipment | | (12,000) | - |
| Finance cost | | 1,363,725 | 895,980 |
| Cash flow from operating activities prior to change in working capital items | | 3,858,053 | 3,088,553 |
| Financial assets at amortized cost | | (4,940,628) | (6,723,344) |
| Other debit balances | | 430,117 | (100,806) |
| Trade payables and other credit balances | | 73,252 | (103,911) |
| Net cash flows used in operating activities before income tax | | (579,206) | (3,839,508) |
| Income tax paid | | (1,110,340) | (921,791) |
| Sundry provision paid | | (21,286) | - |
| Net cash flows used in operating activities | | (1,710,832) | (4,761,299) |
| Cash flows from investing activities: | | | |
| Net cash flow used to purchase a subsidiary | | (3,438,366) | - |
| Proceed from sales of property and equipment | | 19,019 | - |
| Purchase of property and equipment | | (5,771) | (44,516) |
| Proceeds from sale of assets foreclosed in repayment of non-performing debts | | 137,898 | - |
| Additions to assets foreclosed in repayment of non-performing debts | | (14,835) | - |
| Net cash flows used in investing activities | | (3,302,055) | (44,516) |
| Cash flows from financing activities: | | | |
| Bank loans | | 9,510,281 | 7,782,233 |
| Bonds | | (3,000,000) | - |
| Payments of lease obligations | | (82,662) | (17,085) |
| Finance cost paid | | (1,357,811) | (886,759) |
| Net cash flows from financing activities | | 5,069,808 | 6,878,389 |
| Net increase in cash and cash equivalents | | 56,921 | 2,072,574 |
| Cash and cash equivalents at the beginning of the period | 5 | 523,413 | 324,743 |
| Cash and Cash Equivalents at the End of the Period | 5 | 580,334 | 2,397,317 |
| Non-Cash transactions: | | | |
| Transferred from financial assets at amortized cost to seized assets against due debts | | 122,599 | 245,446 |

The accompanying notes from (1) to (19) are an integral part of these interim condensed consolidated financial statements and should be read with it and with the review report.

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1) GENERAL

Bindar Trade and Investment Company was established in accordance with Companies Law No. (22) for the year 1997 on April 17, 2000 as a Limited Liability Company under No. (6099) with a share capital of JOD 1,000,000 million. The Company became a Public Shareholding Company on August 9, 2004 under No. (351) with a share capital of JOD 13,000,000. The Company is registered in the Hashemite Kingdom of Jordan. The General Assembly of the Company decided in its extraordinary meeting held on March 15, 2008 to increase the share capital from JOD 13,000,000 to JOD 20,000,000, and completed the share capital increase requirements during 2008. The address of the Company is Al Madina Al Munawwarah Street, P.O. Box 1921, Amman 11821, the Hashemite Kingdom of Jordan.

The main objectives of the Company include the following:

- To finance durable consumer goods such as cars, vehicles, furniture, electrical appliances, kitchens, as well as medical and industrial equipment.
- To acquire movable and immovable assets to achieve the Company's objectives including owning names, trademarks and agencies.
- To establish other branches for the Company inside and outside the Hashemite Kingdom of Jordan.
- To borrow and issue corporate bonds of any kind.
- To carry out finance leasing according to the provisions of Islamic Sharia and regulations.
- To finance property including lands, buildings and constructions, as well as contractors' contracts in various economic sectors.

The Company is a member of the Invest Bank Group as its financial statements are consolidated with the Bank consolidated financial statements.

The accompanying interim condensed consolidated financial statements were approved by the Board of Directors on 20 July, 2022.

2) BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

The interim condensed consolidated financial statements for Bindar Trading and Investment Company - Public Shareholding Company - and its subsidiaries have been prepared in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) as modified by the Central Bank of Jordan.

The main differences between the IFRSs as they must be applied and what has been amended by the Central Bank of Jordan are the following:

Provisions for expected credit losses are formed in accordance with the instructions of the Central Bank of Jordan (No. 13/2018) "Application of the IFRS (9)" dated 6 June 2018 and in accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter. The significant differences are as follows:

- When calculating credit losses provision against credit exposures, the calculation results are compared according to the International Financial Reporting Standard No. (9) with the instructions of the Central Bank of Jordan No. (47/2009) dated December 10, 2009, for each stage separately and the strictest results are taken in the recognition and then classified in compliance with the instructions of Central Bank of Jordan.
- Interest and commissions are suspended on credit facilities non performing granted to clients in accordance with the instructions of the Central Bank of Jordan According to the instructions of the regulatory authorities in which the company operates, whichever is more severe.
- The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through other comprehensive that have been measured at fair value at the date of these interim condensed consolidated financial statements.
- The Jordanian Dinar is the presentation currency for the interim condensed consolidated financial statements and is the Company's functional currency.

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

- These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards as amended by Central Bank of Jordan. Furthermore, the results of operations for the six months ended June 30, 2022, do not necessarily reflect an accurate indicator about the expected results for the year ended December 31, 2022 and should be read in conjunction with the consolidated financial statements of the Company as of and for the year ended December 31, 2021.

Basis of Consolidation of Interim Condensed Financial Statements

- The interim condensed consolidated financial statements include the financial statements of the Company and the subsidiaries controlled by the Company. Control is achieved whereby the Company has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated in full.
- The financial statements of the subsidiary companies are prepared for the same financial period of the Company using the same accounting policies adopted by the Company. If the accounting policies adopted by the subsidiary companies are different from those used by the Company, the necessary adjustments to the financial statements of the subsidiary companies are made to comply with the accounting policies used by the Company.
- The Company has the following subsidiaries as of June 30, 2022, and December 31, 2021:

| <u>Company Name</u> | <u>Authorized and Paid in Capital</u> | <u>Ownership Percentage</u> | <u>Main Activity</u> | <u>Location</u> | <u>Date of Ownership</u> |
|--|---------------------------------------|-----------------------------|---|-----------------|--------------------------|
| | | % | | | |
| Rubou Al Sharq Real Estate Company | 50,000 | 100 | Sale of land and real estate owned by the Company | Jordan | March 28, 2006 |
| Rakeen Real Estate Company | 30,000 | 100 | Sale of land and real estate owned by the Company | Jordan | March 11, 2010 |
| Bindar Finance Lease Company | 1,000,000 | 100 | Financial Leasing | Jordan | September 29, 2013 |
| Al Qimmeh Auto trade Facilities company* | 2,130,000 | 100% | Finance lease | Jordan | March 8, 2022 |

*Based on the decision of the General Assembly of Bindar Trade and Investment Company (subsidiary company) in its extraordinary meeting held on 4 January 2022, it was agreed to purchase the entire shares of Summit Auto Trade Facilities Company for a value of 3,438,366 JOD, as the net assets of the company was 7,035,358 JOD which resulted a gain with an amount of 3,596,992, as the approval of the Central Bank of Jordan was obtained on the acquisition according to their Circular No. (10/2/16687) On October 31, 2021, the acquisition of the company was completed during the first quarter of 2022.

The results of the subsidiary companies are incorporated into the interim condensed consolidated statement of profit or loss from the effective date of acquisition, which the Company assumes the date on which actual control over the subsidiary in. Moreover, the operating results of the disposed subsidiary are incorporated into the interim condensed consolidated statement of profit or loss up to the effective date of disposal which is the date on which the Company loses control over the subsidiary companies.

3) ACCOUNTING ESTIMATES

The preparation of the interim condensed consolidated financial statements and the application of accounting policies require the company's management to make estimates and judgments that affect the amounts of financial assets and financial liabilities and the change in the fair value reserve as well as the disclosure of potential liabilities. Moreover, these estimates and judgments affect revenues, expenses and provisions, as well as changes in the fair value that appear in the interim condensed consolidated comprehensive statement of income and within owner's equity.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

In particular, this requires the Company's management to issue significant judgments and assumptions to assess the future cash flows amounts and their timing. Moreover, the beforementioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty.

In addition, actual results may differ from assessments due to the changes arising from the conditions and circumstances of those assessments in the future.

The Coronavirus (Covid- 19) pandemic has spread across different geographic regions of the world, leading to disruption of business and economic activities. The Coronavirus (Covid -19) pandemic has caused suspicion at the global level. Financial and monetary authorities, both local and international, announced various support measures around the world to counter the potential negative impacts, as at the present time, after most countries of the world have removed restrictions and closures, returned to normal life and returned to the gradual raising of interest rates to face the high rates of inflation caused by the fluctuations in the European continent.

At the present time, there is a significant increase in uncertainty in determining the economic impact that follows the possibility of the pandemic ending due to global economic conditions.

The Risk Management Department will continue to closely monitor the situation through its business continuity plan and other risk management practices to manage any potential disruptions to the Company's business, operations and financial performance.

- Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1- In the principal market for the asset or liability, or

2- In the absence of a principal market, in the most advantageous market for the asset or liability,

In measuring the fair value of the assets and liabilities, the Group uses observable market inputs as possible, The Group determines fair value using valuation techniques, The Group also uses the following levels, which reflect the importance of the inputs used in determining the fair value.

- **Level 1:** Quoted (unadjusted) prices in an active market for identical assets or liabilities.
- **Level 2:** input-based valuation techniques with the exception of prices included in level 1 that determine the assets or liabilities directly or indirectly.
- **Level 3:** Methods for assessing assets or liabilities using significant inputs that do not depend on available market information (unobservable inputs) if the inputs used to measure the fair value of the assets.

The Group recognizes transfers between the fair value levels at the end of the reporting period at the same time that the change occurs.

Management believes that the estimates included in the interim condensed consolidated financial statements are reasonable and sufficient.

4) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

-Adopted accounting policies

The accounting policies applied in these Interim condensed consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended December 31, 2021, except for the new and amended standards or standards amendments that become effective after January 1, 2022, and are as follows:

a- New and revised standards issued and not applied

| <u>New standards or amendments</u> | <u>Effective date</u> |
|--|------------------------------|
| Onerous Contracts – Cost of Fulfilling a Contract: Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets | January 1,2022 |
| Annual Improvements to IFRS Standards 2018–2020 | January 1,2022 |
| Property, Plant and Equipment – Proceeds before Intended Use: Amendments to IAS 16 Property, Plant and Equipment | January 1,2022 |
| Reference to the Conceptual Framework – Amendments to IFRS 3 Business Combinations | January 1,2022 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

B- NEW AND REVISED IFRSS ISSUED AND NOT YET EFFECTIVE:

-A number of new standards, amendments to standards and interpretations that were issued but not yet effective, and have not been applied when preparing these interim condensed consolidated financial statements:

| <u>New standards or adjustments</u> | <u>Application Date</u> |
|--|------------------------------|
| Classification of liabilities into current or non-current liabilities (amendments to IAS 1) | January 1 st 2023 |
| IFRS 17 “Insurance Contracts” and Amendments to IFRS 17 “Insurance Contracts” and IFRS 9 - Comparative Information. | January 1 st 2023 |
| Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. | January 1 st 2023 |
| Disclosure of accounting policies (Amendments to IAS 1 and IFRS practice statement 2) | January 1 st 2023 |
| Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12) | January 1 st 2023 |
| Sale or grant of assets between an investor and an affiliate company or a joint venture (amendments to IFRS 10 and IAS 28) | Optional |

The management does not expect that there will be a material impact from the above standards upon implementation.

5) CASH ON HANDS AND AT BANKS

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|--------------------------|---|--|
| Cash on hand | 27,118 | 21,848 |
| Current accounts at bank | 553,216 | 501,565 |
| | 580,334 | 523,413 |

6) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|------------------------------|---|--|
| Outside the Kingdom | | |
| Shares of unlisted companies | 144,657 | 146,660 |
| | 144,657 | 146,660 |

7) FINANCIAL ASSETS AT AMORTIZED COST

Financial assets at amortized cost represent the installments arising from the company's customers from commercial financings and Murabaha contracts of vehicles and real estate, as these installments include the principal in addition to the amount of revenue calculated on these contracts. The installment receivables balances during the period/ year were as follows:

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(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|---|---|--|
| Due and past due | 9,399,011 | 5,329,395 |
| Due in less than a year | 32,203,242 | 23,881,313 |
| Due in more than one year and less than five years | 68,494,403 | 58,077,808 |
| | <u>110,096,656</u> | <u>87,288,516</u> |
| Less: Provision for expected credit losses | (10,026,888) | (5,791,580) |
| Less: Deferred revenues on installments not yet due | (18,232,621) | (15,355,241) |
| Less: Interest in suspense revenues | (1,547,184) | (479,403) |
| | <u>80,289,963</u> | <u>65,662,292</u> |

The segment distribution of installments receivable was as follows:

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|--|---|--|
| Properties | 1,638,139 | 2,100,069 |
| Vehicles | 99,211,389 | 75,067,064 |
| Projects | 6,168,024 | 7,066,858 |
| Durable goods | 3,079,104 | 3,054,525 |
| Total installment receivables | <u>110,096,656</u> | <u>87,288,516</u> |
| Less: Provision for expected credit losses on due and past due receivables | (10,026,888) | (5,791,580) |
| Less: Deferred revenues on installments not yet due | (18,232,621) | (15,355,241) |
| Less: Interest in suspense revenues | (1,547,184) | (479,403) |
| Net investment in installment receivables | <u><u>80,289,963</u></u> | <u><u>65,662,292</u></u> |

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The installments receivables after deducting the deferred revenues collectively according to the credit stages according to the requirements of the International Financial Reporting Stanard (9) as follows:

| | June 30, 2022 (Reviewed not Audited) | | | | | |
|--|---|------------------------|-------------------------|------------------------|-------------------|-------------------|
| | Stage 1 | | Stage 2 | | Stage 3 | Total |
| | Individual level | Aggregate level | Individual level | Aggregate level | | |
| <i>Jordanian Dinar</i> | | | | | | |
| Total balance as at the beginning of the period | 62,119,891 | - | 2,048,339 | - | 7,765,045 | 71,933,275 |
| Impact of acquisition a subsidiary | 7,053,922 | - | 936,845 | - | 6,849,445 | 14,840,212 |
| New facilities during the period | 13,952,693 | - | 72,353 | - | 119,698 | 14,144,744 |
| Repaid/ derecognized facilities | (2,392,669) | - | (270,787) | - | (913,316) | (3,576,772) |
| Transferred to stage 1 | 548,312 | - | (477,157) | - | (71,155) | - |
| Transferred to stage 2 | (4,223,442) | - | 4,350,028 | - | (126,586) | - |
| Transferred to stage 3 | (1,685,386) | - | (633,604) | - | 2,318,990 | - |
| Changes resulting from adjustments | (5,426,674) | - | (86,158) | - | 35,408 | (5,477,424) |
| Write-off | - | - | - | - | - | - |
| Total balance as at the end of the period | 69,946,647 | - | 5,939,859 | - | 15,977,529 | 91,864,035 |

| | December 31, 2021 | | | | | |
|--|--------------------------|------------------|-------------------|------------------|------------------|-------------------|
| | Stage 1 | | Stage 2 | | Stage 3 | Total |
| | Individual | Aggregate | Individual | Aggregate | | |
| <i>Jordanian Dinar</i> | | | | | | |
| Total balance as at the beginning of the year | 3,085,573 | 44,697,746 | - | 2,630,925 | 6,969,690 | 57,383,934 |
| New facilities during the year | 26,196,583 | 257,305 | 138,682 | 64,945 | 191,953 | 26,849,468 |
| Repaid facilities | (340,911) | (9,715,257) | - | (541,634) | (1,381,699) | (11,979,501) |
| Transferred to stage 1 | 1,139,729 | - | - | (1,044,893) | (94,836) | - |
| Transferred to stage 2 | - | (1,465,353) | 1,638,144 | - | (172,791) | - |
| Transferred to stage 3 | - | (1,419,537) | - | (847,369) | 2,266,906 | - |
| Changes resulting from adjustments | 32,038,917 | (32,354,904) | 271,513 | (261,974) | (14,178) | (320,626) |
| Write-off | - | - | - | - | - | - |
| Total balance as at the end of the year | 62,119,891 | - | 2,048,339 | - | 7,765,045 | 71,933,275 |

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Movement on the provision for expected credit losses were as follows:

| | June 30, 2022 (Reviewed not Audited) | | | | | |
|---|---|------------------------|-------------------------|------------------------|------------------|-------------------|
| | Stage 1 | | Stage 2 | | Stage 3 | Total |
| | Individual level | Aggregate level | Individual level | Aggregate level | | |
| <i>Jordanian Dinar</i> | | | | | | |
| Balance at the beginning of the period | 910,494 | - | 184,112 | - | 4,696,974 | 5,791,580 |
| Impact of acquisition a subsidiary | 351,913 | - | 174,657 | - | 4,346,473 | 4,873,043 |
| Impairment loss on the new balances over the period | 168,859 | - | 78,673 | - | (104,125) | 143,407 |
| Recovered from impairment loss on repaid balances | (31,849) | - | (202,934) | - | (24,259) | (259,042) |
| Transferred to stage 1 | 53,720 | - | (47,683) | - | (6,037) | - |
| Transferred to stage 2 | (62,352) | - | 69,066 | - | (6,714) | - |
| Transferred to stage 3 | (31,216) | - | (65,839) | - | 97,055 | - |
| Effect on the provision – As of the end of the period | (417,466) | - | 82,673 | - | 334,793 | - |
| Changes resulting from adjustments | (502,005) | - | (39,049) | - | 18,954 | (522,100) |
| Write-off | - | - | - | - | - | - |
| Total balance as at the end of the period | 440,098 | - | 233,676 | - | 9,353,114 | 10,026,888 |
| | | | | | | |
| | December 31, 2021 | | | | | |
| | Stage 1 | | Stage 2 | | Stage 3 | Total |
| | Individual | Aggregate | Individual | Aggregate | | |
| <i>Jordanian Dinar</i> | | | | | | |
| Total balance as at the beginning of the year | 10,407 | 475,868 | - | 153,375 | 5,217,871 | 5,857,521 |
| New facilities during the year | 369,581 | 463,639 | 13,952 | 124,660 | 336,993 | 1,308,825 |
| Repaid facilities | (476) | (96,624) | - | (77,155) | (1,183,710) | (1,357,965) |
| Transferred to stage 1 | 68,395 | - | - | (60,555) | (7,840) | - |
| Transferred to stage 2 | - | (28,145) | 50,816 | - | (22,671) | - |
| Transferred to stage 3 | - | (26,784) | - | (60,704) | 87,488 | - |
| Impact on the provision as at the end of the year | 459,422 | (783,662) | 118,509 | (77,888) | 283,619 | - |
| Changes resulting from adjustments | 3,165 | (4,292) | 835 | (1,733) | (14,776) | (16,801) |
| Write-off | - | - | - | - | - | - |
| Total balance as at the end of the year | 910,494 | - | 184,112 | - | 4,696,974 | 5,791,580 |

BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The aging table of the installment receivables after deducting the deferred revenues was as follows:

| | As of June 30, 2022 (Reviewed not Audited) | | As of December 31, 2021 (Audited) | |
|---------------------------------|---|---------------------------|---|---------------------------|
| | Due and past due installment receivables | Total debt balance | Due and past due installment receivables | Total debt balance |
| <i>Jordanian Dinars</i> | | | | |
| Not due installment receivables | - | 67,437,087 | - | 59,878,550 |
| 1-89 days | 597,602 | 10,134,194 | 223,917 | 5,275,752 |
| 90-180 days | 607,110 | 3,192,527 | 154,788 | 726,634 |
| 180-270 days | 216,563 | 615,163 | 99,404 | 363,332 |
| 270-360 days | 327,104 | 782,628 | 143,678 | 310,880 |
| More than 360 days | 7,650,632 | 9,702,436 | 4,707,608 | 5,378,127 |
| | 9,399,011 | 91,864,035 | 5,329,395 | 71,933,275 |

The management did not write off any non-performing facilities as of 30, July 2022 and 31 December 2021.

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

| | As of June 30, 2022 (Reviewed not Audited) | | As of December 31, 2021 (Audited) | |
|----------------------------------|---|---------------------------|---|---------------------------|
| | Due and past due installment receivables | Total debt balance | Due and past due installment receivables | Total debt balance |
| <i>Jordanian Dinars</i> | | | | |
| Customers balances – legal cases | 6,836,854 | 10,386,358 | 4,988,361 | 7,206,684 |

8) OTHER DEBIT BALANCES

| | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|-------------------------|---|--|
| <i>Jordanian Dinars</i> | | |
| Prepayments | 120,884 | 116,172 |
| Refundable deposits | 63,810 | 152,439 |
| Other | 274,506 | 26,634 |
| | 459,200 | 295,245 |

9) INVESTMENT PROPERTIES

The average fair value of the investment properties as of June 30, 2022 amounted to JOD 2,856,844 (December 31, 2021: JOD 2,860,244). Estimated by independent real estate experts as of December 31, 2021. The company's management did not re-evaluate as it does not expect that there will be a fundamental change in real estate investments.

| | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|--|---|--|
| <i>Jordanian Dinars</i> | | |
| Balance as of January 1 | 2,860,244 | 2,785,895 |
| Recovered from the impairment provision of investment properties | - | 81,149 |
| Depreciation during the period / year | (3,400) | (6,800) |
| | 2,856,844 | 2,860,244 |

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10) BANK BORROWINGS

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|-----------------------------|---|--|
| Loans payable within a year | 49,270,032 | 36,026,930 |
| | 49,270,032 | 36,026,930 |

All these loans are in Jordanian Dinars, and they are granted by the guarantee of the parent company (Tamkeen Financial Leasing) and the ultimate parent company (Invest Bank).

The average interest rate on the above loans ranges from 6.25% to 6.875%.

11) INCOME TAX

The movement in the income tax provision during the period / year was as follows:

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | As of June 30, 2021 (Reviewed not Audited) |
|--|---|---|
| Balance as at January 1, | 1,045,114 | 903,192 |
| Added during the period / year | 697,786 | 1,287,395 |
| Balances result from investing in subsidiaries | 75,352 | |
| Previous years income tax | - | 13,051 |
| Income tax paid | (1,110,340) | (1,158,524) |
| Balance as at the end of the period/ year | 707,912 | 1,045,114 |

The income tax expense presented in the statement of profit or loss and other comprehensive income consists of:

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|---|---|--|
| Income tax expense on current period profit | 697,786 | 592,951 |
| Previous years income tax | - | 13,051 |
| Impact of deferred tax assets | 160,367 | (195,663) |
| | 858,153 | 410,339 |

Below is a reconciliation of the accounting income and taxable income:

| <i>Jordanian Dinars</i> | For the period ended June 30, 2022 (Reviewed not Audited) | For the period ended June 30, 2021 (Reviewed not Audited) |
|------------------------------------|--|--|
| Accounting profit | 6,652,354 | 1,406,820 |
| Subsidiaries' losses | 7,422 | 7,052 |
| Non-taxable income | (4,457,789) | - |
| Non-deductible expenses | 290,107 | 703,808 |
| Taxable income | 2,492,094 | 2,117,680 |
| Percentage of statutory income tax | 28% | 28% |

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

- A final settlement with the Income and Sales Tax Department was reached up to the end of the years 2018 and 2020.
- The company's tax return for the years 2019 and 2021 was submitted and paid on a upon the legal due date.
- General sales tax returns were audited until the end of the year 2017, and subsequent tax returns were filed o upon the legal due date and the related tax due was appropriately paid up to the date these interim condensed consolidated financial statements.
- The subsidiary (Bindar Finance Leasing Company) reached a final settlement with the Income and Sales Tax Department up to the end of the year 2020, and the tax return for the year 2021 was submitted upon the legal due date and the company has no tax obligations until the date of preparing these interim condensed consolidated financial statements.
- The subsidiary (Bindar Finance Leasing Company) registered in the sales tax starting from January 1, 2017 and the tax returns were submitted and the due taxes were paid up to the date of preparing these interim condensed consolidated financial statements.
- The subsidiary (Ruboua Al Sharq Real Estate Company) reached a final settlement with the Income and Sales Tax Department until up to the end of the years 2018 and 2020.
- The subsidiary (Ruboua Al Sharq Real Estate Company) has submitted and paid the tax return for the years 2019 and 2021 upon the legal due date.
- The subsidiary (Rakeen Real Estate Company) reached a final settlement with the Income and Sales Tax Department up to the end of the years 2018 and 2020.
- The subsidiary (Rakeen Real Estate Company) has submitted and paid the tax return for the years 2019 and 2021 upon the legal due date.
- The subsidiary (Al Qimeh Auto Trade Facility Company) has reached to a final settlement with the income and sales tax department until the end of the year 2019, and has submitted its tax return for the years 2020 and 2021 upon the legal due date and the tax due was paid up upon the legal due date.
- The subsidiary (Al Qimeh Auto Trade Facility Company) has audited the general sales tax returns until the end of the year 2015, the subsequent returns submitted on legal due date, and the tax due was paid up to the date of preparing these financial statements.
- As per the opinion of the company's management and its tax consultant, the company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 30 June 2022.

12) CORPORATE BONDS

This item represents Corporate bonds issued by the Company on June 29, 2021 of JOD 3,000,000 for a period of one year with annual interest rate of 5.25%, the interest is due within six months of issuance date. The bonds matured on June 23, 2022.

13) STATUTORY RESERVE

The amounts accumulated in this account represent 10% of the annual profits before tax transferred in accordance with the Jordanian Companies Law. This transfer shall continue for each year, provided that the total amount transferred from such reserve shall not exceed one quarter of the Company's capital. This reserve is not distributable to shareholders. No reserve has been transferred due to the fact that these financial statements are interim, as they are deducted at the end of the year.

14) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

14-1) Loans and facilities

| <i>Jordanian Dinars</i> | Nature of relationship | Nature of transaction | Nature of relationship | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|-------------------------|-------------------------------|--|-------------------------------|---|--|
| Invest Bank | Parent company (Holding) | Borrowings | Parent company | 1,880,719 | 2,177,636 |
| Invest Bank | Parent company (Holding) | Current accounts and refundable deposits | Parent company | 190,543 | 41,135 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14-2) Transactions with related parties

| <i>Jordanian Dinars</i> | <u>Nature of relationship</u> | <u>Nature of transaction</u> | <u>For the period ended June 30, 2022 (Reviewed not Audited)</u> | <u>For the period ended June 30, 2021 (Reviewed not Audited)</u> |
|-------------------------|-----------------------------------|-------------------------------|--|--|
| Invest Bank | Ultimate parent company (Holding) | Finance expenses of borrowing | 52,191 | 58,365 |

The balance of guarantees with the parent company as of June 30, 2022 amounted to JOD 1,500 (December 31, 2021: JOD 1,500).

14-3) Key executive management salaries and bonuses

The remuneration and benefits of members of the Board of Directors and Senior Executive Management for the period ending June 30, 2022 amounted to JOD 108,667 (for the period ending June 30, 2021: JOD 107,330).

15) THE BASIC AND DILUTED SHARE OF THE PROFIT FOR THE PERIOD

| <i>Jordanian Dinars</i> | <u>For the period ended June 30, 2022 (Reviewed not Audited)</u> | <u>For the period ended June 30, 2021 (Reviewed not Audited)</u> |
|---|--|--|
| Profit for the period | 5,794,201 | 996,481 |
| Weighted average number of outstanding shares (share) | 20,000,000 | 20,000,000 |
| | <u>0,290</u> | <u>0,050</u> |

The basic earnings per share from the net profit for the period equals the diluted earnings per share as the Company did not issue any financial instruments that may have a dilutive impact on the basic earnings per share.

16) CAPITAL AND FINANCIAL RISK MANAGEMENT

Generally, the Company has exposure to financial risks which are credit risk, liquidity risk, market risk and capital management risk, in general, the Company's objectives and policies in managing the financial risks to which is exposed are similar to those disclosed in the interim condensed consolidated financial statements as of June 30, 2021 and for the year ended December 31, 2021.

- **Capital Management**

The Company did not have any change in capital management during the current interim period and the Company is not subject to any external capital requirements.

17) FAIR VALUE HIERARCHY

The below table analyze the financial instruments carried at fair value by the valuation method. different levels have been defined as follows:

Level 1: quoted prices (unadjusted) for assets or liabilities in active markets. Most of financial assets at fair value through other comprehensive income are in Jordan, Palestine markets and international markets.

Level 2: Inputs other than quoted prices included in level 1 that can be determined for the assets and liabilities, directly (. prices) or indirectly (derived from prices). Prices included in the active markets for similar instruments or by using a valuation model that includes inputs that can be attributed to the markets. These inputs may be determined directly or indirectly.

Level3: Inputs for non-observable assets and liabilities on the market (unobserved inputs).

**BINDAR TRADE AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

- **Assets and liabilities that are measured at fair value:**

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | | | |
|---|---|-------------------|----------------|----------------|
| | Book value | Fair value | | |
| Financial assets | | Level 1 | Level 2 | Level 3 |
| Cash on hand and at banks | 580,334 | 580,334 | - | - |
| Financial assets at fair value through other comprehensive income | 144,657 | - | - | 144,657 |
| <i>Jordanian Dinars</i> | As of December 31, 2021 (Audited) | | | |
| Financial assets | Book value | Fair value | | |
| | | Level 1 | Level 2 | Level 3 |
| Cash on hand and at banks | 523,413 | 523,413 | - | - |
| Financial asset at fair value through other comprehensive income | 146,660 | - | - | 146,660 |

18) CONTINGENT LIABILITIES

At the interim condensed consolidated financial statement date, the Company has contingent liabilities as follows:

| <i>Jordanian Dinars</i> | As of June 30, 2022 (Reviewed not Audited) | As of December 31, 2021 (Audited) |
|----------------------------|---|--|
| Bank letters of guarantees | 65,000 | 65,000 |

19) LAWSUITS FILED AGAINST THE COMPANY

The value of the legal cases filed against the Company amounted to JOD 97,835 as of June 30, 2022 (December 31, 2021: JOD 42,840) which are still pending in courts. A provision was booked totaling JOD 97,835 as of June 30, 2022 (December 31, 2021: 32,840). The management and its legal counsel believe that the Company will not incur additional obligations in respect of these cases.

Lawsuits held against Al Qimmah Commercial Facilities Company for Cars amounted to JD 71,917 as of June 30, 2022, compared to (zero JD as on December 31, 2021) which are still pending in courts, In the assessment of the management and the company's legal advisor, there is no need to take provisions against this case at this stage.

There are no cases filed against Bindar for Finance Leasing, Ruboua Al Sharq Real Estate Company and Rakeen Real Estate Company as of June 30, 2022 and December 31, 2021.