AL TAS-HEELAT

التسهيلات

Annual Report No. 39

2019

Annual Report 2019

His Majesty King Abdulla II
King of Hashemite Kingdom of Jordan

His Royal Highness
Prince Hussein Bin Abdulla II

BOARD MEMBERS

BOARD MEMBERS

Mr. Jamal Mohammad Fariz/ Chairman
Representative of Tamkeen Leasing Com.

Mr. Muhannad Zuhair Boka / Vice-Chairman
Representative of Tamkeen Leasing Com.

Mr. Tareq "Mohammad Nazih" Sakkijha / Member
Representative of Tamkeen Leasing Com.

Mis. Rima Abdallah Said Daher / Member
Representative of University of Jordan Investment Fund

Mr. Nasser Awwad Al Khaldi / Member

General Manager
Mr.Zaid Mahmoud Haj Qoul from 17/11/2019
Mr. Eyad Mohammad Jarrar up to 6/12/2019

Auditor
Pricewaterhouse Coopers-Jordan (PWC)

Legal Consultant
Mr.Mohammad ali. Al - Hiasat

MESSAGE FROM THE CHAIRMAN

In the Name of God the Merciful the compassionate,,,

Dear Shareholders,

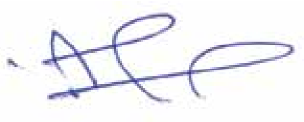
It is an honor and pleasure to welcome you on behalf of myself and the board members to the 39TH General Assembly and to share the annual report about the Company's activities and achievements for the year 2019.
Being the first lending company of its type in Jordan, JOTF was founded in 1983 and, due to the continuous achievements of its objectives.
In 2019 JOTF has achieved a net profit of JOD 2,966,315 compared to JOD 3,107,972, in 2018.
Total assets reached JOD 54,075,876 in 2019 compared to JOD 48,327,222 in 2018 with a growth of 12%. the net shareholders equity JOD 30,246,811 in 2019 compared to JOD 27,271,217 in 2018, with a growth of 11 % ، The return on capital at the end of 2019 was 18 % compared to 18.8% at the end of 2018.

Dear Respected Shareholders,
The Company has complied with the Corporate Governance Guidelines .
As a subsidiary of Invest Bank, JOTF implementing CBJ instructions in regards of provisions and in accordance with IFRS 9 measures effective 2019.
JOTF is focusing on different segments mainly SMEs & retail lending as well as it's core business in auto financing.
The company also keeps pace with the development and the search for new markets and review credit policies periodically to be able to provide appropriate services to customers, and attract new customers as well as provide new services and products in addition to the ease and speed of transactions.
Finally, I would like to express on my behalf and on behalf of the board members my sincere appreciation and gratitude for all JOTF employees and their efforts and loyalty in serving the Company and its clients. I would also like to thank all our clients and shareholders for their continuous trust and support.
Furthermore, the Board of Directors would like to do the following:

1- Review of the minutes of the previous regular general assembly's meeting.
2- Discuss and endorse the Report by the Board of the Directors for fiscal year 2019 and the Company's action plan.
3- Listen to the independent external auditor report of the Company for fiscal year 2019.
4- Discuss and endorse the balance sheet, profit and loss statement, distribution statement for the fiscal year ending 31/12/2019.
5- Deem the Chairman and board members as discharged of duties of trust and any liabilities whatsoever and howsoever arising for the year 2019.
6- Elect an independent external auditor for the fiscal year 2020.
7- Any other issues the General Assembly proposes to include in the agenda provided such proposal is approved by a number of shareholders who represent no less than 10% of the shares represented in the meeting.

Sincere Regards,

Jamal Fariz
Chairman



Board of Directors Report

1- Highlights on the Company's main activities, geographical locations, capital investment volume and number of employees:

A. Company's Main Activities

JOTF focuses on Retail lending such as, and not limited to (Personal loans, Car finance, Mortgage, Credit cards) and SMEs. Furthermore, leasing and Islamic products are among the Company's offering portfolio.

B. the Company's Geographical Locations and Number of Employees per Location

Geographical Location	Address	Tel	No. of Employees
Head Office	Abdel Hameed Sharaf St, Bldg 52 Al Shemeisani	06-5671720	49
Main Branch	Abdel Hameed Sharaf St, Bldg 52 Al Shemeisani	06-5671720	5
Outdoor Sales/ Dabouq	Khair al-Din Maani Street Building No. 41, Dabouq	06-5373837	6
Al Madina Branch	Near Sport City, Opposite to Sarh Al Shaheed	06-5158816	4
Al Wehdat Branch	Opposite to Al Taiebat Village	06-4735666	5
The free zone Al Zarqa Branch	Al Zarqa -The free zone car park	05-3826183	4
Erbid Branch	Near Al Qubba Roundabout	02-7255959	4
Al aqaba Branch	Jordanian Royal Bldg, Opposite To Princess Haya Hospital	03-2042225	4
Total Number of Employees			81

C. Total shareholders' Equity

The Company has a total equity of JD 30,246,811 of which JD 16,500,000 represent the paid-up capital, JD 3,707,940 is a mandatory reserve and JD 10,022,260 is retained earnings and JD16,611 Financial assets evaluation reserve.

2. Description of subsidiaries, their nature of work and activities

Jordan Trade Facilities Company owns Jordan Facilities Company for finance Leasing, which is a limited liability company established in 5/5/2010; with a registered and fully paid in capital of 2 Million Jordanian Dinars, and its main business activities are leasing commodities, The Company currently has one employee.

3. Board Members / Senior Managers: Names, Titles and a Brief on Each of Them

BOARD MEMBERS

Mr. Jamal Mohammad Fariz / Chairman – Representative of Tamkeen Leasing Com.

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	20/9/1958	Jordanian	B.A, Business Administration,1980
Experience	2011- Present: General Manager at Tamkeen Leasing Com. 1982-2011 banking experience * Chairman of Board of Directors of Jordan Europe Business Association (Jeba). *Chairman of Board of Directors of Haya Cultural Center. *Board of Director of Jordan Chamber of Commerce. *Board of Directors of Amman Chamber of Commerce Member / Treasurer. * Board of Director of Global Compact. * Board of Director of Hajj Fund. * Honorary Chairman/ Inter-Arab Cambist Association (Arab Foreign Exchange Dealers).		

Mr. Muhannad Zuhair Boka/ Vice-Chairman – Representative of Tamkeen Leasing Com.

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	19/6/1975	Jordanian	B.A ,science in Economics, 2000
Experience	2012- Present: Assistant General Manager, Commercial & SME Banking at Investbank Amman, Jordan 2011-2012: Co-Head, Corporate Banking HSBC Bank Middle East, Amman, Jordan 2010-2011: Head, Business Banking (Jordan) & Commercial Banking (Ramallah) HSBC Bank Middle East, Amman, Jordan 2009-2011: Head, Global Payments and Cash Management (PCM) HSBC Bank Middle East, Amman, Jordan 2007- 2008: Assistant Vice President, Business Banking, Washington Mutual Bank, Inc, Orange County, California 2006- 2007: Assistant Vice President, Business Banking, Wachovia Bank N.A., Orange County, California 2005- 2006: Assistant Vice President, Business Banking, Wells Fargo Bank, Orange County, California 2003-2005: Senior Business Specialist, SME Wells Fargo Bank, Orange County, California		

Mr. Tareq "Mohammad Nazih" Sakkijha / Member – Representative of Tamkeen Leasing Com.

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	16/6/1977	Jordanian	Master Degree, Business Administration,2002
Experience	2011 - Present Assistant General Manager / Head of Consumer Banking at Investbank 2008 - 2011: Product Development Manager- Credit Cards - Arab Bank Plc Group 2006 - 2008: Personal Loans and Credit Card Sales Manager at Standard Chartered Bank 2005-2006: Consultant - Nextmove Jordan		

Mrs . Rima Abdallah Said Daher / Member – Representative of University of Jordan Investment Fund

Member since	Date of Birth	Nationality	Educational Qualification
3/1/2018	10/7/1974	Jordanian	Bachelor Accounting 1996
Experience	2017 – present Acting Director of Financial Funds Unit at the University of Jordan 2014 - 2017 Director of the Finance Department at the University of Jordan 2011 - 2014 Acting Director of the Finance Department at the University of Jordan 2006 - 2011 Head of Accounting Division at the University of Jordan 1997 - 2006 Accountant at the University of Jordan		

Mr. Nasser Awwad Al Khaldi -- Member

Member since	Date of Birth	Nationality	Educational Qualification
22/5/2018	21/10/1966	Jordanian	Bachelor of Electrical Engineering - 1989
Experience	2013 - 2018 CEO - Dead Sea Company (Samarah) 2007 - 2013 CEO - Jordan Dubai Properties 2002 - 2007 CEO - Jordan Projects for Tourism Development (Tala Bay) 1998 - 2002 CEO - Abujaber Investment 1996 - 1998 Director-Jordan Mobile Telephone Services (Zain) 1995 - 1996 Manager-Global One 1993 - 1995 Network Specialist – GBM (IBM) 1989 - 1993 Officer – Royal Jordanian Air Force		

EXECUTIVE MANAGEMENT

Mr. Zaid Mahmoud R. Haj Qoul / GM

Appointment Date	Date of Birth	Nationality	Educational Qualification
17/11/2019	7/9/1974	Jordanian	Master degree finance
Experience	2019 - Present: General Manager at Jordan Trade Facilities Company 2014- 2019: Managing Director at MVA INTERNATIONAL- ALBAHRAIN 2008 - 2014: Vice President,Consumer Banking Head , Arab Bank Bahrain 2006 - 2008: Head of Consumer Banking at Standard Chartered Bank – Qatar 2002-2006 : Protfolio and Product Manager at Standard Chartered Bank –Jordan 1997-2002: Sales Manager at HSBC BANK		

Mr. Eyad Mohammad Jarrar / GM UP TO 6/12/2019

Appointment Date	Date of Birth	Nationality	Educational Qualification
2/11/2014	16/11/1971	Jordanian	B.A., Economics
Experience	2014 - Present: General Manager at Jordan Trade Facilities Company 2008 - 2014: Executive Manager – Head of Retail Banking Group at Bank of Jordan. 2007 - 2008: Middle & North Amman District Manager at Arab Bank 1997 - 2007: Vice President - Retail Banking of Sharjah & Northern Emirates at Mashreq Bank psc UAE.		

Mr. Ziad Hussein Husni Saleh / Administration Manager

Appointment Date	Date of Birth	Nationality	Educational Qualification
21/1/1984	21/1/1962	Jordanian	B.A. in Business Administration
Experience	1984 - Present: Jordan Trade Facilities Company/Administrative and Shareholders Affairs Department. 1981 - 1983: Military Consumer Establishment/Accountant.		

Mr. Moaad Ahmad Mohammad Anasweh / Branches and Sales Manager

Appointment Date	Date of Birth	Nationality	Educational Qualification
18/9/2016	12/12/1984	Jordanian	Master degree / Investment and finance / 2009
Experience	2016 - Present: Branches and sales manager at Jordan Trade Facilities Company. 2010 - 2016: Agency Executive at MetLife company 2006-2010: Assistant Branch Manager at Bank of Jordan		

Mr. Khaled Mohammad Abualrob / Assistant Financial Manager

Appointment Date	Date of Birth	Nationality	Educational Qualification
17/10/2004	22/8/1977	Jordanian	B.A., Accounting
Experience	2004 - Present: Assistant Finance manager at Jordan Trade Facilities Company. 2003 - 2004: Accountant at the AL-Mayadeen Contracting Establishment. 2002-2003: Accountant at Arab Electrical Industries PLC.. 2001-2002: Accountant at Alqwoa Establishment for Engineering.		

Mr. Mohammad Lafi / Credit and Research Manager

Appointment Date	Date of Birth	Nationality	Educational Qualification
4/9/2016	29/1/1987	Jordanian	B.A., Business Information Systems
Experience	2016 - present: Credit and Research Manager at Jordan Trade Facilities Company. 2015 - 2016: Core Segments & Products Manager at Bank of Jordan. 2012 - 2015: Products Development Supervisor/ Assets at Bank of Jordan. 2008 - 2012: Products Development Employee at Bank of Jordan.		

4. Statement of Major Owners of Issued Shares by the Company, Number of Shares Owned by Each and Ownership Percentage Comparing to the Previous Year (Who Own 5% and Above):

Name	31/12/2018		31/12/2019	
	Number of Stocks	Share %	Number of Stocks	Share %
Tamkeen Leasing Com.	15,430,385	93.5%	15,723,641	95.3%

5. Company's Competitive standing within the Sector of its Business Activities, Main Markets and its Share in the Local and International Markets:

-The company provides its services through the commercial financing in addition to financing in accordance with Islamic Sharia, where the company obtained a license from the Al eftaa Department .
-The company financed the purchase of vehicles, and the financing of individuals as well as real estate and small and medium enterprises (SMEs).
- The company provides its services through Jordan Facilities Company of leasing, Its owned by the Jordan Trade Facilities Company.
-The sector of finance companies in Jordan is one of the important sectors as it is complementary to the activity of banks by providing financing solutions to their customers taking into account their privacy and requirements.

6. The Degree of the Company's Reliance in conducting its operations on specific providers and/or clients (locally and internationally).

The Company does not depend on a specific provider and/or main clients whose transaction amounts equals or exceeds 10% of the total booking.

7. Government protection or privileges obtained by the Company or any of its products under laws and regulations or others:

* Under applicable laws, regulations or others, the Company and its products do not have any government protection or any other privileges.
* The Company has not obtained any patents or franchising rights.

8. Decisions issued by the Government, international organizations or any other authority that constituted material effect on the Company's business, its products or competitiveness:

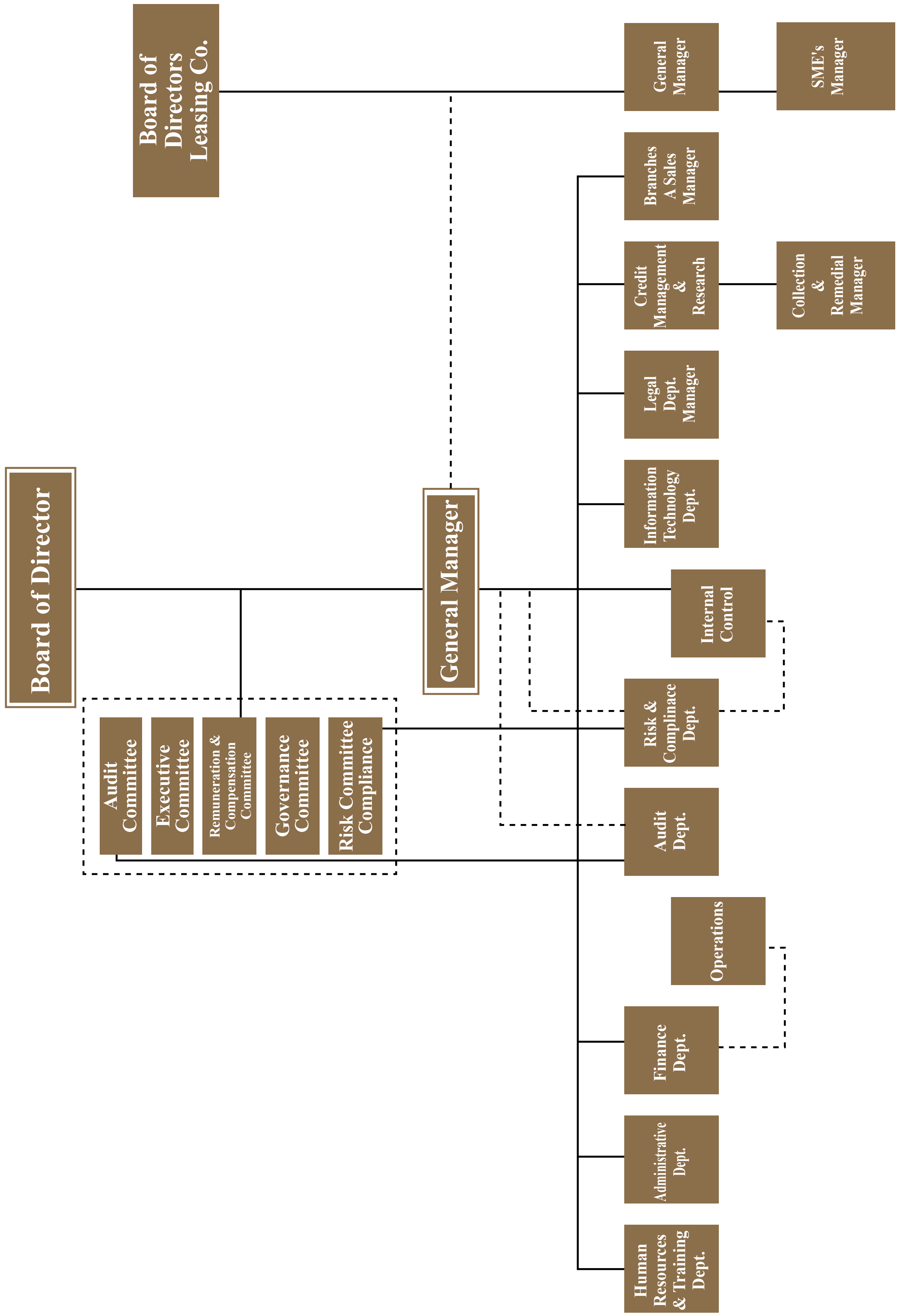
* There are no decisions issued by the Government, international organizations or any other authorities that have material impact on the Company's business or any of its products or competitiveness.

* International Quality Standards do not apply to the Company's business.

9. The Company's organizational structure and number of employees
As of 31/12/2019, the number of the Company's employees was (81) compared to (85) in 2018.

A.The Company's organizational structure

JORDAN TRADE FACILITIES ORGANIZATION STRUCTURE 2018



B. Employees Categories and Qualifications

Educational Qualification	Categories	No. of Employees
Master's degree	Admin. Employees	4
Bachelor's	Admin. Employees	62
Average Diploma	Admin. Employees	5
Diploma	Admin. Employees	1
High School	Admin. Employees	3
High School	General Services	5
Less than High School	General Services	1
	Total	81

C. Training Courses

Training Programs during 2019	Number of Employees
Advanced MS Excel 2007	4
Banks System	13
HR Analytics	2
Train the Trainer	3
Comprehensive banking operations legal applications	1
Comprehensive training program for new employees	6

10. Risks to which the Company is exposed to:

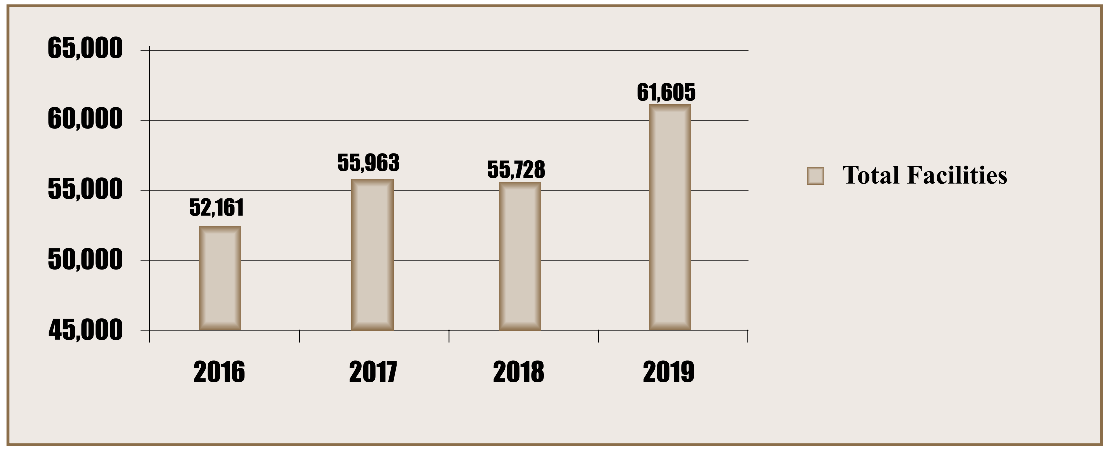
There are no risks that the Company may be exposed to during the next fiscal year that have any material impact on operations.

11. Company's achievements and major events during the fiscal year:

a) The Board of Directors held seven meetings in 2019.
b) Governance policies and procedures applied.
c) Appointment of a new general manager for the company

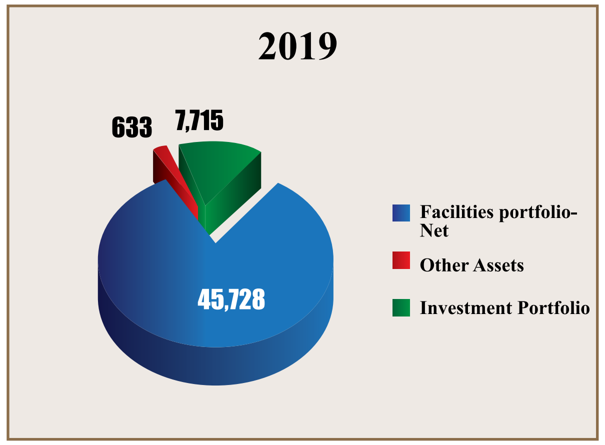
Total facilities portfolio over the last four years (in thousand Dinars):

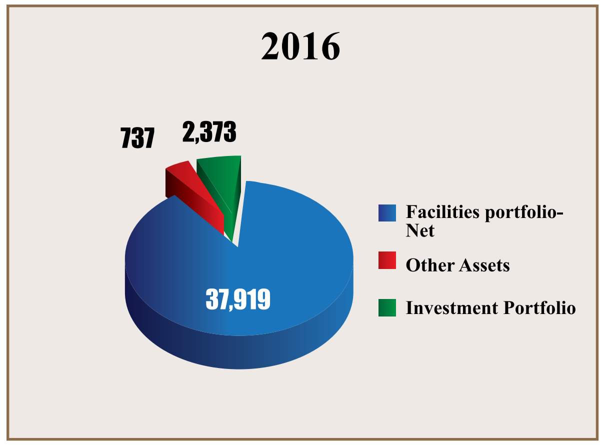
Year	Total Facilities
2016	52,161
2017	55,963
2018	55,728
2019	61,605



The following is detailed description about the company's assets for the past four years (in thousands JD)

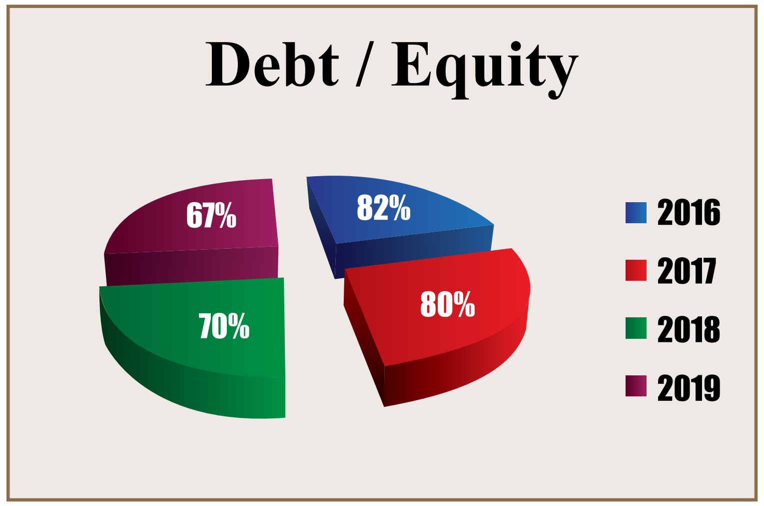
Year	2016	2017	2018	2019
Facilities portfolio –Net	37,919	42,135	42,689	54,728
Investment portfolio	737	663	647	633
Other assets	2,373	3,612	4,991	7,715
Total assets	41,052	46,410	48,327	54,076





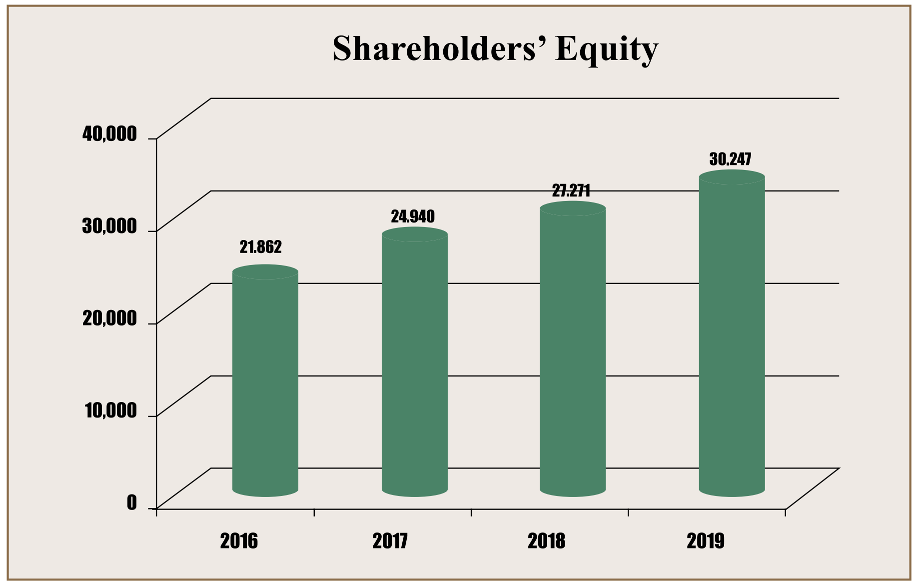
Company's leverage details from 2016 to 2019:

Year	Debt (in thousands)	Shareholders' Equity (in thousands)	Debt/Equity
2016	17,914	21,862	82%
2017	19,829	24,940	80%
2018	19,105	27,271	70%
2019	20,229	30,247	67%



Owners' Equity and details on profitability from 2016-2019

Year	Shareholders' Equity (in thousands)	Profit after tax and fees (in thousands)	Return on Equity	EPS
2016	21,862	2,120	9,7%	0,128
2017	24,940	3,078	12,3%	0,187
2018	27,271	3,108	11,4%	0,188
2019	30,247	2,966	9,8%	0,180



12. Financial impact from extraordinary operations occurred during the fiscal year and not included in the Company's main activities

There is no financial impact from any extraordinary operations occurred during the fiscal year.

13. Time series for realized profit and loss, dividends, net shareholders' equity and securities rates throughout the last five years

Year	2015	2016	2017	2018	2019
Net profit before tax and provisions (in thousand Dinars)	4,034	3,922	3,621	3,845	4,675
Net profit after tax and provisions (in thousand Dinars)	2,278	2,120	3,078	3,108	2,966
Dividends (in thousand Dinars)	1,650	-	-	-	-
Net Shareholders' Equity (in thousand Dinars)	21,392	21,862	24,940	27,271	30,247
Price per Share (in Dinar)	1,380	1,050	1,100	1,060	0,980

14. Company's financial standing analysis and business results during the fiscal year

No.	Index	Percentage
1	Stock Turnover	2 %
2	Return On Investment	5,5%
3	Return On Equity	9,8%
4	Return On Capital	18%

15. Company's developments, future plans and Boards' outlook

Management seeks to develop, diversify and increase productivity to achieve the highest possible returns to shareholders by:
*Increasing it's share in the domestic market.
* Continuing to finance small and medium-sized enterprises (SMEs)
*Diversity in products by introducing new products to penetrate and reach the largest segments of the Jordanian society.
* Further development of human capital through specialized training.

16. Audit Remunerations

Remuneration for the Company's auditors, PWC was JD 17,690 inclusive of sales tax.

17. Statement of the number of securities registered in the names of board members, executive personnel, their relatives, relatives of the board members and companies they control compared to last year

Board Members

Name	Nationality	Title	Number of Shares	
			31/12/2018	31/12/2019
Tamkeen Leasing Com. represented by: Mr. Jamal Mohammad Fariz Mr. Muhannad Zuhair Boka Mr. Tareq "Mohammad Nazih" Sakkijha	Jordanian Jordanian Jordanian Jordanian	 Chairman Vice Chairman Member	15,430,385 2,200 000 000	15,723,641 2,200 000 000
University of Jordan Investment Fund, represented by: Mrs . Rima Abdallah Said Daher	Jordanian Jordanian	 Member	77,000 000	77,000 000
Mr. Nasser Awwad Al Khaldi	Jordanian	Member	000	10,000

Senior Executive Management

No.	Name	Nationality	Title	Number of Shares	
				31/12/2018	31/12/2019
1	Mr. Zaid M. Haj Qoul	Jordanian	General Manager	----------	----------
2	Mr. Eyad Mohammad Jarrar	Jordanian	General Manager up to 6/12/2019	----------	----------
3	Mr. Ziad Hussein Husni Saleh	Jordanian	Administration Manager	5,500	5,500
4	Mr. Moath Ahmad Alanasweh	Jordanian	Branches and Sales Manager	----------	----------
5	Mr. Khaled Mohammad Abualrob	Jordanian	Assistant Financial Manager	----------	----------
6	Mr. Mohammad Iafi	Jordanian	Credit and Research Manager	----------	----------

Relatives of the Board Members and Senior Executive Management:

- There are no shares registered in the name of relatives of the board members or in the name of the senior executive management.
- There are no shares registered in the name of companies controlled by any of the board members or of the senior executive management

18. Benefits, Remunerations and Travel Allowances of the Board Chairman and Members, and Senior Executive Management in 2019

Benefits, Remunerations and Travel Allowances of the Chairman and Board Members as the following:

Board Member Name	Title	Travel and Transportation Allowance to Board	Remuneration for 2017	Total
Tamkeen Leasing Com. represented by: Mr. Jamal Mohammad Fariz Mr. Muhannad Zuhair Boka Mr. Tareq "Mohammad Nazih" Sakkijha	Chairman Vice Chairman Member	- - -	- - -	- - -
University of Jordan Investment Fund, represented by: Mrs . Rima Abdallah Said Daher	Member	-	-	-
Mr. Nasser Awwad Al Khaldi	Member	-	-	-

* Salaries and remunerations of the Executive Management:

Name	Date of Appointment	Job	Salary	Bonuses	Total
Mr. Zaid M. Haj Qoul	17/11/2019	General Manager	11,931	0	11,931
Mr. Eyad M. Jarrar	2/11/2014	General Manager up to 6/12/2019	170,698	45,000	215,698
Mr. Ziad Saleh	21/01/1984	Administration Manager	32,929	1,000	33,929
Mr. Moath Ahmad Alanasweh	18/9/2016	Branches and Sales Manager	39,881	3,750	43,631
Mr. Khaled Abualrob	17/10/2004	Assistant Financial Manager	28,930	1,500	30,430
Mr. Mohammad Lafi	4/9/2016	Credit and Research Manager	34,858	6,000	40,858
Total			319,227	57,250	**376,477**

19. Donations and grants paid by the Company during the fiscal year
The Company did not pay any donations or grants during the fiscal year.

20. Contracts, projects and commitments made by the Company to subsidiaries, sister companies, or with the Chairman, General Manager or any employee at the Company or their relatives
There are no contracts, projects and commitments made by the Company to subsidiaries, sister companies, or with the Chairman, General Manager or any employee at the Company or their relatives.

21. The Company's contribution to environment protection and local community service
There is no contribution by the Company to local community service.

22. Corporate Governance Rules

The Company complies with corporate governance codes for the PLC companies for example:.
1- The board declared all major issues on time.
2- The Company declared the number of the board of directors' meetings in the annual report.
3- The Company prepared corporate governance codes report.
23. Corporate governance codes report.

1. Governance Compliance

JOTF seeks guidance from corporate governance principles and reserves no effort in enhancing policies and procedures within Jordan Securities Commission and other regulatory entities regulations, ensuring high level of transparency.
JOTF will apply corporate governance regulations to achieve the highest governance levels and transparency to enhance shareholders' confidence, satisfaction and to safeguard their investments. The company has prepared all policies related to corporate governance and will be presented to a specialized entity to ensure their validity in accordance with the provisions of governance.

2. The current and resigning members of the Board of Directors during 2019

Board Member Name	Title	Executive / non-executive	Independent / non-independent
Mr. Jamal Mohammad Fariz/ Representative of Tamkeen Leasing Com.	Chairman	non-executive	non-independent
Mr. Tareq "Mohammad Nazih" Sakkijha / Representative of Tamkeen Leasing Com.	Member	non-executive	non-independent
Mr. Muhannad Zuhair Boka / Representative of Tamkeen Leasing Com.	Vice-Chairman	non-executive	non-independent
Mrs . Rima Abdallah Said Daher / Representative of University of Jordan Investment Fund	Member	non-executive	independent
Mr. Nasser Awwad Al Khaldi	Member	non-executive	independent

3- The Executive Management:

Name	Date of appointment	Job
Mr. Zaid M. Haj Qoul	17/11/2019	General Manager
Mr. Eyad M. Jarrar up to 6/12/2019	2/11/2014	General Manager
Mr. Ziad Hussein Saleh	21/01/1984	Administration Manager
Mr. Moath Ahmad Alanasweh	18/9/2016	Branches and Sales Manager
Mr. Khaled Abualrob	17/10/2004	Assistant Financial Manager
Mr. Mohammad Lafi	4/9/2016	Credit and Research Manager

4- Membership of the Board of Directors held by a member of the Board of Directors in the Shareholding companies.

Board Member Name	The company in which he is a member
Mr. Muhannad Zuhair Boka	Jordan Duty Free Company
Mr. Nasser Awwad Al Khaldi	Royal Wings

5 - Corporate Governance Officer : Mr. Amer Bidas

6- . Committees emanating from the Board of Directors
A) Audit Committee
B) Nominations and Compensations Committee
C) Executive Committee
D) Governance Committee
E) Risk Committee

7- Members of the Audit Committee and their qualifications and financial and accounting experience

Mrs . Rima Abdallah Said Daher / Chairman

Member since	Date of Birth	Nationality	Educational Qualification
3/1/2018	10/7/1974	Jordanian	Bachelor Accounting 1996
Experience	2017 – present Acting Director of Financial Funds Unit at the University of Jordan 2014-2017 Director of the Finance Department at the University of Jordan 2011-2014 Acting Director of the Finance Department at the University of Jordan 2006-2011 Head of Accounting Division at the University of Jordan 1997-2006 Accountant at the University of Jordan		

Mr. Jamal Mohammad Fariz / Member

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	20/9/1958	Jordanian	B.A, Business Administration
Experience	2011- Present: General Manager at Tamkeen Leasing Com. 1982-2011 banking experience * Chairman of Board of Directors of Jordan Europe Business Association (Jeba). * Chairman of Board of Directors of Haya Cultural Center. * Board of Director of Jordan Chamber of Commerce. * Board of Directors of Amman Chamber of Commerce Member / Treasurer. * Board of Director of Global Compact. * Board of Director of Hajj Fund. * Board of Director of Development & Employment Fund. * Honorary Chairman/ Inter-Arab Cambist Association (Arab Foreign Exchange Dealers).		

Mr. Nasser Awwad Al Khaldi - Member

Member since	Date of Birth	Nationality	Educational Qualification
22/5/2018	21/10/1966	Jordanian	Bachelor of Electrical Engineering - 1989
Experience	2013 – 2018 CEO- Dead Sea Company (Samarah) 2007 - 2013 CEO-Jordan Dubai Properties 2002 - 2007 CEO-Jordan Projects for Tourism Development (Tala Bay) 1998 - 2002 CEO-Abujaber Investment 1996 - 1998 Director-Jordan Mobile Telephone Services (Zain) 1995 - 1996 Manager-Global One 1993 - 1995 Network Specialist – GBM (IBM) 1989 - 1993 Officer – Royal Jordanian Air Force		

8- Members of other committees

Member Name	Committee Number of meetings of each committee and attendees	Title
Mr. Nasser Awwad Al Khaldi	Nominations and Compensations Committee	Chairman
Mr. Jamal Mohammad Fariz	Nominations and Compensations Committee	Member
Mrs . Rima Abdallah Said Daher	Nominations and Compensations Committee	Member
Mr. Jamal Mohammad Fariz	Executive Committee	Chairman
Mr. Muhannad Zuhair Boka	Executive Committee	Member
Mr. Tareq “Mohammad Nazih” Sakkijha	Executive Committee	Member
Mr. Nasser Awwad Al Khaldi	Governance Committee	Chairman
Mr. Muhannad Zuhair Boka	Governance Committee	Member
Mrs . Rima Abdallah Said Daher	Governance Committee	Member
Mr. Nasser Awwad Al Khaldi	Risk Committee	Chairman
Mr. Muhannad Zuhair Boka	Risk Committee	Member
Mr. Tareq “Mohammad Nazih” Sakkijha	Risk Committee	Member

9- Number of meetings of each committee and attendees

committees	Number of meetings	Attendees
Audit Committee	4	All members of the committee attended
Nominations and Compensations Committee	3	All members of the committee attended
Governance Committee	2	All members of the committee attended
Risk Committee	3	All members of the committee attended excluded Mr. Muhannad Boka not attend meeting No.2

10. Number of meetings of the Audit Committee with the External Auditor : One meeting

11 - Number of meetings of the Board of Directors and attendees

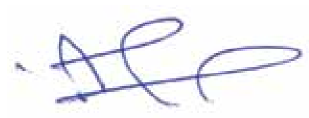
Meeting number	
1/2019	All members attended
2/2019	All members attended excluded Mrs . Rima Abdallah Said Daher
3/2019	All members attended
4/2019	All members attended excluded Mr. Muhannad Zuhair Boka
5/2019	All members attended
6/2019	All members attended
7/2019	All members attended

Jamal Mohammad Fariz
Chairman of the Board

Acknowledgments

1. The Company's Board of Directors acknowledges that there are no material issues that may affect the Company's continuity during the next fiscal year 2020
2. The Company's Board of Directors acknowledges its liability towards the preparation of the financial statements and the existence of an effective and adequate internal control system in the Company.
3. We, the undersigned, hereby acknowledge the authenticity, precision and comprehensiveness of the information and data included herein.

Khaled Mohammad Abualrob Assistant Financial Manager	Zaid M. Haj Qoul General Manager	Jamal Mohammad Fariz Chairman of the Board



Jordan Trade Facilities Company
(Public Shareholding Company)

Consolidated Financial Statements

31 December 2019

Jordan Trade Facilities Company.
(Public Shareholding Company)

Financial Statements

31 December 2019

Independent auditors' report
To the Shareholders of Jordan Trade Facilities Company
(Public Shareholding Company Limited)

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Jordan Trade Facilities Company (the "Company") and its subsidiary (later "the Group") as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2019;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in shareholders' equity for the year then ended;
- The consolidated statement of cash flows for the year then ended; and
- The notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis of opinion

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

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

Independence

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

Our audit approach

Overview

Key Audit Matters	Measurement of expected credit loss

override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates

Key audit matters

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

Key audit matters	How we responded to key audit matters
Measurement of expected credit loss The Group applies the expected credit loss model to all its financial instruments measured at amortised cost and financial guarantee contracts, including financing obligations, in accordance with the requirements of IFRS 9 “Financial instruments”. The Group also exercises significant judgements and makes a number of assumptions when preparing its expected credit loss models, including calculating the PDs separately for corporate and individual portfolios and determining the LGDs and EADs for both funded and unfunded exposures, future adjustments, and staging criteria. With respect to exposures to default, the Group makes judgments on the expected future cash flows for each individual exposure, including the value of collateral. The Group’s policy of impairment was presented in accordance with IFRS 9 (Note 2-21) and (Note 2-11) of these consolidated financial statements. The measurement of expected credit losses is a key audit matter because the Group applies significant judgments and makes a number of assumptions about the staging criteria applied to financial instruments and about preparing expected credit loss models to calculate the provisions for impairment in the Group.	We carried out the following audit procedures when calculating the expected credit losses in the Group’s consolidated financial statements for the year ended 31 December 2019: • We evaluated and tested the design and efficiency of controls on the calculation of impairment. • We tested the completeness and accuracy of the information used in calculating the expected credit losses. • For the exposure sample, we checked the appropriateness of the Group’s application of staging criteria. • We sought the assistance of our specialised internal experts to assess the following aspects: - The conceptual framework used in setting the Group’s impairment policy in the context of its commitment to the requirements of IFRS 9. - The methodology of the expected credit loss model and the calculations used to determine the PDs, LGDs and EADs for the Group’s financial instruments categories. - The reasonableness of the assumptions used when preparing the model framework, including the assumptions used to assess future scenarios and the significant increase in credit risk. • In addition, with regard to the corporate portfolio in the stage 3, the determination of the appropriateness of the provision assumptions was subject to an independent evaluation through a sample of selected risk-based exposures and the materiality of individual exposures. The recognised allocations levels were confirmed, based on the detailed information available about the loans and counterparties in the credit files. As for the individuals’ portfolio in the third stage, the assumptions were subject to an independent evaluation for each product category, and the recognised allocations levels for each category were confirmed. • We evaluated the disclosures in the consolidated financial statements to ensure their compliance with the IFRS (7) and the IFRS (9). We also confirmed the completeness and accuracy of these disclosures by matching the information with the accounting records.

Other information

Management is responsible for the other information. The other information comprises Board of Directors’ Report, which we expect to obtain after the date of our audit report (but does not include the consolidated financial statements and our auditor’s report thereon).

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

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

When we read the other information, which we have not yet obtained, our responsibility is to read this other information. If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

The Company duly maintains proper books of accounts which are consistent, in all material aspects, with the accompanying consolidated financial statements. We recommend the General Assembly to authorize them.

For and on behalf of PricewaterhouseCoopers "Jordan" L.L.C.

Hazem Sababa
License No. (802)

Amman - the Hashemite Kingdom of Jordan
5 February 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019	2018
		JD	JD
Assets			
Cash on hand and at banks	5	445,070	504,291
Financial assets at fair value through other comprehensive income	6	211,775	202,496
Financial assets at amortised cost	7	45,728,170	42,689,465
Other receivables		161,781	254,837
Right of use of leased assets	28	869,626	-
Investment property - net	8	421,200	444,600
Assets acquired against due debts		3,948,186	2,129,530
Property and equipment	9	266,447	287,690
Intangible assets	10	74,508	67,998
Deferred tax assets	16	1,949,113	1,746,315
Total assets		54,075,876	48,327,222
Liabilities and shareholders' equity			
Liabilities			
Bank overdrafts	11	4,592,375	1,878,338
Borrowings	12	13,082,216	14,731,185
Corporate bonds	13	3,000,000	3,000,000
Liabilities against operating leases	28	829,527	-
Other liabilities	14	833,721	624,395
Other Provisions	15	291,104	37,548
Provision for income tax	16	1,200,122	784,539
Total liabilities		23,829,065	21,056,005
Shareholders' equity			
Subscribed and paid in capital	1	16,500,000	16,500,000
Statutory reserve	17	3,707,940	3,292,986
Financial assets valuation reserve		16,611	7,332
Retained earnings		10,022,260	7,470,899
Total shareholders' equity		30,246,811	27,271,217
Total liabilities and shareholders' equity		54,075,876	48,327,222

General Manager

Financial Manager

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements and shall be read in conjunction therewith

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		JD	JD
Revenues and commissions from comxmercial financing, Murabaha and finance lease		6,951,745	6,674,433
Other operating revenue	18	1,177,662	1,032,519
Total revenues		8,129,407	7,706,952
Employees' salaries, wages and benefits	19	(1,342,267)	(1,354,892)
Administrative expenses	20	(559,180)	(845,890)
Depreciations and amortisations	24	(278,811)	(107,339)
(Provision) reversal of ECL of financial assets at amortised cost	7	(249,624)	24,972
Finance expenses	21	(1,377,091)	(1,593,328)
Total expenses		(3,806,973)	(3,876,477)
Income from operating activities		4,322,434	3,830,475
Profits on cash dividends of financial assets at fair value through other comprehensive income		6,917	-
Other income		96,352	48,317
Miscellaneous provisions expenses		(276,154)	(4,535)
Profit for the year before income tax		4,149,549	3,874,257
Income tax expense	16	(1,183,234)	(766,285)
Profit for the year		2,966,315	3,107,972
Other comprehensive income that will not be subsequently reclassified to profit and loss:			
Net change in fair value of financial assets at fair value through other comprehensive income		9,279	7,332
Total comprehensive income for the year		2,975,594	3,115,304
Basic and diluted earnings per share from the profit of the year attributable to the Group's shareholders (JD/ share)	23	0,180	0,188

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements and shall be read in conjunction therewith

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Subscribed and paid in capital	Statutory reserve	General banking risks reserve	Financial assets valuation reserve	Retained earnings*	Total
	JD	JD	JD	JD	JD	JD
2019						
As at 1 January 2019	16,500,000	3,292,986	-	7,332	7,470,899	27,271,217
Profit for the year	-	-	-	-	2,966,315	2,966,315
Net Change in financial assets valuation reserve	-	-	-	9,279	-	9,279
Transferred to statutory legal	-	414,954	-	-	(414,954)	-
Balance as at 31 December 2019	16,500,000	3,707,940	-	16,611	10,022,260	30,246,811
2018						
Balance as at 1 January 2018 (as previously reported)	16,500,000	2,905,561	385,000	-	5,149,087	24,939,648
Impact of adopting IFRS (9)	-	-	-	-	(783,735)	(783,735)
Transferred from general banking risks reserve***	-	-	(385,000)	-	385,000	-
Adjusted balance as at 1 January 2018	16,500,000	2,905,561	-	-	4,750,352	24,155,913
Profit for the year	-	-	-	-	3,107,972	3,107,972
Change in the fair value for the year	-	-	-	7,332	-	7,332
Transferred to statutory legal	-	387,425	-	-	(387,425)	-
Balance as at 31 December 2018	16,500,000	3,292,986	-	7,332	7,470,899	27,271,217

* Retained earnings as at 31 December 2019 include deferred tax assets in the amount of JD 1,949,113 (2018: JD 1,746,315), which is restricted or cannot be distributed to shareholders in accordance with the instructions of the Securities Commission.

The value of retained earnings distributable to the Group's shareholders amounts to JD 8.073.147 as at 31 December 2019.

*** In accordance with the instructions of the Central Bank of Jordan No. (2018/13), the accumulated balance of the general banking risk reserve item amounting to JD 385,000 as at 31 December 2017 has been transferred to the retained earnings item for offset with the impact of IFRS 9.

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements and shall be read in conjunction therewith

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	JD	JD
Operating activities		
Profit for the year before income tax	4,149,549	3,874,257
Adjustments for:		
Depreciations and amortisations	302,211	130,739
(Profit) loss on sale of property and equipment	(286)	7,783
Profits on sale of assets acquired against bad debts	(25,928)	(4,179)
(Provision) reversal of ECL of financial assets at amortised cost	249,624	(24,972)
Other Provisions	253,556	(33,672)
Finance expenses	1,377,091	1,593,328
	6,305,817	5,543,284
Changes in working capital items:		
Financial assets at amortised cost	(5,223,031)	(2,405,872)
Other receivables	(96,964)	159,283
Other liabilities	8,444	33,980
Cash flows from operating activities before finance expenses and income tax paid	994,266	3,330,675
Finance expenses paid	(1,176,209)	(1,465,969)
Income tax paid	(970,449)	(1,068,716)
Net cash flows (used in) from operating activities	(1,152,392)	795,990
Investing activities		
Purchases of property and equipment	(84,560)	(192,257)
Purchases of intangible assets	(29,611)	(16,345)
Additions to assets acquired against bad debts	-	(83,622)
Proceeds on sale of assets acquired against bad debts	1,945,677	218,722
Proceeds on sale of property and equipment	300	1,640
Net cash flows from (used in) investing activities	28,103	(71,862)
Financing activities		
Bank loans	(1,648,969)	(2,614,157)
Bank overdrafts	2,714,037	(847,762)
Corporate bonds	-	3,000,000
Net cash flows from (used in) financing activities	1,065,068	(461,919)
Net change in cash and cash equivalents	(59,221)	262,209
Cash and cash equivalents as at 1 January	504,291	242,082
Cash and cash equivalents as at 31 December	445,070	504,291
Non-cash transactions		
Transferred from receivables to assets acquired against due debts	1,934,702	845,184

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements and shall be read in conjunction therewith

(1) General information

Jordan Trade Facilities Company (the Company) was established under the Companies Law No. (13) for the year 1964 as a Jordanian public shareholding company under No. (179) on 13 March 1983. The subscribed and paid-up capital of the Company is JD 16,500,000/ share; JD 1 per share. The Company's head office is located in Amman -the Hashemite Kingdom of Jordan and its address is Shmeisani.

The Group's consolidated financial statements for the year ended 31 December 2019 include the Company and Jordan Financial Leasing Company LLC (hereinafter referred to as the Group).

The most important goals of the parent company and its subsidiary are:

- To establish offices, agencies and stores to implement its objectives for which they were established in accordance with the laws and regulations inside and outside the Kingdom.
- To borrow from the banks and financial institutions the necessary funds for its businesses in matters related to the Company and to pledge their properties as collateral.
- To manage and issue credit cards and prepaid cards in a manner that serves the Company's work provided this is carried out through the Invest Bank.
- To grant loans and direct financing for services, and durable and consumer goods.
- To finance real estate in all forms of financing, including finance leasing.
- To issue bank guarantees and letters of credit in the name of the Group for the benefit of clients through banks.
- To finance and manage projects.
- To carry out finance leasing works.
- To buy, own, lease, rent, and pledge movable and immovable funds to implement the Group's purposes.
- To obtain financing by offering bonds and to provide the necessary guarantees.
- To invest the Group's assets in government deposits and bonds in various ways, means and forms available within the borders of the Kingdom within the limits permitted by the regulations and laws applied in the Kingdom.
- To finance vehicles, university study, and family tourist trips.
- To perform finance leasing activities in accordance with the provisions of Islamic Sharia.
- To grant loans of all kinds in accordance with the provisions of Islamic Sharia.

The Company's shares are listed on Amman Stock Exchange.

The Company is affiliated to the Group of Invest Bank, as its financial statements are consolidated with the consolidated financial statements of the Bank.

The consolidated financial statements were approved by the Board of Directors on 5 February 2020.

(2) Summary of significant accounting policies

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

2-1 Basis of preparation

The consolidated financial statements of Jordan Trade Facilities (Public Shareholding Company, Ltd.) have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as issued by the International Accounting Standards Board (IASB).

The Jordanian Dinar is the presentation currency for the consolidated financial statements and is the Company's functional currency.

The consolidated financial statements have been prepared according to the historical cost convention except for the financial assets at fair value through other comprehensive income which are recognised at fair as value at the date of the consolidated financial statements.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2-2 Changes in accounting policies and disclosures

2-2-1 New and amended standards and interpretations issued and adopted by the Group in the financial year beginning on 1 January 2019

IFRS 16 - "Leases"

Nature of change: IFRS 16 was issued in January 2016. The standard recognised all leases in the statement of financial position, where the distinction between operating and financing leases is removed. Under this standard, the asset (the right to use the leased item) and the financial liability for lease payments will be recognised except for short-term and low-value leases, and concession contracts for exploration, mining and extraction. With respect to accounting of lessors, there is no significant change.

Mandatory date of application: For financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach so that the comparative amounts for the previous year have not been restated and the effect is taken prospectively.

Impact: The standard will affect primarily the accounting for the Group's operating leases.

Leases were previously treated as operating leases in accordance with IAS (17) and recorded as lease expense for the period in the consolidated statement of income.

Leases are recognised as the right of use assets and corresponding liabilities are recognised on the date that the leased assets are available for the Group's use. Each lease payment is distributed between the obligation and finance cost. Finance cost is charged to profit or loss over the term of the lease to obtain a constant periodic rate of interest payable on the remaining balance of liabilities for each period. Amortisation is calculated on the right to use assets over the useful life of the asset or lease term, whichever is shorter, using the straight-line method.

Assets and liabilities arising from leases are measured based on the present value. Lease assets include the net present value of the following lease payments:

- Fixed payments (including substantially fixed payments), less any outstanding lease incentives.
- Variable lease payments based on index or rate.
- Amounts expected to be paid by the lessee under residual value guarantees.
- The exercise price of the call option in case the lessee is reasonably sure of exercising this option.
- Payments for lease termination penalties, if the lease terms indicate the lessee's use of this option.

Operating lease commitments are measured at the present value of the remaining lease payments, where the lease payments are deducted using the interest rate included in the lease. If this rate cannot be determined, the additional borrowing rate of the lessee, which is the rate at which the lessee must pay to borrow funds to obtain an asset of similar value in a similar economic environment, is used on similar terms and conditions.

The right of use assets are asset measured at cost, which includes the following:

- The initial measurement and amount of the lease liability.
- Any lease payments made on or before the contract start less any lease incentives received.
- Any direct initial costs.
- Costs of repairs to return the leased asset to its condition prior to lease.

Payments relating to short term leases and low value assets are recognised on a straight line basis as an expense in profit or loss. Short-term leases are 12 months or less.

The Group implemented IFRS (16) with a prospective effect as of 1 January 2019 and the Group did not reissue the 2018 financial statements under the transitional provisions specified in the standard.

The impact of the implementation of IFRS (16) (as at 1 January 2019 (increase/ (decrease)) is as follows:

	January 1 2019 JD
Consolidated statement of financial position	
Assets	
Right of use of leased assets	1,019,547
Total assets	1,019,547
Liabilities	
Liabilities against operating leases	947,527
Total liabilities	947,527

Impact on the consolidated statement of income (increase/(decrease)) for the year ended 31 December 2019 is as follows:

	December 31 2019
	JD
Consolidated statement of income	
Amortisation expense	(149,921)
Lease expense	187,841
Lease interest expense	(66,016)
Operating loss	(28,096)

Amendment on IFRS 9: "Financial instruments" allows for more assets to be measured at amortised cost more frequently compared to the previous version of IFRS 9, in particular for some prepaid financial assets. The amendment also confirms that the adjustments in financial liabilities will result in immediate recognition of profit or loss.

IFRIC (23): "Uncertainty over income tax treatments" explains the determination of taxable profit (tax loss), tax bases, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:
Whether tax treatments should be considered collectively.
Assumptions of tax authorities.
Determination of tax profit (tax loss), tax bases, unused tax losses and tax rates.
Impact of changes in facts and circumstances.

2-2-2 New and revised IFRSs issued but not yet effective and not early adopted for the year starting on 1 January 2019:

The Group did not early implement the following new standards, amendments and interpretations that were issued but did not enter into force to date

New standards, amendments and interpretations	Effective for annual periods beginning on or after
Amendment to IFRS (9), IAS (39) and IFRS (7), 'Interest rate benchmark reform'- These amendments provide certain exemptions in connection with interest rate benchmark reform. The exemptions relate to hedge accounting and have the effect of reforming intra-banks interest rate, which should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the statement of income. Given the pervasive nature of hedges involving contracts based on intra-banks interest rate, the exemptions will affect companies in all industries.	1 January 2020
Amendments to IAS (1) and IAS (8) in relation to the definition of materiality - These amendments to IAS (1), "Presentation of financial statements" and IAS (8), "Accounting policies, and changes in estimates accounting and errors", and subsequent amendments to other IFRSs: (1) Using a consistent definition of materiality in all IFRSs and the conceptual framework for financial reporting; (2) Explaining the interpretation of the definition of materiality; (3) Including some guidance in IAS (1) on non-significant information.	1 January 2020
Amendments to IFRS (3) "Business definition" -This amendment revises the business definition. According to the comments received by the IASB, the application of the current guidance is believed to be very complex and would result in a very large number of transactions qualifying for classification as business combinations.	1 January 2020

There are no other applicable new standards and amendments to published standards or IFRS IC interpretations that have been issued but are not effective for the first time for the Group's financial year beginning on 1 January 2019 that are expected to have a material impact on the consolidated financial statements of the Group.

2-3 Basis of consolidation of financial statements

The consolidated financial statements include the Company and its subsidiary, which is fully owned and controlled by the Company. The control is achieved when the Company is able to manage the main activities of the subsidiary; exposed to varying returns from its investment in the subsidiary or has rights in these returns; and is able to affect these returns through its control over the subsidiary. However, transactions, balances, revenues and expenses between the company and subsidiary are eliminated.

The Company has the following subsidiary as at 31 December 2019 and 2018:

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

The financial statements of the subsidiary are prepared for the same financial year of the Company. If the accounting policies adopted by the subsidiary are different, the required adjustments are made on the financial statements of the subsidiary to be consistent with the accounting policies used by the Company.

The financial statements of the subsidiary are consolidated in the consolidated statement of income from the date of its ownership which is the date on which the control is actually transferred to the Company on the subsidiary. Consolidation stops when the Company loses such control.

2-4 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (“the functional currency”). The consolidated financial statements are presented in ‘Jordanian Dinar’, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the Jordanian Dinar using the exchange rates prevailing at the dates of the transactions. Financial assets and liabilities denominated in foreign currencies are translated into the Jordanian Dinar at prevailing year-end exchange rates. Foreign exchange gains and losses resulting from that are recognised in the consolidated statement of income.

2-5 Property and equipment

Property and equipment are shown at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these property and equipment.

Subsequent costs are included in the asset’s value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The book value of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of income.

Depreciation is calculated using the straight-line method to allocate their cost over the estimated useful lives of property and equipment.

The main useful lives used for this purpose are as follows:

	Useful lives (Years)
Furniture and fixtures	5
Office tools, equipment and computers	3-5
Decorations	5
Motor vehicles	7

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

The value of an item of property and equipment is written down to its recoverable amount if its net carrying amount is greater than its recoverable amount. Decrease is recognised in the consolidated statement of income.

Gain and loss arising on disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are recognised in the statement of income.

2-6 Intangible assets

Intangible assets that are acquired through the merger are stated at fair value at the date of acquisition. The intangible assets that are obtained by a method other than the merger are stated at cost.

Intangible assets are classified on the basis of their lifetime for a definite or indefinite period. Intangible assets that have a definite lifetime are amortised during this lifetime and are recognised in the consolidated statement of income. For intangible assets that have an indefinite lifetime, their impairment is reviewed in the consolidated financial statements and any impairment shall be recognised in the consolidated statement of income.

Intangible assets resulting from the Group’s business are not capitalised and are recognised in the consolidated statement of income in the same period.

Any indications of impairment in the value of intangible assets statements the consolidated financial statements date are reviewed. Furthermore, the estimated useful life of those assets are reviewed, and any adjustment is made in the subsequent periods.

Computer software and systems are amortised using the straight-line method over a period not exceeding four years from the date of purchase.

2-7 Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment loss whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognised for the amount by which the asset’s book value exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered from impairment, except for goodwill, are reviewed for possible reversal of impairment at each reporting date.

2.8 Financial assets at fair value through other comprehensive income

Those financial assets represent the investments in equity instruments held for long term.

These assets are recognised at fair value plus acquisition expenses upon purchase and are subsequently re-evaluated at fair value. Change in fair value is included in the consolidated statement of comprehensive income and consolidated equity, including the change in fair value resulting from the translation of some items of non-monetary assets in foreign currencies. In the case of selling such assets or part thereof, profits or losses are recorded in the consolidated statement of comprehensive income and consolidated equity. Balance of the sold financial asset valuation reserve is directly transferred to retained earnings and losses rather than through the consolidated statement of income.

These assets are not subject to impairment testing.

Dividends are recognised in the consolidated statement of income.

2-9 Financial assets at amortised cost

Financial assets at amortised cost are the financial assets which the Group's management intends to hold, according to its business model, for the purpose of collecting the contractual cash flows which consist of payments of principal debt and interest on the outstanding debt balance.

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the share premium \ discount is amortised using the effective interest rate method, and recorded to interest account less provisions for impairment of these assets leading to the inability to recover the asset or part of it in the statement of income. Financial assets are subsequently recognised at amortised cost less any impairment losses.

The amount of impairment of financial assets at amortised cost is difference between the recognised value in the records and the present value of estimated future cash flows, discounted at market interest rate.

2.10 Impairment of financial assets

The Group reviews stated values of financial assets at the date of the consolidated statement of financial position determine whether objective indications of their impairment exist, individually or in the aggregate. If such indications exist, recoverable amount is estimated to determine impairment in accordance with the requirements of IFRS (9).

Impairment amount is determined as follows:

Impairment of financial assets carried at amortised cost represents the difference between the carrying amount of the asset and the present value of the expected cash flows discounted at the original effective interest rate.

Impairment is recognised in the statement of income. Any surplus in the subsequent period due to a prior impairment of debt instruments is charged to the statement of income, and equity instruments through the statement of comprehensive income.

2-11 Cash and cash equivalents

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

2.12 Trade payables

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business of the Company. Trade payables are classified as current liabilities if payment is due within one year or less. If due within more than one year, they are classified as non-current liabilities.

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

2-13 Investment in finance lease contracts

As per the lease, the lessor transfers, in return of payments, the usufruct of an asset to the lessee for a defined period of time that ends with the ownership transfer to the lessee.

All leases are classified in the financial statements as finance lease upon transfer of all risks and benefits to the lessee. Investment in finance leases is shown at the net present value of finance lease payments less the provision for ECL of financial assets at amortised cost (if any). All direct costs of finance leases are shown under the net present value of investment in finance leases.

Finance lease payments are divided between leases income and the principal payment so that the finance lease income appears as a constant interest rate on the finance lease investment.

2-14 Revenue and expenses recognition

Interest revenues are recognised using the effective interest method.
Expenses are recognised on accrual basis.

2-15 Income tax

Tax expenses represent amounts of tax payable and deferred tax

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

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

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

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

2-16 Provisions

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

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

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

2-17 Employees' benefits

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

2-18 Properties reverted to the Company in settlement of due debts

Properties reverted to the Company are shown in the statement of financial position within "assets acquired for due debts" at the lower of the value reverted to the Company and the fair value, and are revaluated at fair value separately. Any impairment is recorded as a loss in the statement of income and the increase is not recognised as revenue. Subsequent increase is included in the statement of Income to the extent that impairment value does not exceed the previously recorded value.

2-19 Investment properties

Investment property is a property acquired either to earn rental income or to increase in value or both, but not to be sold in the ordinary course of the Group business, nor to be used in the production or supply of goods or services or for administrative purposes. Investment properties are initially stated at cost and their fair values are disclosed in the notes to the consolidated financial statements, which are estimated annually by an independent real estate expert based on the market prices of those properties within an active real estate market.

2-20 Borrowings

Borrowings are initially recognised at fair value, after deducting costs incurred from transactions. Borrowings are subsequently carried at amortised cost. Any differences between received amounts (after deducting transaction costs) and the redemption value are recognised in the statement of income over comprehensive the period of the borrowings using the effective interest method.

2-20 Leases

The Group leases several branches. Typically, leases are for specific periods ranging from 12 months to 5 years, but may have extension options. Lease terms are negotiated on a case-by-case basis and this includes a wide range of different terms and conditions.

As of FY18, branches' leases were classified as operating leases. Payments made under operating leases (net of any interest received from the lessor) were charged to the statement of profit or loss on a straight-line basis over the lease term.

As of 1 January 2019, leases are recognised as the right of use assets and corresponding liabilities are recognised on the date that the leased assets are available for the Group's use. Each lease payment is distributed between the obligation and finance cost. Finance cost is charged to profit or loss over the term of the lease to obtain a constant periodic rate of interest payable on the remaining balance of liabilities for each period. Depreciation is calculated on the right to use assets over the useful life of the asset or lease term, whichever is shorter, using the straight-line method.

2-21 Financial instruments

Initial recognition of measurement:

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

Financial assets and liabilities are measured initially at fair value, and transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities are added to the fair value of the financial assets or financial liabilities, or deducted therefrom, as necessary, upon initial recognition. Transaction costs that are directly related to the acquisition of financial assets or financial liabilities at fair value through the statement of profit or loss are recognised directly in the statement of profit or loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

When the fair value is recognised at a specific price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the difference is recognised on initial recognition (i.e. profit or loss on the first day);

In all other cases, the fair value is adjusted to align with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the statement of profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability, or upon the de-recognition of such instrument.

Initial recognition

All financial assets are recognised on the trade date where the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and is initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value in the statement of profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in the consolidated statement of profit or loss.

Subsequent measurement

All recognised financial assets that are within the scope of IFRS (9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

Financing instruments held in the business model that aims to collect contractual cash flows, and which have contractual cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, and are subsequently measured at amortised cost;

Financing instruments held within the business model that aim to both collect contractual cash flows and sell debt instruments, which have contractual cash flows that are SPPI on the principal amount outstanding, and are subsequently measured at fair value through other comprehensive income;

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

However, the Company may opt for a non-cancellable option/ determination after initial recognition of the financial asset on an asset-by-asset basis, as follows:

The Company may opt for non-cancellable option by including subsequent changes in the fair value of the investment in equity that is not held for trading or a possible replacement recognised by the buyer within the business combination to which the IFRS (3) applies, in other comprehensive income; and

The Company may determine in a non-cancellable manner the financing instruments that meet the criteria of amortised cost or fair value through other comprehensive income as measured by the fair value through the statement of profit or loss if it eliminates or significantly reduces mismatches in accounting (referred to as the fair value option).

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are tested for impairment.

Expected credit losses

The Group recognises loss allowances for expected limit loss on the following financial instruments that are not measured at fair value through the statement of profit or loss:

Cash with banks
Financial assets at amortised cost.

Expected credit loss is not recognised in equity instruments.

With the exception of financial assets originated or purchased that have low credit value (which are considered separately below), ECL are required to be measured through a loss allowance at an amount equal to:

12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that can be realised within 12 months after the reporting date, referred to in Stage 1; or

12-month ECL, i.e. lifetime ECL that result from those possible default events over the age of the financial instrument, referred to in Stage 2 and Stage 3.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL are measured at an amount equal to the 12-month ECL.

ECL are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive, which arise from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

2-22 Fair value

The closing prices (purchase of assets / sale of liabilities) at the consolidated statement of financial position date in active markets represent the fair value of the financial instruments and derivatives that have market prices. In the absence of quoted prices or the absence of active trading of certain financial instruments, derivatives or market inactivity, their fair value is estimated in a number of ways, including:

Comparing the fair value with the current market value of a substantially similar financial instrument.
Analysing future cash flows and discounting expected cash flows at a rate used in an similar financial instrument.

Long-term financial assets and liabilities that are not interest-bearing are assessed under the cash flow discount and at the effective interest rate. The discount / premium is amortised in the interest income received / paid in the statement of income.

The assessment methods aim to obtain a fair value that reflects market expectations and takes into account market factors and any anticipated risks or rewards when estimating the value of financial instruments. Where there are financial instruments that cannot be reliably measured, they are stated at cost less any impairment.

2-23 Financial instruments by category

	2019	2018
	JD	JD
Assets as per the statement of financial position		
Loans and Receivables		
Financial assets at amortised cost	45,728,170	42,689,465
Financial assets at fair value through other comprehensive income	211,775	202,496
Other receivables	161,781	254,837
Cash on hand and at banks	445,070	504,291
	46,546,796	43,651,089
Liabilities as per the statement of financial position		
Financial liabilities at amortised cost		
Bank overdrafts	4,592,375	1,878,338
Borrowings	13,082,216	14,731,185
Corporate bonds	3,000,000	3,000,000
Other liabilities	833,721	624,395
Other provisions	291,104	37,548
	21,799,416	20,271,466

(3) Financial risk management

3-1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the risks of fluctuation in the market (which includes currency translation risk and cash flow and fair value interest rate risk), liquidity risk and credit risk. The Company's overall risk management programme focuses on minimising potential adverse effects on the Company's financial performance.

The Group's management is fully responsible for the preparation and control of risk management.

The Group's risk management policies are designed to identify and analyse risks faced by the Group, and to establish appropriate controls and limits on exposure to those risks and then monitor them to ensure that the limits are not exceeded.

Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Group's management aims, through training, standards and procedures set by the administration, to develop a constructive and structured control environment so that each employee understands his role and the duties assigned to him.

The Group's Audit Committee monitors the management's performance by monitoring compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks facing the Group. The Internal Audit Department performs regular and dedicated audits of risk management procedures and controls so that the results are reported to the Audit Committee.

(a) Market risk

Market risk is the risk that arises from changes in market prices such as foreign exchange rates, Murabaha rates and equity instruments that affect the Group's profits or the value of its financial instruments.

The objective of market risk management is to control the Group's exposure to market risk within acceptable limits in addition to maximising returns.

- Foreign exchange risk

All the Group's transactions are conducted in Jordanian Dinars due to that the Group is not exposed to foreign exchange risk.

- Cash flow and fair value interest rate risk.

The cash flow interest rate risks arise from loans at variable rates, while fair value interest rate risks arise from loans at fixed interest rates. All of the Group's borrowings bear fixed and variable interest rate every six months (note 13).

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its commitments.

The Group manages liquidity risk through the availability of the necessary cash from borrowing and credit facilities. The Group also monitors cash flows of due instalments from customers.

The table below analyses the financial liabilities of the Company (that are not discounted) to certain categories as at the statement of financial position date based on the maturity date of the remaining periods.

	Less than one year	Over one year
	JD	JD
As at 31 December 2019		
Bank overdrafts	4,902,360	-
Borrowings	7,209,518	6,755,748
Corporate bonds	3,052,500	-
Other liabilities	833,721	-
Other Provisions	291,104	-
As at 31 December 2018		
Bank overdrafts	2,020,433	-
Borrowings	8,131,932	7,630,437
Corporate bonds	3,019,125	-
Other liabilities	624,395	-
Other Provisions	37,548	-

(c) Credit risk

Credit risk represents the risk that the Group will incur a financial loss as a result of a failure of the customer or the party dealing with the Group in a financial instrument to meet its contractual obligations. These risks arise mainly from instalment receivables.

The Group does not have significant concentration of credit risk. Financial assets that are exposed to credit risk are limited to finance lease contracts and cash with banks.

Loans and finance leases are granted after assessing the solvency of clients. The credit status of customers is also constantly evaluated.

The Group only deals with financial institutions with high credit solvency.

3-2 Capital risk management

The Group monitors capital by monitoring the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, including borrowings and and due to banks, less cash on hand and with banks as shown in the statement of financial position. Total capital is calculated as equity plus net debt as shown in the statement of financial position.

Gearing ratio was as follows:

	December 31 2019	December 31 2018
	JD	JD
Total borrowings	20,674,591	19,609,523
Less: Cash on hand and at banks	(445,070)	(504,291)
Net debt	20,229,521	19,105,232
Net Equity	30,246,811	27,271,217
Total capital	50,476,332	46,376,449
Gearing ratio	40%	41%

3-3 Fair value

The carrying value of investment in lease contracts approximates their fair value.

(4) Critical accounting estimates and judgements

The preparation of the consolidated financial statements and the application of accounting policies require the Group's management to make estimates and judgements that affect the amounts of assets and liabilities and the reserve of financial assets valuation -net, as well as the disclosure of contingent liabilities. These estimates and judgments affect the revenues, expenses and provisions, as well as the changes in fair value that appears in the statement of comprehensive income. It specifically requires the Group's management to issue critical judgements and assumptions to estimate the amounts of future cash flows and their timing. Such estimates are necessarily based on assumptions and several factors involving varying degrees of judgment and uncertainty. Therefore, actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

(a) Cases provision

A provision is made for cases filed against the Group based on a legal study prepared by the Group's consultants, under which future potential risks are identified. These studies are reviewed periodically.

(b) Provision for expected credit loss of financial assets at amortised cost

A provision is made for the financial assets at amortised cost depending on bases and assumptions approved by the Group's management to estimate the provision to be made under the IFRS (9).

(c) Provision for impairment of property investments and assets acquired against outstanding debts

Impairment of seized properties is recognised based on recent property valuation approved by credited valuators for the purposes of calculating the impairment. The impairment is reviewed periodically.

(d) Impairment of financial assets

Management periodically reviews the financial assets to estimate any impairment. This impairment is recognised in the statement of income for the year. The management estimates impairment in fair value when market prices reach a certain level that is considered an indicator of impairment loss and in such a manner that is not contradictory with the instructions of the regulatory authorities and IFRSs.

Management believes that the estimates adopted in the preparation of the consolidated financial statements are appropriate and reasonable.

(5) Cash on hand and at banks

	2019	2018
	JD	JD
Cash on hand	206,109	148,363
Current accounts at banks	238,961	355,928
	445,070	504,291

(6) Financial assets at fair value through other comprehensive income

	2019	2018
	JD	JD
Outside the Kingdom		
Shares of unlisted companies	211,775	202,496

This item represents investment in Al Soor Financing and Leasing Company (Limited Liability - Kuwait) with a number of shares of 500,000 shares, at a 0.1% shareholding, as the cash dividends received on the financial assets above amounted to JD 6.917 during the year ended 31 December 2019 compared to JD zero for the year ended 31 December 2018.

(7) Financial assets at amortised cost

	2019	2018
	JD	JD
(Instalment receivables (A	40,862,396	35,086,480
(Finance lease contracts receivable (B	4,784,696	7,430,312
Loans granted to customers - credit cards	81,078	172,673
	45,728,170	42,689,465

(a) Instalments receivables

Instalments receivables comprise due from the Company's customers from commercial and Murabaha financing transactions for vehicles and real estate. These instalments include the principal amount of financing in addition to the amounts of the income earned on such financing. The balances of instalment receivables are as follows:

	2019	2018
	JD	JD
Due within less than one year	19,205,286	22,593,474
Due within more than one year and less than five years	28,288,530	23,729,731
Due within more than five years	8,207,574	163,586
	55,701,390	46,486,791
Provision for ECL in facilities contracts	(5,028,093)	(4,718,911)
Revenue from unearned facilities contracts	(8,596,022)	(5,674,225)
Outstanding revenues from instalments payable	(1,214,879)	(1,007,175)
Net investment in instalment receivables	40,862,396	35,086,480

The sectorial distribution of instalment receivables is as follows:

	2019	2018
	JD	JD
Properties	2,860,710	3,714,353
Companies	27,056,162	30,007,579
Loans and bills	25,784,518	12,764,859
Total instalment receivables	55,701,390	46,486,791
Provision for ECL in facilities contracts	(5,028,093)	(4,718,911)
Revenue from unearned facilities contracts	(8,596,022)	(5,674,225)
Outstanding revenues from instalments payable	(1,214,879)	(1,007,175)
Net investment in instalment receivables	40,862,396	35,086,480

The following is a summary of the movement on the provisions for ECL of overdue and late instalment receivables during the year:

	2019	2018
	JD	JD
Balance at 1 November	4,718,911	4,336,871
The impact of adopting IFRS (9)	-	988,172
Added (released) during the year	328,841	(116,616)
Debts written-off during the year*	(19,659)	(489,516)
Balance at 31 December	5,028,093	4,718,911

The aging table of the instalment receivables is as follows:

	2019		2018	
	Due and past due instalment receivables	Total debt balance	Due and past due instalment receivables	Total debt balance
	JD	JD	JD	JD
Not accrued installments receivable	-	36,962,243	-	26,689,644
1-3 months	227,785	3,440,452	415,906	7,186,587
4-6 months	118,047	571,928	308,788	1,505,821
7-9 months	273,491	815,367	187,491	621,976
10-12 months	235,863	474,750	157,136	412,413
More than 12 months	3,143,277	4,840,661	2,876,191	4,396,126
	3,998,463	47,105,401	3,945,512	40,812,567

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

	31 December 2019		31 December 2018	
	Total debt balance	Due and past due instalment receivables	Total debt balance	Due and past due instalment receivables
	JD	JD	JD	JD
Customers balances – Legal cases	8,821,993	5,160,792	7,741,207	3,402,436

Based on the Company's Board of Directors 'decision, an amount of JD 19,659 was written off during the year ended 31 December 2019 (2018: JD 489,516) from the debt provision and JD 99,583 was written off from pending revenue compared to JD 98.992 as at 31 December 2018.

Details of the provisions for ECL:

	2019	2018
	JD	JD
Stage 1	713,736	644,404
Stage 2	267,410	379,941
Stage 3	4,046,947	3,694,566
	5,028,093	4,718,911

(b) Finance lease contracts receivables

The Group grants real estate finance to its customers through closed end leasing contract, with average terms of 5 years.

	2019	2018
	JD	JD
Properties	3,729,162	5,377,381
Companies	52,668	84,655
Borrowings	2,040,881	3,606,642
Total investment in finance leases	5,822,711	9,068,678
Provision for ECL of finance leases receivables	(283,747)	(362,963)
Unearned revenue on finance leases	(652,386)	(1,192,000)
Outstanding revenues from instalments payable	(101,882)	(83,403)
Net investment in finance leases	4,784,696	7,430,312

The following table shows the maturities of the finance lease receivables, net before deduction of deferred finance income during the year:

	2019	2018
	JD	JD
Due within less than one year	3,563,417	4,796,366
Due within more than one year and less than five years	2,125,390	4,041,050
Due within more than five years	133,904	231,262
	5,822,711	9,068,678
Provision for ECL of finance leases receivables	(283,747)	(362,963)
Unearned revenue on finance leases	(652,386)	(1,192,000)
Outstanding revenues from instalments payable	(101,882)	(83,403)
Net investment in finance leases	4,784,696	7,430,312

Below is the summary of the movement on provision for ECL of finance leases receivable during the year:

	2019	2018
	JD	JD
Balance at the beginning of the year	362,963	228,259
(The impact of adopting IFRS (9	-	43,059
Released) added during the year)	(79,216)	91,645
Balance at the end of the year	283,747	362,963

Details of the provision for ECL of finance leases receivables:

	2019	2018
	JD	JD
Stage 1	45,722	66,057
Stage 2	12,985	33,212
Stage 3	225,040	263,694
	283,747	362,963

The table below shows the ageing of finance lease receivables:

	31 December 2019		31 December 2018	
	Due and past due instalment receivables	Total debt balance	Due and past due instalment receivables	Total debt balance
	JD	JD	JD	JD
Finance lease receivables, not past due	-	3,989,556	-	5,873,580
1-3 months	32,245	603,336	44,902	1,190,535
4-6 months	11,284	68,266	25,799	215,452
7-9 months	24,208	126,880	5,705	28,782
10-12 months	29,234	90,332	8,364	38,102
More than 12 months	166,234	291,955	138,290	530,227
	263,205	5,170,325	223,060	7,876,678

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

	31 December 2019		31 December 2018	
	Total debt balancee	Due and past due instalment receivable	Total debt balance	Due and past due instalment receivable
	JD	JD	JD	JD
Customers balances – Legal cases	803,447	243,673	832,862	164,586

** Part of the guarantees of instalments and financing leases receivables amounting to JD 7,888,753 (bills) as at 31 December 2019 compared to JD 7,655,029 (bills) for the year 2018 is deposited as collateral against the loan and credit bank balances granted to the Company.

Movement on the provision for ECL is as follows:

	Small and medium enterprises	Retail	Real estate loans	Total
	JD	JD	JD	JD
December 2019 31				
Balance at beginning of the year	829,732	3,755,269	496,873	5,081,874
Impairment loss on new balances during the year	1,294,494	578,490	62,369	1,935,353
Paid during the year	(354,722)	(1,119,826)	(211,181)	(1,685,729)
Transferred to stage 1	(78,775)	12,672	(6,156)	(72,259)
Transferred to stage 2	6,941	16,396	(3,177)	20,160
Transferred to stage 3	71,835	(29,069)	9,334	52,100
Bad debts	(772)	(16,476)	(2,411)	(19,659)
Total balance as at the end of the year	1,768,733	3,197,456	345,651	5,311,840

December 2018 31				
Balance at beginning of the year	751,330	3,243,712	570,088	4,565,130
Impairment loss on new balances during the year	715,599	1,857,364	185,138	2,758,101
Paid during the year	(257,248)	(1,336,952)	(157,641)	(1,751,841)
Transferred to stage 1	(7,918)	(23,584)	(1,314)	(32,816)
Transferred to stage 2	2,202	21,561	(119)	23,644
Transferred to stage 3	5,716	2,023	1,433	9,172
Bad debts	(379,949)	(8,855)	(100,712)	(489,516)
Total balance as at the end of the year	829,732	3,755,269	496,873	5,081,874

(8) Investment properties -net

	2019	2018
	JD	JD
* Buildings on lands	585,000	585,000
Accumulated depreciation	(163,800)	(140,400)
	421,200	444,600

* This item represents the allocation of 24 housing units in Al Majd Residential City Project for the benefit of the Group based on the agreement concluded with the developer, Tameer International Real Estate Company, bearing in mind that the Group acquired the apartments and issued registration bonds in its name. The fair value of the properties investments reached by an accredited valuer amounted to JD 593,465, according to the latest real estate valuation available with the Group on 31 March 2018.

(9) Property and equipment

	Furniture and fixtures	Office devices, tools and computer	Decorations	Motor vehicles	Projects under construction	Total
	JD	JD	JD	JD	JD	JD
2019						
Cost						
January 2019 1	111,106	237,952	324,829	84,500	63,293	821,680
Additions	596	55,525	12,559	-	15,880	84,560
Transfers	-	79,173	-	-	(79,173)	-
Disposals	(915)	(4,995)	-	-	-	(5,910)
December 2019 31	110,787	367,655	337,388	84,500	-	900,330
Accumulated depreciation						
January 2019 1	83,493	188,102	203,110	59,285	-	533,990
Depreciation expense	10,867	39,147	43,838	11,937	-	105,789
Related to disposals	(908)	(4,988)	-	-	-	(5,896)
December 2019 31	93,452	222,261	246,948	71,222	-	633,883
Net book value as at 31 December 2019	17,335	145,394	90,440	13,278	-	266,447

* Property and equipment include an amount of JD 620,028 as at 31 December 2019, which is the value of fully consumed assets, compared to an amount of JD 611,487 as at 31 December 2018.

	Furniture and fixtures	Office devices, tools and computer	Decorations	Motor vehicles	Projects under construction	Total
	JD	JD	JD	JD	JD	JD
2018						
Cost						
January 2018 1	98,970	208,021	308,476	84,500	2,637	702,604
Additions	14,541	42,431	88,276	-	47,009	192,257
Transfers	-	-	2,637	-	13,647	16,284
Disposals	(2,405)	(12,500)	(74,560)	-	-	(89,465)
December 2018 31	111,106	237,952	324,829	84,500	63,293	821,680
Accumulated depreciation						
January 2018 1	74,049	177,485	233,881	46,610	-	532,025
Depreciation expense	11,846	22,037	41,830	12,675	-	88,388
Related to disposals	(2,402)	(11,420)	(72,601)	-	-	(86,423)
December 2018 31	83,493	188,102	203,110	59,285	-	533,990
Net book value as at 31 December 2018	27,613	49,850	121,719	25,215	63,293	287,690

(10) Intangible assets

The movement on intangible assets (software and website) during the year is as follows:

	Software and website	Project under construction	Total
	JD	JD	JD
2019			
Cost			
Balance at 1 January 2019	303,219	20,624	323,843
Additions	25,073	4,538	29,611
Transfers	20,623	(20,623)	-
Balance at 31 December 2019	348,915	4,539	353,454
Accumulated amortisation			
Balance at 1 January 2019	255,845	-	255,845
Amortisation for the year	23,101	-	23,101
Balance at 31 December 2019	278,946	-	278,946
Net book value 2019	69,969	4,539	74,508
2018			
Cost			
Balance at 1 January 2018	280,988	49,174	330,162
Additions	4,531	11,814	16,345
Disposals	-	(22,664)	(22,664)
Transfers	17,700	(17,700)	-

Balance at 31 December 2018	303,219	20,624	323,843
Accumulated amortisation			
Balance at 1 January 2018	236,894	-	236,894
Amortisation for the year	18,951	-	18,951
Balance at 31 December 2018	255,845	-	255,845
Net book value 2018	47,374	20,624	67,998

(11) Bank overdrafts

Facilities granted to the Company in the form of a current debit account are guaranteed by endorsement of a bills at 120% bills of the current debit account ceiling or against a letter of acceptance. The interest rate in 2019 ranged between 6.5% - 7% (2018: 7% - 8%). The main objective of these facilities is to finance the Company's activity. All of these facilities are due within a year.

(12) Borrowings

	2019	2018
	JD	JD
Loans payable within one year	6,753,646	7,599,935
Loans payable within more than one year	6,328,570	7,131,250
	13,082,216	14,731,185

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

Type of facilities	Maturity date	Facilities limit	Balance 2019	Balance 2018
		JD	JD	JD
Revolving loan	October 2022	4,000,000	3,302,467	2,655,247
Revolving loan	November 2021	4,000,000	1,445,520	1,764,528
Revolving loan	September 2023	3,000,000	1,529,270	871,157
Revolving loan	September 2020	1,000,000	-	369,181
Revolving loan	November 2020	1,500,000	-	2,029,494
Revolving loan	December 2021	1,000,000	353,084	705,842
Revolving loan	November 2022	2,000,000	1,292,953	1,555,298
Revolving loan	October 2023	2,000,000	1,915,302	1,944,438
Revolving loan	November 2022	1,000,000	974,820	-
Loan	October 2021	2,268,800	2,268,800	2,836,000
			13,082,216	14,731,185

All these loans are denominated in Jordanian Dinars and they are granted by guarantee of bills of 120% to 130% of the balance of the loans used or letters of acceptance.

The interest rate on the above loans ranges from 6.5% to 7% as at 31 December 2019 (2018: 6.5% - 8%).
The Company obtained a loan amounting to JD 2,836,000 from (Sanad Fund for MSMEs) on 27 August 2018 at an adjustable rate of 6.6% interest and interest is due every six months as of 5 October 2018, and this loan is payable in semi-annual instalments. The first instalment is due on 5 October 2019 and the last instalment on 5 October 2021.

(13) Corporate bonds

	2019	2018
	JD	JD
Corporate bonds payable within one year	3,000,000	3,000,000
	3,000,000	3,000,000

During the year 2019, the Company issued bonds amounting to JD 3,000,000, with a nominal value of JD 50,000 per bond, which is not transferable for a period of one year. The interest rate on bonds reached 7%, and interest is due every six months on 1 October 2019 and 28 March 2020. Corporate bonds are due to be repaid on 29 March 2020.

During the year 2018, the Company issued corporate bonds in the amount of JD 3,000,000, with a nominal value of JD 50,000 per bond, which is not transferable for a period of one year, and the interest rate on bonds reached 6.75%, and interest is due every six months on 7 August 2018 and 2 February 2019. Corporate bonds were repaid on 3 February 2019.

(14) Other liabilities

	2019	2018
	JD	JD
Interest payable	134,866	127,359
Account payable	481,573	246,084
Dividends unpaid	76,898	81,524
Due and unpaid expenses	91,319	95,478
Other	49,065	73,950
	833,721	624,395

(15) Other provisions

	2019	2018
	JD	JD
Provision for lawsuits	220,000	-
Leave provision	27,104	37,548
Other Provisions	44,000	-
	291,104	37,548

(16) Income tax

Movements on temporary timing differences arising from the items not subject to tax deduction are as follows:

	Balance at January 1	Additions	Released amounts	Balance at Decem- 31 ber 2019	Deferred tax assets as at December 31 2019
	JD	JD	JD	JD	JD
Items included as at December 2019					
Provision for ECL of instalments receivables	5,081,874	1,895,849	(1,665,884)	5,311,839	1,487,317
Outstanding revenues	1,090,578	635,676	(409,492)	1,316,762	368,693
Due leave provision	37,549	12,675	(23,120)	27,104	7,589
Provision for employee bonuses	11,843	-	(9,431)	2,412	675
Other contingent provisions	15,000	2,375	(6,463)	10,912	3,055
Provision for lawsuits	-	220,000	-	220,000	61,600
Provision for customers' life insurance	-	44,000	-	44,000	12,320
Interests on obligations against operating leases	-	28,086	-	28,086	7,864
	6,236,844	2,838,661	(2,114,390)	6,961,115	1,949,113

	Balance at 1 January	Impact of adopting (IFRS (9	Additions	Released amounts	Balance at 31 December 2018	Tax assets deferred as at 31 December 2018
	JD	JD	JD	JD	JD	JD
Items included as at December 2018						
Provision for ECL of instalments receivables	4,565,130	1,031,231	1,525,002	(2,039,489)	5,081,874	1,422,925
Outstanding revenues	723,415	-	661,460	(297,297)	1,090,578	305,361
Provision for lawsuits	29,500	-	-	(29,500)	-	-
Due leave provision	-	-	40,464	(2,915)	37,549	10,513
Provision for employee bonuses	-	-	11,843	-	11,843	3,316
Other contingent provisions	-	-	15,000	-	15,000	4,200
	5,318,045	1,031,231	2,253,769	(2,369,201)	6,236,844	1,746,315

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

	2019	2018
	JD	JD
Balance at 1 January	1,746,315	1,276,330
Impact of adopting IFRS 9	-	247,495
Additions during the year	794,826	885,026
Released during the year	(592,028)	(662,536)
Balance at 31 December	1,949,113	1,746,315

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

	2019	2018
	JD	JD
Balance at 1 January	784,539	864,480
Income tax paid	(970,449)	(1,068,716)
Tax payable on the year's profit	1,385,744	937,985
Tax payable in respect of previous years	288	50,790
Balance at 31 December	1,200,122	784,539

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

	2019	2018
	JD	JD
Tax payable on the year's profit	1,385,744	937,985
Prior years income tax	288	50,790
Effect of deferred tax differences	(202,798)	(222,490)
	1,183,234	766,285

* The deferred tax was calculated as at 31 December 2019 at 28% (2018: 28%) according to the new Income Tax Law for the year 2018, which came into effect as of 1 January 2019. Under this law, the legal tax rate on the Company has become 28% instead of 24%.

Accounting profit settlement against tax profit is summarised as follows:

	2019	2018
	JD	JD
Accounting profit	4,149,549	3,874,257
Non-taxable profits	(6,917)	(580,655)
Non-acceptable expenses in terms of tax	802,993	614,670
Tax profit	4,945,625	3,908,272
Tax due on the profit for the year except for dividends from financial assets at fair value through other comprehensive in- come (Shares outside Jordan)	1,384,775	937,985
Tax due on dividends of financial assets at fair value through other comprehensive income (shares outside Jordan) at 14%	969	-
Tax due from profits for the year	1,385,744	937,985
Actual tax rate	33%	24%
Percentage of income tax	28%	24%
Deferred tax rate	28%	28%

Tax Status of Jordan Trade Facilities Company (the parent):

- A final clearance was made with the Income Tax Department until the end of 2014.

- The company filed the self-assessment return for the years 2015 and 2016 within the legal period. The Income and Sales Tax Department did not inspect the Company's records until the preparation date of these consolidated financial statements.

- The company filed the self-assessment return for the years 2017 and 2018 and were accepted by the Income and Sales Tax Department under the samples system without modification.

- The Company submitted the general sales tax returns on time and up to date. The Income and Sales Tax Department inspected the submitted returns for the years 2009 through 2013.

- The subsidiary (Trade Facilities for Finance Leasing) provided the self-assessment statements until the end of 2018 and were accepted by the Income and Sales Tax Department under the samples system without modification.

- The subsidiary (Trade Facilities for Financial Leasing) submitted the general sales tax returns on time and up to date. The Income and Sales Tax Department has inspected the submitted returns until 2013.

- In the opinion of Company and tax advisor, Jordan Trade Facilities Company and its subsidiary will not have any tax liabilities above the provision made until 31 December 2019.

(17) Statutory reserve

This reserve represents the amounts transferred of the annual profits before tax at 10% 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.

(18) Other Operating Income

	2019	2018
	JD	JD
Collection fees, delay fines, return checks and others	520,266	467,406
Fees of opening files	276,136	145,173
Instalment postponement fees	304,501	325,886
Credit cards revenues	76,759	94,054
	1,177,662	1,032,519

(19) Salaries, wages and employees' benefits

	2019	2018
	JD	JD
Salaries and wages	937,265	965,633
Company's share in social security	115,560	118,335
Bonuses and incentives	182,173	161,109
Health insurance	100,989	96,848
Miscellaneous	6,280	12,967
	1,342,267	1,354,892

(20) Administrative expenses

	2019	2018
	JD	JD
Sales tax	78,132	90,553
Professional fee	56,824	57,830
Maintenance	52,404	54,427
Telecommunication and post expenses	41,480	43,103
Commercial commissions	40,596	17,677
Fees and subscriptions	33,125	30,081
Leases	11,414	193,941
Depreciation on investment properties	23,400	23,400
Advertisement	22,231	39,075
Water and electricity	14,939	28,814
Hospitality	13,067	11,462
Stationary and printing	24,959	13,417
Cases fees	7,186	42,269
Traveling and transportation	6,623	2,565
General assembly meetings expenses	5,091	6,679
Board of Directors transportation fees and remunerations	-	63,333
Miscellaneous	127,709	127,264
	559,180	845,890

(21) Finance expenses

	2019	2018
	JD	JD
Finance expenses of borrowing facilities	1,311,075	1,593,328
Interest expense of liabilities against operating leases	66,016	-
	1,377,091	1,593,328

(22) Related party transactions and balances

22-1 The consolidated statement of financial position

	Parent company	Subsidiaries	Directors and key executive management	Employees, relatives, board members and their relatives	31 December 2019	31 December 2018
	JD	JD	JD	JD	JD	JD
Financial assets at amortised cost	-	-	-	95,442	95,442	26,834
Borrowings	2,813,812	-	-	-	2,813,812	1,944,437
Amounts due from related party	-	186,291	-	-	186,291	1,412,105
Current accounts	126,970	-	-	-	126,970	316,485

22-2 The consolidated statement of comprehensive income

	Related party					
	Parent company	Subsidiaries	Directors and key executive management	Employees, relatives, board members and their relatives	2019	2018
	JD	JD	JD	JD	JD	JD
Instalments revenue	-	-	-	13,306	13,306	65,646
Expenses of financing borrowings	148,665	-	-	-	148,665	152,310

The balance of guarantees with the parent company as at 31 December 2019 is JD 31,300 (2018: JD 30,000).

Balances and transactions with subsidiary are excluded in these consolidated financial statements and are shown for reference only.

22-3 Executive management salaries and remuneration

Salaries and remuneration of the executive management of the Company amounted to JD 396,092 for the year ended 31 December 2019 against an amount of JD 400,544 for the year ended 31 December 2018.

(23) Basic and diluted earnings per share from profit of the year attributable to the Company's shareholders

	2019	2018
	JD	JD
Profit for the year attributable to the Company's shareholders ((JD	2,966,315	3,107,972
(Weighted average number of outstanding shares (share	16,500,000	16,500,000
	0,180	0,188

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

(24) Depreciations and amortisations

	2019	2018
	JD	JD
Depreciation of property and equipment (Note 9)	105,789	88,388
Amortisation of intangible assets (Note 10)	23,101	18,951
Amortisation expense of the right of use of leased assets (Note 28)	149,921	-
	278,811	107,339

(25) Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) of assets or liabilities in active markets, most of the financial assets at fair value through the statement of comprehensive income are listed in Amman Stock Exchange.

Level 2: quoted prices of similar financial assets and liabilities in active markets, or other price valuation techniques whose significant inputs are based on market data.

Level 3: Pricing methods where not all significant inputs are based on observable market data. The Company has used its carrying amount, which is the best available instrument for measuring the fair value of such investments.

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
31 December 2019				
Financial assets at fair value through the statement of comprehensive income	-	-	211,775	211,775
	-	-	211,775	211,775
31 December 2018				
Financial assets at fair value through the statement of comprehensive income	-	-	202,496	202,496
	-	-	202,496	202,496

(26) Contingent liabilities

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

	2019	2018
	JD	JD
Bank letters of guarantee	251,800	270,000

Secured by cash deposits represented as follows:

	2019	2018
Cash deposits	8,000	9,350

(27) Lawsuits against the Company its subsidiary

The value of cases filed against the Company amounted to JD 201,635 as at 31 December 2019 compared to JD 258,494 as at 31 December 2018, while the balance of provisions to address these cases was JD 220,000 as at 31 December 2019 compared to JD Zero as at December 2018. In the opinion of the Company's management and the legal advisor, the Company will not have any additional obligations for these cases.

The value of cases filed against the subsidiary Trade Facilities for Financial Leasing Company amounted to JD 21,796 as at 31 December 2019 compared to JD 22,046 as at 31 December 2018. In the opinion of the Company's management and the legal advisor, the Company will not have any additional obligations for these cases.

(28) Right of use of leased assets/ liabilities against operating leases

The Group has liabilities of leases in nine contracts (the Company's branches in Jordan and the subsidiary).

Right of use of leased assets	Cost	Depreciation	Net book value
	JD	JD	JD
Management	364,896	54,408	310,488
Management -energy project	34,925	1,838	33,087
Shmeisani branch	196,482	29,297	167,185
Al-Madinah branch	47,136	15,979	31,157
Dabouq branch	147,370	16,180	131,190
Al-Wahdat branch	66,187	9,455	56,732
Erbid branch	96,047	10,672	85,375
Aqaba Branch	39,579	8,091	31,488
Finance Leasing Facilities Office	26,925	4,001	22,924
	1,019,547	149,921	869,626

Liabilities of leased assets contracts	Balance as at 1 January 2019	Additions	Interest rate	Lease payments	Balance as at 31 December 2019	Short-term obligation	Long-term obligation
	JD	JD	JD	JD	JD	JD	JD
Management	290,960	-	23,123	(65,910)	248,173	65,910	182,263
Management -energy project	34,925	-	2,420	(3,300)	34,045	3,300	30,745
Shmeisani branch	211,272	-	12,451	(35,490)	188,233	35,490	152,743
Al-Madinah branch	42,826	-	3,985	(18,258)	28,553	18,285	10,268
Dabouq branch	145,622	-	9,721	(21,000)	134,343	21,000	113,343
Al-Wahdat branch	66,187	-	4,170	(12,240)	58,117	12,240	45,877
Erbid branch	96,048	-	6,346	(13,500)	88,894	13,500	75,394
Aqaba Branch	35,677	-	2,103	(9,318)	28,462	9,318	19,144
Finance Leasing Facilities Office	24,010	-	1,697	(5,000)	20,707	5,000	15,707
	947,527	-	66,016	(184,016)	829,527	184,043	645,484

(29) Comparative Figures

Some comparative figures of the year ended 31 December 2018 have been reclassified to conform with the presentation of the consolidated financial statements for the year ended 31 December 2019.