



AL TAS-HEELAT
التسهيلات

Annual Report No. 36
2016

Annual Report 2016



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. Nabil George Safadi / Vice-Chairman
Representative of Tamkeen Leasing Com.

Mr. Awni Mahmoud A'mar / Member
Representative of Tamkeen Leasing Com.

Mr. Tareq Mohammad Sakejha / Member
Representative of Tamkeen Leasing Com.

Mr. Mohannad Zuhair Boka / Member
Representative of Tamkeen Leasing Com.

Miss. Mais Adnan Alshalabi / Member
Representative of Invest Bank

Dr. Mahmoud Abedalhaleem Al Khalaileh / Member
Representative of University of Jordan Investment Fund

Mr. Eyad Mohammad Jarrar
General Manager

Auditor
Deloitte & Touché from 20/4/2016 till 9/10/2016
Pricewaterhouse Coopers-Jordan (PWC) from 9/10/2016

Legal Consultant
Osama Sukari Legal Consultant

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 36TH General Assembly and to share the annual report about the Company's activities and achievements for the year 2016.

Being the first lending company of its type in Jordan, JOTF was founded in 1983 and, due to the continuous achievements of its objectives and your support; it remained to be a pioneering entity in the consumer lending field.

For the year 2016 JOTF has achieved an operating profit of JOD 3,061,064, compared to JOD 2,968,805 in 2015 which resulted in a net profit of JOD 2,120,158.

Total assets reached JOD 41,051,880 in 2016 compared to JOD 39,312,625 in 2015 with a growth of 4,4% . These positive results have increased the net shareholders equity to JOD 21,862,005 from JOD 21,391.847 in 2015, which reflects the ambitious vision of the management and the correct strategies adopted to deliver positive results.

Dear Respected Shareholders,

It is worth mentioning that a strategic investor – Tamkeen Leasing Company a subsidiary of Invest Bank- has acquired 93.3% of the company's shares and thus JOTF has become a subsidiary of Invest Bank which will reflect positively on the company and the shareholders.

We assure you that JOTF's management follow and apply all advanced measures and techniques on the human capital, technology, compliance and service levels to ensure and sustain higher productivity and efficiency to attract and retain customers which will yield to a continuous growth, financial solidarity and higher returns for shareholders.

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:

- Review of the minutes of the previous regular general assembly's meeting.
- Discuss and endorse the Report by the Board of the Directors for fiscal year 2016 and the Company's action plan.
- Listen to the independent external auditor report of the Company for fiscal year 2016.
- Discuss and endorse the balance sheet, profit and loss statement, distribution statement for the fiscal year ending 31/12/2016
- Deem the Chairman and board members as discharged of duties of trust and any liabilities whatsoever and howsoever arising for the year 2016.
- Elect an independent external auditor for the fiscal year 2017.
- 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



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

JOTF operates through its branches, which are distributed throughout the Kingdom with total number of 80 employees distributed according to the following:

Geographical Location	Address	Tel	No. of Employees
Head Office	Abdel Hameed Sharaf St, Bldg 52 Al Shemeisani	06-5671720	44
Main Branch	Abdel Hameed Sharaf St, Bldg 52 Al Shemeisani	06-5671720	6
Outdoor Sales	Abdullah Bin Masood St, Bldg 53 Al Shemeisani	06-5655510	9
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
Al Zarqa Branch	Amman – Al Zarqa Road	05-3968880	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			80

C. Total shareholders' Equity

The Company has a total equity of JD 21,862,005, of which JD 16,500,000 represent the paid-up capital, JD 2,502,702 represent the statutory reserve , JD 285,000 a reserve general banking risks, JD 2,652,955 represent the retained earnings, and JD (78,652) represent the fair value 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 one Million Jordanian Dinars . The capital was increased to JOD 2 Million in 2013 .This company is wholly-owned by JOTF, and its main business activities are leasing commodities such as equipment and fixed assets. 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. * Board of Director of Development & Employment Fund. * Member of Project Financing Committee / the Employment, Technical and Vocational Education Training Fund (E-TVET Fund). * Honorary Chairman/ Inter-Arab Cambist Association (Arab Foreign Exchange Dealers).		

Mr.Nabil George Safadi / Vice-Chairman– Representative of Tamkeen Leasing Com.

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	22/8/1955	Jordanian	B.A, Business Administration,1977
Experience	2015/9 Invest bank / Consultant till now. 2014/9 Invest bank / Chief Operations officer 2014/8 – 2011/11 Invest bank / AGM , Remedial, Collections and Legal 2009/6 Arab Bank / Jordan - Global Head of Collections ,Gulf, Levant and North Africa 2008/11 Arab Bank / UAE - Global Head of Collections, Gulf , Levant and North Africa 1977-2008 Standard Chartered Bank / Jordan - Head of Credit and Collections / Acting Head of Consumer Banking.		

Mr. Awni Mahmoud Diab A'mar/ Member – Representative of Invest Bank up to22/9/2016 and Representative of Tamkeen Leasing Com. Since 22/9/2016

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	1/2/1972	Jordanian	Master Degree in banking and financial studies, 1996 . B.A , economy and statistics 1994 .
Experience	1997 – Present : Investment Bank Executive Manager – Subsidiary Credit Review .		

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 Bank 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		

Mr. Muhannad Zuhair Boka/ Member – 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		



Miss. Mais Adnan Alshalabi / Member – Representative of Invest Bank

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	1/1/1975	Jordanian	B.A ,. Accounting 1996 & CMA
Experience	Since Sep 2013 CFO/ INVESTBANK 2012 – 2013 : Executive Manager / Head of Managerial Accounting Department/ INVESTBANK 2007 -2011 : Head of Financial Control Department/ Capital Bank 2002 -2007 : Head of MIS Department/Finance/ Cairo Amman Bank 1996 -2002 : Several positions in Finance /Planning and Procedures Developing Departments/ Cairo Amman Bank Board Member of Al Imdad Company Since 2011 Member of Institute of Management Accountants (IMA)		

Dr. Mahmoud Abedalhaleem Al Khalaileh / Member – Representayive of University of Jordan Investment Fund

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	1/1/1954	Jordanian	Ph.D. Accounting & Finance 1992
Experience	2016 - Present: Vice President of the University of Jordan for investment, development and financing 2014 - 2016: Dean of Scientific Research and advisor to President for Administrative and Financial Affairs / University Blue. 2007-2012: Secretary General of the Court of Audit. 2009-2010 expert at the German Financial Supervisory Agency for Development. 2005- 2007: Deputy Director General for Financial and Administrative Affairs, the University of Jordan Hospital. 1997 - 2001: Director of the Finance Unit - University of Jordan 1994 - 1997: Assistant Dean of the Faculty of Economics and Administrative Sciences at the University of Jordan. In addition to his work an assistant professor in several faculties of the University of Jordan		

Mr. Mohammad Zaki Al-Masri / Chairman –Representative of Global Mena Financial Assets Limited

Member since	Date of Birth	Nationality	Educational Qualification
21/3/2011 upto22/9/2016	9/9/1978	Jordanian	B.A. Accounting , 2001
Experience	2005- Present: AVP – Global Investment House- Kuwait. 2001-2005: Financial Auditor, KPMG - Kuwait.		

Mr. Zakir Hussein Rizvi /Deputy Chairman – Representative of Financial Assets, Bahrain, WLL

Member since	Date of Birth	Nationality	Educational Qualification
19/1/2012 upto22/9/2016	18/09/1976	Pakistani	Master's Degree in Economics,1999, Int'l Financing 2003
Experience	2003 – Present: AVP – Global Investment House- Kuwait.		

Mr. Khaled Talal Alnafisi / Member – Representative of Financial Assets Bahrain, WLL

Member since	Date of Birth	Nationality	Educational Qualification
5/4/2016 upto22/9/2016	1/7/1992	Kuwaiti	B.S. Accounting & Finance
Experience	.Investment Manager – Global Investment House -Kuwait		

Mr. Abdul Hamid Mohamed Mehrez / Member – Representative of Al Oshroon Co,

Member since	Date of Birth	Nationality	Educational Qualification
10/4/2014 upto22/9/2016	3/10/1976	Lebanese	.CFA, 2005 – Master Degree, Finance
Experience	2011 – Present: SVP, Asset Management – Global Investment House - Kuwait. 2010-2011: VP, KIPCO, Asset Management, Kuwait. 2005-2010: FA – Global Investment House – Kuwait. 2003-2005: FA – First Investment Group – Kuwait.		

Mr. / Dirar Ghazi Mohammed / Member – Representative of Financial Assets Mena

Member since	Date of Birth	Nationality	Educational Qualification
5/3/2014 upto22/9/2016	15/2/1981	Canadian	B.A , Business Administration, 2006
Experience	2008 – Present: Manager - Global Investment House, Kuwait. 2007-2008: Rasmaleh Consultant Co. - Kuwait. 2003-2006: FA – Minax Int'l Co. – Kuwait.		



Dr. Mohammad Husein Abu Nassar / Member – Representative of University of Jordan

Member since	Date of Birth	Nationality	Educational Qualification
upto 6/9/2015 22/9/2016	1/8/1961	Jordanian	Ph.D. Accounting 1993
Experience	2012: Director of the FIU funds in the University of Jordan and the President of the Jordan in the Journal of Business Administration at the Ministry of Higher Education. 2009 - 2013: Member of the Audit Committee at the University of wall. 2011: Member of the audit committee of the Journal of Jordan in Business Administration. 2008- 2011: Vice Dean of the College of Graduate Studies, University of Jordan. 2007 - 2008: Professor at the University of Applied Sciences 2002 - 2005: head of the accounting department at the University of Jordan . 2005 - Dr. university lecturer at the University of Jordan. 2000 - 2005: Associate Professor at the University of Jordan. 2000 - 2001: Associate Professor at the Amman Arab University. 1999 - 2001: assistant dean at the University of Jordan. 1993 - 2000: Associate Professor at the University of Jordan. 1988 - 1990: Lecturer at the University of Jordan 1985 - 1987: Teacher assistant scientific research - the University of Jordan.		

EXECUTIVE MANAGEMENT

Mr. Eyad Mohammad Jarrar / GM

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: Administration Manager at Jordan Trade Facilities Company. 1981 - 1983: Military Consumer Establishment/Accountant.		

Mr. Moath 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. Malik Ali Mohammad Al Radaideh/Credit, Collection and Legal Manager

Appointment Date	Date of Birth	Nationality	Educational Qualification
1/11/2016	21/8/1981	Jordanian	BSc ,Major Computer Science ;Minor in Financial and Banking Sciences
Experience	2016 - Present: Credit, collection, and legal Manager at Jordan Trade Facilities Company. 2015 - 2016: Internal Control Manager at Invest Bank. 2014-2015: Credit Administration Manager at Invest Bank. 2011-2014: Collection and Recovery Manager at Invest Bank. 2009-2011: Assistant Manager/Supervisor Credit Delinquency Control at Arab Bank plc – Jordan. 2007-2009: Supervisor Credit Delinquency Control at Arab Bank plc – UAE. 2005-2007: Employee Collection at National Bank of Ras Al Khaimah – UAE.		

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. Nahed Ali Mustafa Ashour/ Operations Manager upto 4/8/2016

Appointment Date	Date of Birth	Nationality	Educational Qualification
17/10/2010 Upto 4/8/2016	28/01/1976	Jordanian	B.A. in Administrative Management - accounting, 1998
Experience	2010 – 4/8/2016: Jordan Trade Facilities Company/ Operation Manager 2000 - 2010: Al-Ahlieh for microfinance development Company/ GM assistant 1999 - 2000: Ali Baba Company for Export & import 1998 - 1999: Sales Employee - Toyota Company – KSA		

Mr. Anton Bandali EliasTannous / Financial Manager Upto 25/4/2016

Appointment Date	Date of Birth	Nationality	Educational Qualification
29/07/2013 Upto 25/4/2016	18/8/1977	Jordanian	(CPA) in 2011 Certified Internal Auditor (CIA) in 2008
Experience	2013 – 25/4/2016: Jordan Trade Facilities Company - Financial Manager. 2012 - 2013: Salbishian Commercial Company - Financial Controller 2008 - 2011: Anham Company - Financial Controller 2007 - 2008: Public Storage Company - Ass. Financial Manager 2007: Amkan Brokerage Company - Finance & Administrative Manager 2006: Tantash Company - Internal Auditor 2004 - 2006: Lower East Company for investment - Head of Accounting 2003 – 2004: VISA Company - Internal Auditor 2000 - 2002: PricewaterhouseCoopers - Senior Assistant Auditor		

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	31/12/2015		31/12/2016	
	Number of Stocks	Share %	Number of Stocks	Share %
Financial Assets Bahrain	6,583,500	39.90%	20,000	% 0.12
Financial Assets Mena	6,583,500	39.90%	10,000	% 0.06
Global Mena Financial Assets Limited	1,232,387	7.46%	10,000	% 0.06
Gembal Holding Company	1,000,998	6.06%	000	0
Tamkeen Leasing Com.	000000	000	15,390,385	% 93.3

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 operates in the local market, and managed to gain a good market share among competitors with various product offerings such as:
 Auto financing, SMEs, Leasing, Mortgage, Murabaha , Credit cards and Consumer Loans.

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.

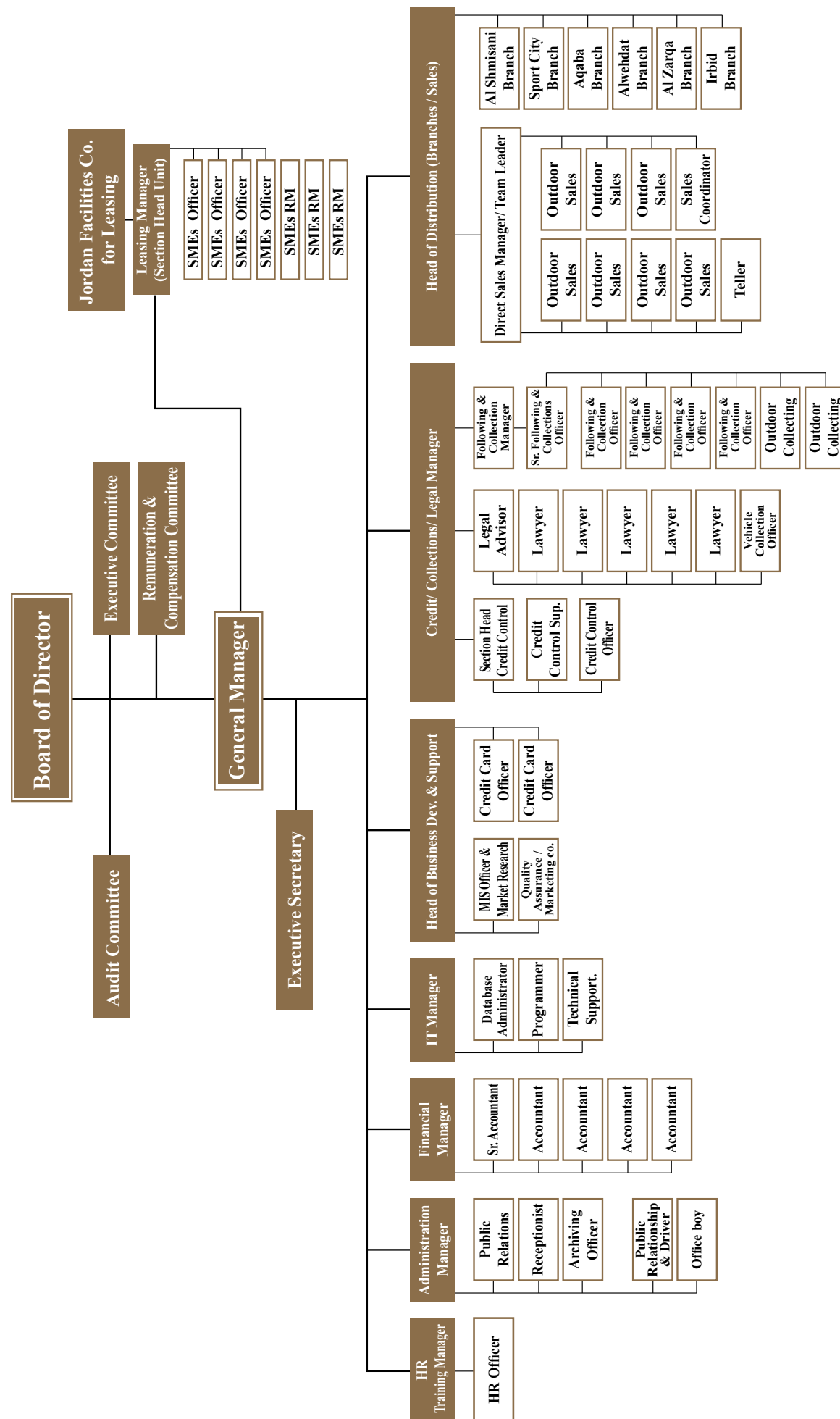
8. Decisions issued by the Government, international organizations or any other authority that constituted material effect on the Company's business, its products or competitiveness:

- * 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

At the end of 2016, the number of the Company's employees was (80) compared to (76) in 2015.





B. Employees Categories and Qualifications

Educational Qualification	Categories	No. of Employees
Master's degree	Admin. Employees	2
Bachelor's	Admin. Employees	64
Average Diploma	Admin. Employees	4
High School	Admin. Employees	4
High School	General Services	5
Less than High School	General Services	1
	Total	80

C. Training Courses

Training Programs during 2016	Number of Employees
Customer Service Excellence	45
Credit Cards Workshop	46
SMEs workshop	17
Legal Workshop	3
Human Resource Training course	1
The Ministry of Industry and Trade and Supply Leasing movable record instructions	1
Total	113

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:

The Board of Directors held six meetings in 2016.

– Tamkeen Leasing Company - a subsidiary of Invest Bank- has acquired 93.3% of the company's shares and thus the board has resigned and a new board was elected.

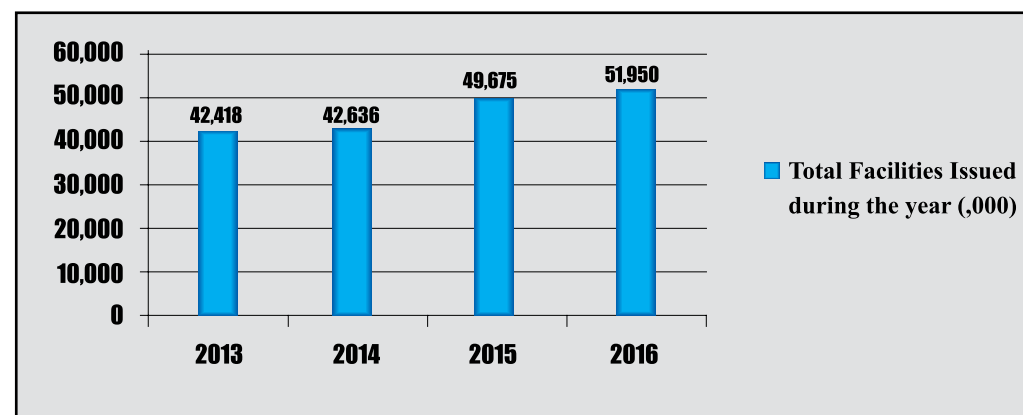
- (PWC) has replaced Deloitte & Touché on 9/10/2016.

-The Bond was settled in full on 19/11/2016.



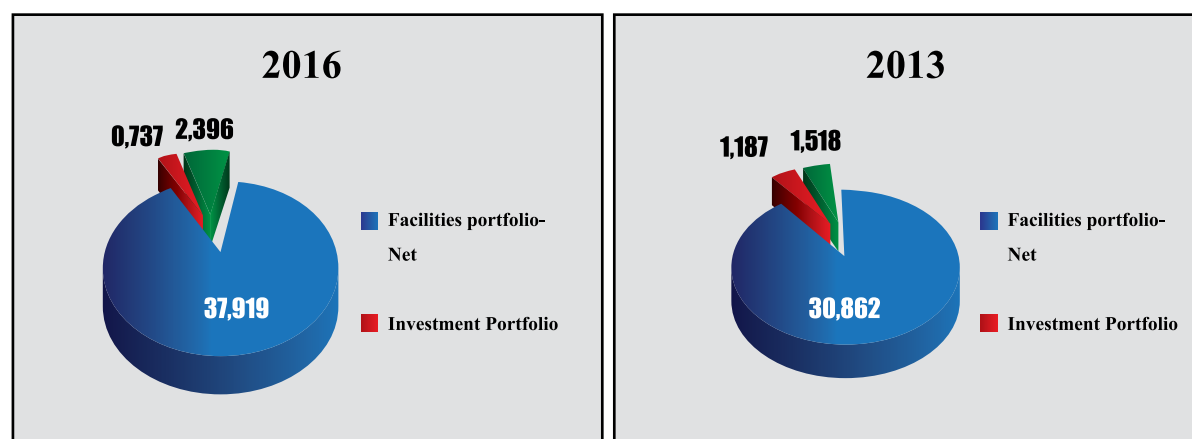
Total facilities portfolio over the last four years (in thousand Dinars):

Year	Total Facilities
2013	42,418
2014	42,636
2015	49,675
2016	51,950



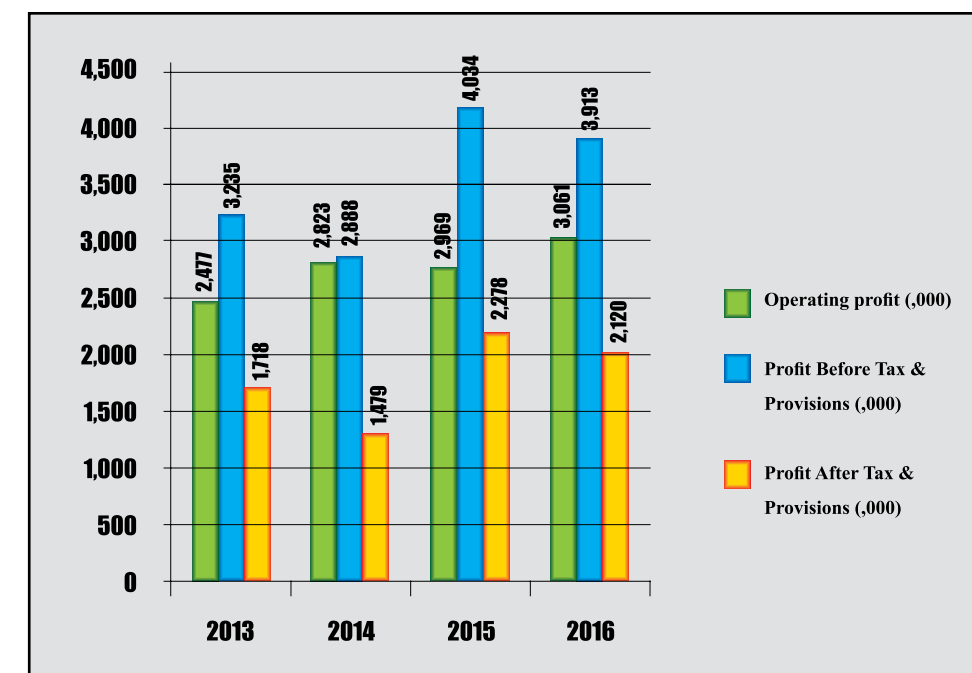
The following is detailed description about the company's assets for the past four years (in thousands JD)

Year	2013	2014	2015	2016
Facilities portfolio – Net	30,862	31,031	36,381	37,919
Investment portfolio	1,187	787	749	737
Other assets	1,518	1,859	2,183	2,396
Total assets	33,567	33,677	39,313	41,052



Profits during the past four years (in thousand dinars)

Year	Operating profit	Profit Before Tax & Provisions	Profit After Tax & Provisions
2013	2,477	3,235	1,718
2014	2,823	2,888	1,479
2015	2,969	4,034	2,278
2016	3,061	3,913	2,120

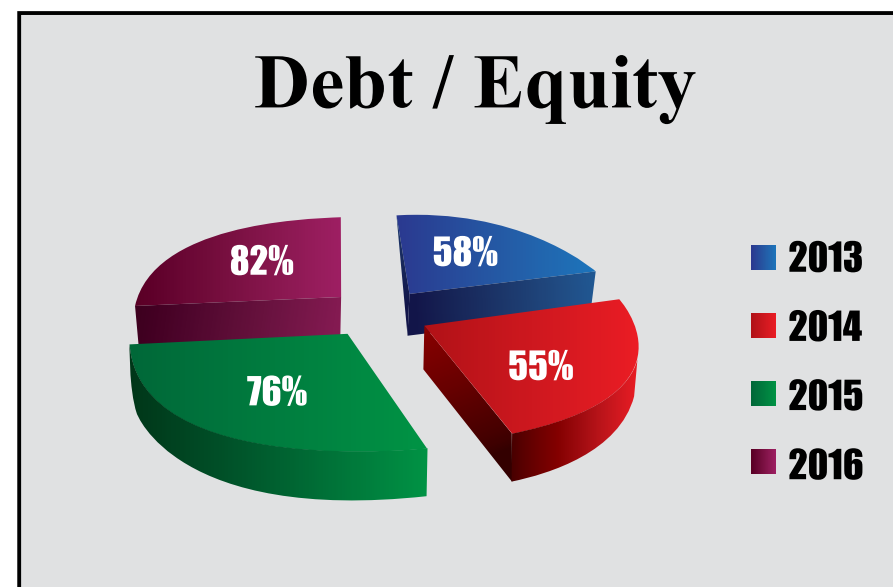


- The Company achieved a net profit before income tax and fees of JD 3,047 K in 2016 compared to JD 3,014 K in 2015.
- The company has allocated JD 748 K for the income tax for the financial year of 2016

Company's leverage details from 2013 to 2016:

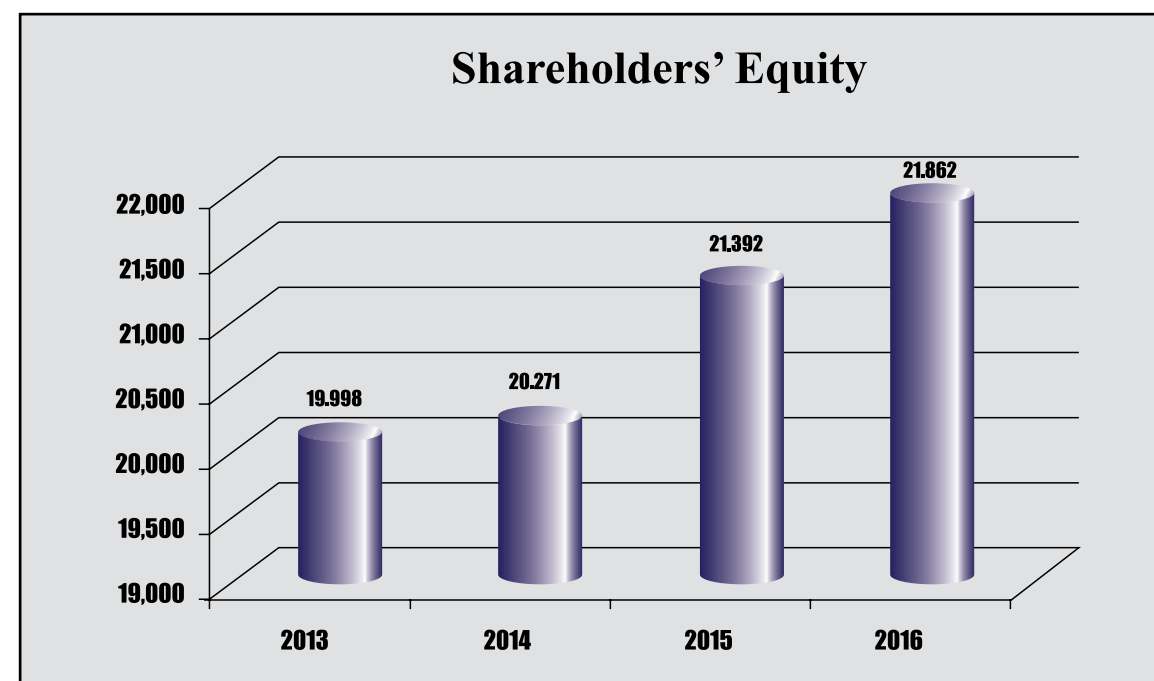
Year	Debt (in thousands)	Shareholders' Equity (in thousands)	Debt/Equity
2013	11,544	19,998	58%
2014	11,188	20,271	55%
2015	16,180	21,392	76%
2016	17,914	21,862	82%





Owners' Equity and details on profitability from 2013-2016

Year	Shareholders' Equity (in thousands)	Profit after tax and fees (in thousands)	Return on Equity	EPS
2013	19,998	1,718	8.6%	0.104
2014	20,271	1,479	7.3%	0.089
2015	21,392	2,278	10.6%	0.138
2016	21,862	2,120	9.7%	0.128



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	2012	2013	2014	2015	2016
Net profit before tax and provisions (in thousand Dinars)	2,442	3,235	2,888	4,034	3,913
Net profit after tax and provisions (in thousand Dinars)	1,412	1,718	1,479	2,278	2,120
Dividends (in thousand Dinars)	1,485	1,072	1,155	1,650	-
Net Shareholders' Equity (in thousand Dinars)	19,876	19,998	20,271	21,392	21,862
Price per Share (in Dinar)	1.04	1.06	0.950	1.380	1.050

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

No.	Index	Percentage
1	Stock Turnover	94%
2	Return On Investment	5.2%
3	Return On Equity	9.7%
4	Return On Capital	12.8%

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.
- Expanding it's leasing activities through the leasing company owned by the company.
- Diversity in products by introducing new products to penetrate and reach the largest segments of the Jordanian society.
- Developing our Human capital by training and coaching.

16. Audit Remunerations

Remuneration for the Company's auditors, Deloitte & Touché, was JD 7,577.700 inclusive of sales tax. Remuneration for the Company's auditors, PWC was JD 9,280 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	
			31/12/2015	31/12/2016
Tamkeen Leasing Com. represented by: Mr. Jamal Mohammad Fariz Mr. Nabil George Safadi Mr. Tareq Mohammad Sakejha Mr. Mohannad Zuhair Boka Mr. Awni Mahmoud Thiab Amar	Jordanian Jordanian Jordanian Jordanian Jordanian	Chairman Vice Chairman Member Member Member	000 2,200 000 000 000	15,390,385 2,200 000 000 000
Invest Bank, represented by: Miss. Mais Adnan Alshalabi	Jordanian Jordanian	Member	269,597 000	229,597 000
University of Jordan Investment Fund, represented by: Dr. Mahmoud Abedalhaleem Alkalileh	Jordanian Jordanian	Member	77,000 000	77,000 000
Global MENA Financial Assets Limited, represented by: Mr. Mohammad Zaki Al-Masri upto 22/9/2016	The Guernsey Island Jordanian	Chairman	1,232,387 000	10,000 000
Financial Assets Bahrain WLL, represented by: Mr. Zakir Hussein Ms. Talal Sameer Algharaballi Mr. Kaled Al Nafisi upto 22/9/2016	Bahrain Pakistan Kuwait Kuwait	Vice Chairman Member Member	6,583,500 000 000 000	20,000 000 000 000
Financial Assets Mena WLL, represented by: Mr. Dirar Gazi Mohammad upto 22/9/2016	Bahrain Canada	Member	6,583,500 000	10,000 000
Al Oshroon Co, represented by: Mr. Abed Alhamid Mhriz. Mohammad upto 22/9/2016	Kuwait Lebanon	Member	10,000 000	10,000 000
University of Jordan Investment Fund, represented by: Dr. Adel Sharaf Aldin Bino upto 22/9/2016	Jordanian Jordanian	Member	77,000 000	77,000 000
Invest Bank, represented by: Mr. Awni Mahmoud Thiab Amar upto 22/9/2016	Jordanian Jordanian	Member	269,597 000	229,597 000

Senior Executive Management

No.	Name	Nationality	Title	Number of Shares	
				31/12/2015	31/12/2016
1	Mr. Eyad Mohammad Jarrar	Jordanian	General Manager	-----	----
2	Mr. Ziad Hussein Husni Saleh	Jordanian	Administration Manager	5,500	5,500
3	Mr. Moath Ahmad Alanasweh	Jordanian	Branches and Sales Manager	-----	-----
4	Mr. Malik Ali AlRadaideh	Jordanian	Credit, Collection & Lega Manager	-----	-----
5	Mr. Kaled Mohammad Abualrob	Jordanian	Assistant Financial Manager	-----	-----
6	Mr. Anton Bandali Elias Tannous Upto 25/4/2016	Jordanian	Financial Manager	-----	-----
7	Mr. Nahed Ali Mustafa Ashour Upto 4/8/2016	Jordanian	Operations 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 2016

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 2015	Total
Global MENA Financial Assets Limited, represented by: Mr. Mohammad Zaki Al-Masri upto 22/9/2016	Chairman	6,332	5,000	11,332
Financial Assets Bahrain, represented by: Mr. Zakir Hussein upto 22/9/2016	Vice Chairman	4,476	5,000	9,476
Financial Assets Bahrain, represented by: Mr. Talal Sameer Algharaballi Mr. Kaled Al Nafisi upto 22/9/2016	Member Member	1,752 4,476	5,000 000	6,752 4,476



Al Oshroon Co, represented by: Mr Abed Alhamid Mhriz. Mohammad upto 22/9/2016	Member	2,700	5,000	7,700
Financial Assets Mena, represented by: Mr. Dirar Gazi Mohammad upto 22/9/2016	Member	6,615	5,000	11,615
University of Jordan Investment Fund, represented by: Dr. Mohammad Abou Nasar upto 22/9/2016	Member	2,700	0000	2,700
Invest Bank, represented by: Mr. Awni Mahmoud Thiab Aamar upto 22/9/2016	Member	2,700	5,000	7,700
Tamkeen Leasing Com. represented by: Mr. Jamal Mohammad Fariz Mr. Nabil George Safadi Mr. Tareq Mohammad Sakejha Mr. Mohannad Zuhair Boka Mr. Awni Mahmoud Thiab Amar	Chairman Vice Chairman Member Member Member	900 900 900 900 900	000 000 000 000 000	900 900 900 900 900
Invest Bank, represented by: Miss . Mais Adnan Alshalabi	Member	900	000	900
University of Jordan Investment Fund, represented by: Dr. Mahmoud Abedalhaleem Alkalileh	Member	900	000	900

* Salaries and remunerations of the Executive Management :

Name	Date of Appointment	Job	Salary	Bonuses	Total
Mr. Eyad M. Jarrar	2/11/2014	General Manager	156,799	62000	218,799
Mr. Ziad Saleh	21/01/1984	Administration Manager	30,970	4,500	35,470
Mr. Moath Ahmad Alanasweh	18/9/2016	Branches and Sales Manager	9,876	4,000	13,876
Mr. Malik Ali AlRadaideh	1/11/2016	Credit, Collection & Lega Manager	8,750	000	8,750
Mr. Kaled Abualrob	17/10/2016	Assistant Financial Manager	26,831	4,000	30,831
Mr. Nahid Ashour Upto 4/8/2016	17/10/2010	Operations Manager	35,281	6,500	41,831
Mr. Anton Tannous Upto 25/4/2016	29/07/2013	Financial Manager	16,969	7,500	24,469
Total					373,976

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

- A. The Company's contribution to environmental protection:
The Company has disposed the outdated files in coordination with the Jordanian environmental society.
- B. The Company's contribution to 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 listed in Amman Stock Exchange for example:

- 1) The board of directors re-elected the remuneration and nomination committee.
- 2) The board re-elected an audit committee.
- 3) The board declared all major issues on time.
- 4) The Company declared the number of the board of directors' meetings in the annual report.

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 2017.
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.

Kaled Mohammad Abualrob
Assistant Financial Manager



Eyad Mohammad Jarrar
General Manager



Jamal Mohammad Fariz
Chairman of the Board




**Jordan Trade Facilities Company
(Public Shareholding Company)**

Consolidated Financial Statements

31 December 2016



	Pages
Independent Auditor's Report	1 - 2
Consolidated Statement Of financial Position	3
Consolidated Statement Of Comprehensive Income	4
Consolidated Statement of Changes in Shareholders' Equity	5
Consolidated Statement of Cash Flows	6
Notes To The Consolidated financial Statements	7 – 37

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

Report on the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jordan Trade Facilities Company P.S.C and its subsidiary ("together the Group") as at December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in 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 for opinion

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

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

Independence

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

Our audit approach

Overview

Key Audit Matters	Provision for impairment on the overdue installments receivable and finance lease contracts instalments.
-------------------	--

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

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 period. These matters were addressed in the context of



our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 matter	How our audit addressed the Key audit matter
<p>Provision for impairment of the overdue installments receivable and finance lease contracts</p> <p>As described in the accounting policy (2.10) and note number (4) Critical Accounting Estimates And Judgments, the management calculates the provision for impairment of the overdue installments receivable and finance lease contracts according to the accounting policy described in note (2.10) and in accordance with the Company's internal policy that is approved by the board of directors. The Management reviews each contract individually or in group to assess whether there is objective evidence of impairment such as default in payments of customers. In case evidence exist the management assess the impairment value based on the recoverable amount from the assets mortgaged to the group.</p> <p>Due to the importance of these estimates and judgments, It is considered as significant risk which might lead to material misstatement in the consolidated financial statements when available information and estimates are misused to determine the provision value.</p> <p>As disclosed in Note (7) to the consolidated financial statements, management had recognised a provision for impairment of the overdue installments receivable and finance lease contracts with an amount of JD 5,016,975, while total group investment in loans and finance lease contracts amount of JD 37,918,861 which represents 92% of the group total assets as at 31 December 2016.</p>	<p>We have performed the following procedures to asses the reasonableness of the Provision for impairment of the overdue installments receivables and finance lease contracts instalments:</p> <ul style="list-style-type: none"> • Understood the nature of loans and finance lease contracts portfolio • Assessed management's methodology in assessing the required provision as at 31 December 2016. • Assessed the key assumptions used, based on our understanding of the group and the nature of the business. • Assessed management's methodology in classifying loans and the method used in determining the recoverable amount from the mortgaged assets when sold and expected cash flow. • Tested sample of customers classified as non-performing customers to check the reasonableness of their classification • Tested select of relevant procedures and internal controls applied by the management. • Re-calculated the provision for impairment of the overdue receivable and finance lease contracts instalments for a sample of customer according to the company's policy and International financial reporting standards. • Assess the adequacy of disclosures over the Provision for impairment of the overdue installments receivable and finance lease contracts installments

Other Matters

The consolidated financial statement of the group for the year ended 31 December 2015 was audited by another auditor whose report dated 10 March 2016 expressed unqualified opinion.

Other information

The directors are responsible for the other information. The other information comprises all the other information included in the Company's annual report for the year 2016 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 do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other

information identified above 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.

We have read the other information, and we concluded that there is no material misstatement therein, were we need to communicate 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 consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

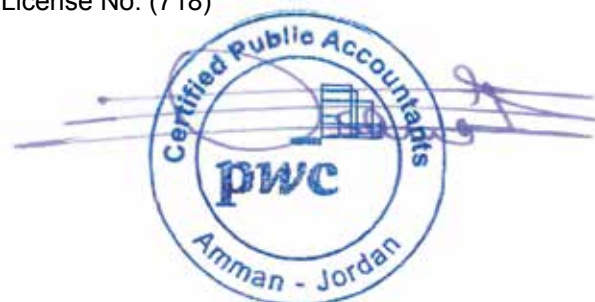
Report on other legal and regulatory requirements

The Group maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith the financial date presented in the Board of Directors' report. We recommended that the General assembly of Shareholders approve these financial statements.

On behalf of PricewaterhouseCoopers "Jordan" L.

Amman, Jordan
29 March 2017

Osama Marouf
License No. (718)



STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2016

	Note	2016 JD	2015 JD
Assets			
Cash on hand and at banks	5	133,817	282,037
Financial assets at fair value through statement of income	6	228,493	217,965
Financial assets at fair value through comprehensive income		16,650	16,650
Financial assets at amortised cost	7	37,918,861	36,381,182
Other debit balances		228,515	357,767
Investment properties - Net	8	491,400	514,800
Land plots seized against non-performing loans		556,573	174,168
Property and equipment	9	230,808	297,164
Intangible assets	10	42,689	31,200
Deferred tax assets	15	1,204,074	1,039,692
Total Assets		41,051,880	39,312,625
Liabilities And Shareholders' Equity			
Liabilities			
Overdrafts	11	3,752,744	1,230,140
Borrowing	12	14,295,189	10,732,161
Payables		71,896	247,990
Deposits	13	249,520	292,352
Un-paid accrued expenses		35,854	96,477
Other provisions	14	36,374	60,914
Income tax provision	15	748,298	760,744
Bonds	16	-	4,500,000
Total Liabilities		19,189,875	17,920,778
Shareholders' Equity			
Authorized and paid-in capital	1	16,500,000	16,500,000
Statutory reserve	17	2,502,702	2,198,036
General banking risk reserve	17	285,000	-
Fair value reserve		(78,652)	(78,652)
Retained earnings		2,652,955	2,772,463
Net Shareholders' Equity		21,862,005	21,391,847
Total Liabilities And Shareholders' Equity		41,051,880	39,312,625

The attached notes from 1 to 25 are an integral part of these consolidated financial statements



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 JD	2015 JD
Revenues and commissions from conventional Murabaha and finance leases		6,242,593	6,193,577
Other operating revenues	18	1,216,461	1,011,443
Total revenues		7,459,054	7,205,020
Salaries, wages and employees' benefits	19	(1,183,497)	(1,087,517)
Administrative expenses	20	(695,311)	(652,489)
Depreciation and amortization	8,9,10	(142,850)	(162,280)
Impairment losses on financial assets at amortised cost	7	(866,147)	(1,020,565)
Finance expenses		(1,510,185)	(1,313,364)
Total expenses		(4,397,990)	(4,236,215)
Income from operating activities		3,061,064	2,968,805
Gain from valuation financial assets at fair value through statement of income		19,186	3,840
Other (Losses) income		(33,590)	41,044
Profit for the year before income tax		3,046,660	3,013,689
Income tax expense	15	(926,502)	(735,912)
Profit for the year		2,120,158	2,277,777
Other comprehensive income:			
Net change in the fair value of financial assets at fair value through comprehensive income		-	(1,800)
Total comprehensive income for the year		2,120,158	2,275,977
Earnings per share for the year (JD/Share)	22	0.128	0.138

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Authorized and paid-in capital	Statutory reserve	General Banking risk reserve	Net Fair value Reserve**	Retained Earnings**	Total
	JD	JD	JD	JD	JD	JD
2016						
Balance at 1 January 2016	16,500,000	2,198,036	-	(78,652)	2,772,463	21,391,847
Profit for the year	-	-	-	-	2,120,158	2,120,158
Transfer to statutory reserve	-	304,666	-	-	(304,666)	-
Transfer to general banking risk reserve	-	-	285,000	-	(285,000)	-
Dividends (Note 23)	-	-	-	-	(1,650,000)	(1,650,000)
Balance at 31 December 2016	16,500,000	2,502,702	285,000	(78,652)	2,652,955	21,862,005
2015						
Balance at 1 January 2015	16,500,000	1,896,667	-	(76,852)	1,951,055	20,270,870
Profit for the year	-	-	-	(1,800)	2,277,777	2,275,977
Transfer to statutory reserve	-	301,369	-	-	(301,369)	-
Dividends (Note 23)	-	-	-	-	(1,155,000)	(1,155,000)
Balance at 31 December 2015	16,500,000	2,198,036	-	(78,652)	2,772,463	21,391,847

* Included in retained earnings an amount of JD 1,204,074 as of 31 December 2016 (2015: 1,039,692) restricted by the instructions of Jordan Security Commission for deferred tax assets.

** According to the Jordanian Securities Commission instructions the negative value of the fair value reserve amount of JD 78,652 is restricted from distribution to the shareholders as of December 31, 2016.

The attached notes from 1 to 25 are an integral part of these consolidated financial statements

The attached notes from 1 to 25 are an integral part of these consolidated financial statements



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 JD	2015 JD
Operating activities		
Profit before income tax	3,046,660	3,013,689
Adjustments for:		
Depreciation and amortization	142,850	162,280
Gain from valuation financial assets at fair value through income statement	(10,528)	(3,840)
Gain from sale of property and equipment	(1,262)	(33,316)
Impairment losses on financial assets at amortized cost	866,147	1,020,565
Finance expenses	1,510,185	1,313,364
	5,554,052	5,472,742
Working capital changes:		
Financial assets at amortized cost	(2,403,826)	(6,371,151)
Other debit balances	129,252	(158,495)
Land plots seized against non-performing loans	(382,406)	-
Financial assets measured at fair value through income statement	-	(2,040)
Payables	(176,094)	7,083
Accrued expenses	(60,625)	18,615
Deposits due to the others	(42,832)	(20,149)
Income tax government fees provision	(24,540)	(877,806)
Cash flows from (used in) from operating activities	2,592,981	(1,931,201)
Finance expense paid	(1,510,185)	(1,313,364)
Income tax paid	(1,103,330)	(917,215)
Net cash used in from operating activities	(20,534)	(4,161,780)
Investing activities		
Purchases of property and equipment	(38,661)	(175,881)
Proceeds from sale of property and equipment	3,795	17,164
Purchases of intangible assets	(28,454)	-
Net cash used in investing activities	(63,320)	(158,717)
Financing activities		
Loans	3,563,030	5,039,890
Dividends paid	(1,650,000)	(1,155,000)
Bonds	(4,500,000)	(500,000)
Net cash (used in) generated from financing activities	(2,586,970)	3,384,890
Net change in cash and cash equivalents	(2,670,824)	(935,607)
Cash and cash equivalents at 1 January	(948,103)	(12,496)
Cash and cash equivalents at 31 December	(3,618,927)	(948,103)

The attached notes from 1 to 25 are an integral part of these consolidated financial statements

(1) General Information

Jordan Trade Facilities Company was incorporated in accordance with Companies Law no. (13) for the year 1964 as Public Shareholding Company, under no. (179) on March 13, 1983 with a paid up capital of JD 16,500,000 which, as of the date of the consolidated financial statements, has a par value of JD 1 per share. The Company's Head office is located in Al – Shmeisani, Amman – Jordan. The Company and its subsidiary are collectively referred to as "the Group".

The main objectives of the parent company and its subsidiary are:

- To establish offices and agencies to implement its objectives, which was established for in accordance with laws and regulations inside and outside the Kingdom.
- To borrow from banks and financial institutions the necessary funds for its operations, and to pledge their property as collateral.
- Financing long term and consumable commodities.
- Selling and marketing credit cards and prepaid cards.
- Real-estate financing.
- Trading in different commodities, on cash or installment basis.
- Engaging in commercial brokerage, sale and purchase dealings, finance leasing, and financial services.
- Possessing land for the purpose of constructing buildings and residential apartments to be sold directly or through finance leasing.
- Owning lands for rehabilitation, development, splitting, dividing and selling them either directly and/or indirectly through capital leases.
- Owning and managing tourist projects, vehicles and university studies.
- Financial leasing in accordance with the provisions of Islamic Sharia law.
- Granting all kinds of loans in accordance with the provisions of Islamic Sharia law.

The Company shares are listed on the Amman Stock Exchange.

The company belongs to Invest Bank group, were its financial statement will be consolidated with the bank consolidated financial statements .

The consolidated financial statements were approved by the Board of Directors on the 23 January 2017.

(2) Basis Of Preparation Of The Consolidated Financial Statements

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

2-1 Basis of preparation

The consolidated financial statements of Jordan Trade Facilities Company (P.S.C) have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations applicable to companies reporting under IFRS.

The consolidated financial statements are presented in Jordanian Dinars.



The consolidated financial statements have been prepared under the historical cost basis except for the financial assets at the fair value through income statement and comprehensive income.

The accounting policies used in the consolidated financial statements are consistent with the accounting policies that have been followed in the financial statements for the year ended December 31, 2016 except for the information presented in note (2-2).

2-2 Changes in accounting policy and disclosures

A- New standards, amendments and interpretations adopted by the company in the fiscal year that begins on the 1st of January 2016, and have no material impact on the financial statements:

- Amendments to IAS 16 - (Property, Plant and Equipment) and IAS 38 (Intangible Assets), which describes the accepted methods for calculating depreciation and amortization.
- Amendments to IAS 1 - (Presentation of Financial Statements), which describes some of the presentation of financial statements and the disclosure of accounting policies requirements.
- Amendments to IAS 11 Financial Reporting (joint arrangements) which provide specific guidance for the accounting acquisition of the stake in the joint business arrangements.
- Annual Adjustments to IFRS 2012-2014.

B- New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

The company does not intend to early adopt the mandatory International financials Standard No. 9.

- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful statements to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.
- IFRS 16, 'Leases' which will replace IAS 17 'Leases'. The standard requires the lessee to book future lease commitments for all lease contracts including "rights to use assets". The standard is effective for annual periods beginning on or after 1 January 2019 and early adoption is permitted if IFRS 15 is also adopted.

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

2-3 Basis of consolidation financial statements

The consolidated financial statements contain the financial statements of Jordan Trade Facilities the (Parent company), and its subsidiary, which are subject to its control. Control occurs when the parent company has the ability to control the financial and operating policies of the subsidiary to obtain benefits from its activities. Any Intra – group balances, transactions, revenues and expenses are eliminated in preparing the consolidated financial statements.

The Company has the following subsidiary as of December 31, 2016:

Company Name	Authorized Capital	Paid-up Capital	Acquisition Percentage	Nature of Activity	Operation Country	Date of Acquisition
	JD	JD				
Jordan Facilities for Finance Lease L.L.C	2,000,000	2,000,000	100%	Finance Lease	Amman	2010

The financial statements of the subsidiaries are prepared using the same accounting policies adopted by the company. Changes are made to the accounting policies of subsidiaries, when necessary, to align them with accounting policies adopted by the company.

The subsidiary financial statement is consolidated in the consolidated income statement from the date of acquisition which is date of transfer of the controlling over the subsidiary. When the company lose the control over the subsidiary it will not be consolidated.

2-4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

2-5 Property, plant and equipment

Property, plant and printing equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognized as an 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 carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

	Useful life (years)
Furniture and fixture	5
Tools, Office machines and Computer	3-5
Decorations	5
Vehicles	6-7

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

An asset's carrying amount is written down immediately to its recoverable amount and is recognized in the income statement.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income.

2-6 Intangible assets

Intangible assets that are acquired through the merger are recognized at fair value at the date of acquisition. The intangible assets that are obtained by any other method are recorded at cost.

Intangible assets, which have finite useful lives, are amortized over their useful lives. Amortization is recognized in the consolidated statement of profit or loss and other comprehensive income, however, intangible assets with indefinite useful lives should not be amortized and are required to be tested for impairment as of the date the consolidated financial statement. Impairment loss shall be recognized in the consolidated statement of profit or loss and other comprehensive income.

Intangible assets arising from the company's operations are not capitalized and should be recognized in the consolidated statement of profit or loss and other comprehensive income when incurred.

Intangible assets are assessed at each consolidated reporting date to determine whether there is any objective evidence that they are impaired. The useful lives of the intangible asset are annually reassessed and any adjustments identified are recognized in the subsequent years.

Computer software and system are amortized using the straight-line method over a period not more than four years from the acquiring date.

2-7 Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is

recognised for the amount by which the asset's carrying amount 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 is reviewed excluding goodwill that is subject to impairment for possible reversal of the impairment at each reporting.

2-8 Financial assets at fair value through income statement

These are financial assets acquired by the Group with the objective of resale in the near future and to make profits from short-term market price fluctuations or margin trading profits.

When purchasing these assets they are recognized at fair value (acquisition expenses are recognized in the income statement when purchasing) to be revalued later at fair value. The change in fair value appears in the statement of income including the change in fair value resulting from the differences in conversion of non-monetary assets items in foreign currencies. In the case of selling such assets or part thereof, profits or losses are recorded in the statement of income.

Dividends or interest earned are recognized in the consolidated statement of profit or loss and other comprehensive income.

Financial assets should not be reclassified from / to this item except for when the purpose and the way of managing the financial assets is changed\

It is not allowed to classify any financial assets that do not have prices in active markets and active dealings in these items.

2-9 Financial assets at fair value through comprehensive income

These assets represent investments in equity instruments with the intention to keep them as a strategic investment for long term.

When purchasing these assets they are recognized at fair value including acquisition expenses then to be re-evaluated later at fair value, where changes in the fair value appears in the consolidated statement of profit or loss and other comprehensive income and owner's equity including the change in fair value resulting from the differences in conversion of non-monetary assets items in foreign currencies, in case of selling such assets or part thereof profits or losses to be recorded in the consolidated statement of profit or loss and other comprehensive income and owners equity where the valuation reserve balance of the sold assets should be directly transferred to the retained earnings and losses and not through the consolidated statement of profit or loss and other comprehensive income.

These assets are not subject to impairment loss testing.

Dividends are recorded as a separate line item in the consolidated statement of profit or loss and other comprehensive income.

2-10 Financial assets at amortized cost

Financial assets at amortized cost are the financial assets which the company's management intends according to its business model to hold for the purpose of collecting the contractual cash flows which



comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium \ discount is amortized using the effective interest rate method, and recorded to interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted. Any impairment is registered in the consolidated statement of income and should be presented subsequently at amortized cost less any impairment losses.

The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

2-11 Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

2-12 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.

2-13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if accrued within a year or less, and classified as non-current liabilities if accrued in more than a year.

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

2-14 Finance least contracts investment

Lease investments are classified as finance leases when all risks and benefits of ownership transfer to lessees.

Investments in finance leases are stated at net present value of lease payments after deducting unearned revenue and impairment provisions. Direct lease costs are included in leases net present value.

Lease payments are allocated between the principle and the return on lease contracts.

2-15 Revenue and expenses recognition

- Interest income is recognized in the statement of income using the effective interest method.
- Interest expense are recognized on accrual basis

2-16 Income Tax

Income tax expenses represent accrued taxes.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date in the countries where the company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2-17 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a results of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2-18 Employee benefits

For defined contribution plans, the Company pays contributions to pension insurance plans administered by the Social Security Corporation and on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as a social security expense when they are due.

2-19 Assets Seized by the company

Assets seized by the company are shown under "other assets" at the acquisition value or fair value, whichever is lower. As of the consolidated financial statements date, these assets are revalued individually at fair value. Any decline in their market value is taken to the consolidated statement of income whereas any such increase is not recognized. A subsequent increase is taken to the consolidated statement of income to the extent it does not exceed the previously recorded impairment.

Provision is provided against sized assets for more than four years according to central bank of Jordan regulation

2-20 Investment properties



Investment properties is a property that is purchased to be gain rent income or for value appreciation or both and not be sold in the ordinary course of the Company business.

Investment properties are stated at cost plus acquisition costs. The Company adopts the cost model to account for its investment properties, which represent plots of land.

Investment properties carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The amount of write-down is recognised in the statement of income. Revaluation gains are not recognised.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of consolidated comprehensive income

2-21 Fair Value

The closing prices (buy assets / sale liabilities) on the separate financial statements in an active market the fair value of financial instruments and derivatives that have a market price, in the absence of undeclared or absence of active trading of some financial instruments and derivatives or non-market activity fair value is estimated price in several ways, including:

Comparing the current market value of another financial instrument to a large extent.

Analysis of future cash flows and discount the expected cash flows by using similar financial instrument.

The long-term assets and financial liabilities that are not worth the benefits under the DCF and under the effective interest rate assessment, are amortized discount / premium in interest income received / paid in the separate income.

Assessment methods designed to get a fair value that reflects market expectations and take into account market factors and any risks or unexpected benefits when estimating the value of financial instruments, and in the event of a financial instruments fair value can not be reliably measured are stated at cost less any impairment in their value.

2-22 Financial instruments by category.

	2016 JD	2015 JD
Assets as per statement of financial position		
Loans and receivables		
Financial assets at amortized cost	37,918,861	36,381,182
Financial assets measured at fair value through income statement	228,493	217,965
Financial assets measured at fair value through comprehensive income	16,650	16,650
Other debit balances	228,515	357,768
Cash on hand and at banks	133,817	282,037
	<u>38,526,336</u>	<u>37,255,602</u>

	2016 JD	2015 JD
Liabilities as per statement of financial position		
Financial liabilities at amortized cost		
Bank overdrafts	3,752,744	1,230,140
Borrowing	14,295,189	10,732,161
Payables	71,896	247,990
Deposits	249,520	292,352
Unpaid accrued expenses	35,852	96,477
Other provisions	36,374	60,914
Bonds	-	4,500,000
	<u>18,441,577</u>	<u>17,160,034</u>

(3) Financial Risk Management

Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, cash flow and fair value interest rate risk), credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Risk Management and Compliance Committee have set the risk management framework for the Company. Moreover, the Board of Directors has established the Risk Management and Compliance Committee, formed by the Board members and executive management. Its objective is to monitor and control the various.

(a) Market risk

Market risk is the risk that arises from changes in foreign currency as the prices and the prices of Murabaha and prices of equity instrument that affect the company's performance or the value of financial instruments.

- Foreign exchange risk

All the Company transactions in Jordanian Dinar, herefore it is not imposed to foreign exchange risk.

- Cash flow and fair value interest rate risk

The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk Borrowings issued at fixed rates expose the company to fair value interest rate risk.

The Company's loans are issued at fixed rates; the Company is not exposed to fair value interest rate risk.

(b) Liquidity risk

Company finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient limits on its undrawn committed



borrowing facilities.

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December 2016, based on contractual payment dates and current market interest rates

	Less than year 1	Over year 1
	JD	JD
At 31 December 2016		
Bank overdrafts	3,785,061	-
Borrowing	6,211,388	9,164,702
Payables	71,896	-
Deposits	249,520	-
Unpaid accrued expenses	35,852	-
Other provisions	36,374	-
At 31 December 2015		
Bank overdrafts	1,359,047	-
Borrowing	8,340,640	2,954,296
Payables	247,990	-
Deposits	292,352	-
Unpaid accrued expenses	96,477	-
Other provisions	60,914	-
Bonds	4,905,000	-

(c) Credit risk

A credit risk is the risk the company suffered a financial loss as a result of customer default to pay amount due to the Company which mainly result from default in paying installments when they are due. The Company is not exposed to concentration risk. Credit risk arises from cash and cash equivalents and investment in finance lease contracts. Risk control assesses the credit quality of the customer before they are granted loans or finance lease.

The Company maintains its bank accounts in leading financial institutions with a minimum acceptable credit rating and that are reputable are accepted.

3-2 Capital risk management

The Company 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 less cash and cash equivalents as shown in the separate statement of financial position. Total capital is calculated as equity plus net debt as shown in the separate statement of financial position.

Gearing ratios at 31 December were as follows:

	2016 JD	2015 JD
Total borrowings	18,047,933	11,962,301
Cash on hand and at banks	(133,817)	(282,037)
Net debt	17,914,116	11,680,264
Total equity	21,862,005	21,391,847
Total capital	39,776,121	33,072,111
Gearing ratio	45%	35%

3-3 Fair value estimation

The carrying value of the investment is approximately the fair value of the leasing contracts.

(4) Critical Accounting Estimates And Judgments

Preparation of the consolidated financial statements and the application of the accounting policies require the Company's management to perform assessments and assumptions that affect the amounts of financial assets and liabilities, fair value reserve and the disclosure of contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown within the consolidated statement of other comprehensive income. In particular, this requires the Company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

(a). Lawsuits Provision

A provision is set against the lawsuits raised against the Company. This provision is subject to an adequate legal study prepared by the Company's legal advisors. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.

(b). Provision for impairment of Financial assets at amortised cost

A provision for financial assets at amortised cost is taken on the bases and estimates approved by the Company's management in conformity with International Financial Reporting Standards (IFRS).

(c). Provision for impairment of seized assets

Impairment loss is booked after a sufficient and recent evaluation of the assets seized by the company has been conducted by approved surveyors. The impairment loss is reviewed periodically.

(d). Useful life of tangible and intangible assets

Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss (if any) is taken to the consolidated statement of income.



(e). impairment of financial assets

Management frequently reviews the financial assets stated at cost to estimate any decline in their value. Impairment loss (if any) is taken to the consolidated statement of income as an expense for the year.

Management estimates the impairment in fair value when the market value reaches a certain limit indicative of the amount of impairment loss, which doesn't conflict with the International Financial Reporting Standards and the instructions of the Regulatory authorities. (a)

(5) Cash On Hand And At Banks

	2016 JD	2015 JD
Cash on hand	21,312	27,961
Current account at banks	112,505	254,076
Net cash and cash equivalent	133,817	282,037

For the purpose of the statement of cash flows, cash and cash equivalents consist of:

	2016 JD	2015 JD
Cash on hand and at banks	133,817	282,037
Bank overdraft	(3,752,744)	(1,230,140)
	(3,618,927)	(948,103)

(6) Financial assets measured at fair value through income statement

	2016 JD	2015 JD
Inside the kingdom		
Shares of listed companies	44,700	47,140
Outside the kingdom		
Shares of unlisted companies	183,793	170,825
	228,493	217,965

(7) Financial assets at amortized cost

This item contains the following items:

	2016 JD	2015 JD
(Installments receivables (a)	31,455,127	31,170,842
(Finance lease contracts installments (b)	6,253,151	4,920,581
Customers loans – Credit cards	210,583	289,759
	37,918,861	36,381,182

(a) Installment receivable

Installment receivables represent the installments due from the Company's customers arising from financing of vehicles and real estate contracts, which includes the original finance principle in addition to the Murabaha amount. Installment receivable balances as of December 31 were as follows:

	2016 JD	2015 JD
Due and past due instalments receivables	4,330,679	5,225,091
Mature within less than a year	15,574,143	13,148,471
Mature within more than a year and less than five years	23,985,491	24,715,118
	43,890,313	43,088,680
Less: Deferred revenue related to unmeasured installments	(7,652,270)	(7,821,872)
Less: Provision for impairment on the overdue installments receivable	(4,782,916)	(4,095,966)
	31,455,127	31,170,842

Some installments receivables and leasing contracts amounted to 16,937,500 JOD (Checks and Notes Receivables) as in 31st Dec 2016 against 14,952,876 JOD in 2015 are deposited as guarantees against credit facilities granted to the Company by local banks.

The sectorial distribution of installment receivables is as follows:

Investment in facilities contracts-Net:

	2016 JD	2015 JD
Real-estate	2,634,663	2,369,665
Corporations	5,783,962	5,494,720
Loans and trade bills	35,471,688	35,224,295
Total installment receivable	43,890,313	43,088,680
Deferred revenue related to unmeasured installments	(7,652,270)	(7,821,872)
Provision for impairment on the overdue installments receivable	(4,782,916)	(4,095,966)
Net installment receivable	31,455,127	31,170,842



The movement on provision for impairment in overdue installments receivable during the year was as follows:

	2016 JD	2015 JD
Balance at the beginning of the year	4,095,966	3,152,674
Addition during the year	845,218	948,927
*Reversal during the year	(158,268)	(5,635)
	<u>4,782,916</u>	<u>4,095,966</u>

* Based on the Board of Directors' decision, an amount of 158,268 dinars was written off in 2016, compared to 5,635 dinars in 2015.

The aging schedule of the overdue installments receivable is as follows:

	2016		2015	
	Overdue installments receivable	Total installments receivable	Overdue installments receivable	Total installments receivable
	JD	JD	JD	JD
Not accrued installments receivable	-	29,891,800	-	29,101,584
1-3 months	557,723	6,868,082	523,503	7,282,334
4-6 months	203,168	794,046	150,442	730,604
7-9 months	281,765	965,050	152,644	586,809
10-12 months	143,225	359,223	340,039	852,654
More than 12 months	3,144,798	5,012,112	3,033,998	4,534,695
	<u>4,330,679</u>	<u>43,890,313</u>	<u>4,200,626</u>	<u>43,088,680</u>

The balance of installments receivable against which the company has filed legal cases in order to recover the unpaid and overdue amounts was as follows:

	2016		2015	
	Overdue installments receivable	Total installments receivable	Overdue installments receivable	Total installments receivable
	JD	JD	JD	JD
Clients balances – Legal cases	7,254,405	3,733,729	7,292,744	3,701,713

(b) Finance lease contract receivables

	2016 JD	2015 JD
Finance lease contracts receivable – mature within a year	3,067,881	925,441
Finance lease contracts receivables – mature after more than a year	3,185,270	3,995,140
Net investment in finance lease contract	<u>6,253,151</u>	<u>4,920,581</u>

The company is leasing out real estate with an average term period of 5 years.

Investment in finance lease contracts – Net

	2016 JD	2015 JD
Real-estate	5,505,303	5,932,310
Vehicles	2,554,773	654,285
Total investment in finance lease contracts	<u>8,060,076</u>	<u>6,586,595</u>
Deferred revenue related to finance lease contracts	(1,572,866)	(1,452,884)
Provision for impairment on the overdue finance lease contracts	(234,059)	(213,130)
Net investment in finance lease contracts	<u>6,253,151</u>	<u>4,920,581</u>

The following table shows the maturity periods of finance lease contracts receivables:

	2016 JD	2015 JD
Mature during less than a year	3,823,159	1,577,933
Mature during more than a year and less than five years	3,574,626	4,136,605
Mature during more than five years	662,290	872,056
	<u>8,060,075</u>	<u>6,586,594</u>
*Less: Impairment provision of finance lease contract	(234,059)	(213,130)
Deferred revenue	(1,572,865)	(1,452,883)
	<u>6,253,151</u>	<u>4,920,581</u>

The movement on provision for impairment of finance lease contract during the year was as follows:

	2016 JD	2015 JD
Balance at the beginning of the year	213,130	159,508
Addition during the year	20,929	71,638
Recovered during the year	-	(18,016)
	<u>234,059</u>	<u>213,130</u>



The table below shows the aging for the installments accounts receivables:

	2016		2015	
	Receivables finance lease overdue	Total debt balance	Receivables finance lease overdue	Total debt balance
	JD	JD	JD	JD
Not accrued installments receivable	-	6,330,075	-	5,376,619
1-3 months	42,178	1,095,838	24,671	885,878
4-6 months	6,016	75,745	7,500	169,818
7-9 months	15,291	107,022	5,483	73,892
10-12 months	22,220	190,031	13,193	80,387
More than 12 months	10,793	261,364	-	-
	96,498	8,060,075	50,847	6,586,594

The balance of installments receivable against which the company has filed legal cases in order to recover the unpaid and overdue amounts was as follows:

	2016		2015	
	Receivables finance lease overdue	Total debt balance	Receivables finance lease overdue	Total debt balance
	JD	JD	JD	JD
Clients balances – Legal cases	643,022	68,378	324,097	26,176

(8) Investment property- Net

	2016	2015
	JD	JD
Buildings*	585,000	585,000
Accumulated depreciations	(93,600)	(70,200)
	491,400	514,800

* This item represents payments on acquiring investment property based on the agreements signed between the Company and Tameer International Company during 2009, by which 24 residential units in Al-Majd City Housing Project has been allocated to the Company. The fair value at the date of the consolidated financial statements for investment property as assessed by an independent expert was JOD 591,010.

(9) Property And Equipment

	Furniture and fixture	Tools, Office machine and Computer	Decorations	Vehicles	Total
2016					
Cost					
1 January 2016	101,552	214,975	488,739	84,500	889,766
Additions	12,879	12,473	13,309	-	38,661
Disposals	(16,147)	(19,946)	-	-	(36,093)
31 December 2016	98,284	207,502	502,048	84,500	892,334
Accumulated Depreciation					
1 January 2016	69,707	144,414	357,221	21,260	592,602
Depreciation for the year	10,180	34,058	45,572	12,675	102,485
Disposals	(16,014)	(17,547)	-	-	(33,561)
31 December 2016	63,873	160,925	402,793	33,935	661,526
Net book value as at 31 December 2016	34,411	46,577	99,255	50,565	230,808
2015					
Cost					
1 January 2015	77,593	191,913	378,143	130,500	778,149
Additions	23,959	31,286	120,636	-	175,881
Disposals	-	(8,224)	(10,040)	(46,000)	(64,264)
31 December 2015	101,552	214,975	488,739	84,500	889,766
Accumulated Depreciation					
1 January 2015	58,705	125,119	299,187	30,435	513,446
Depreciation for the year	11,002	23,177	62,024	10,985	107,188
Disposals	-	(3,882)	(3,990)	(20,160)	(28,032)
31 December 2015	69,707	144,414	357,221	21,260	592,602
Net book value as at 31 December 2015	31,845	70,561	131,518	63,240	297,164

Fully depreciated property and equipment amount to JD 535,140 (2015: 308,828)



(10) Intangible Assets

Movement on intangible assets (computer programs and web site) during the year was as follows:

	2016 JD	2015 JD
Cost		
Balance at the beginning of the year	227,891	234,781
Additions	28,454	-
Disposals	-	(6,890)
Balance at the end of the year	256,345	227,891
Accumulated Amortization		
Balance at the beginning of the year	196,691	171,886
Amortization for the year	16,965	31,692
Disposals	-	(6,887)
Balance at the end of the year	213,656	196,691
Net book value	42,689	31,200

(11) Due To Banks

The facilities granted to the Company in the form of an overdraft have been secured against endorsed bills with a percentage of 125% of the utilized balance, bearing an interest rate between 5,75% - 7,75%. The main purpose of these facilities is to finance the Group's activities within a year.

(12) Loans

	2016 JD	2015 JD
Bank loans due within a year	8,668,005	8,831,810
Bank loans due after a year	5,627,184	1,900,351
	14,295,189	10,732,161

*The following table shows the granted loans by local banks to finance the Group's activities:

Facilities type	Bank Name	Renewal date	Facilities limit	2016 JD	2015 JD
Revolving loan	Arab Banking Corporation	April 21, 2017	1,600,000	850,868	928,507
Revolving loan	Housing Bank for Trade & Finance	July 1, 2017	4,000,000	4,019,805	3,964,684
Revolving loan	Jordan Commercial Bank	July 12, 2017	2,000,000	-	1,259,117
Reducing loan	National Bank of Abu Dhabi	August 31, 2016	850,000	-	567,527

Revolving loan	Societe Generale Bank Jordan	January 31, 2017	200,000	189,335	97,035
Revolving loan	Jordan Ahli Bank	October 10, 2017	3,000,000	972,223	891,545
Reducing loan	Bank Al Etihad	March 30, 2018	1,244,000	1,244,000	-
Reducing loan	Societe Generale Bank Jordan	April 21, 2017	125,000	125,000	400,000
Reducing loan	Egyptian Arab Land Bank	October 30, 2016	1,000,000	-	415,226
Revolving loan	Jordan Commercial Bank	July 12, 2017	1,000,000	-	646,294
Reducing loan	Societe Generale Bank Jordan	June 30, 2016	600,000	-	61,875
Reducing loan	Invest Bank	September 30, 2020	3,116,180	3,116,180	1,500,351
Revolving loan	Capital Bank of Jordan	October 19, 2017	4,000,000	3,777,778	-
				14,295,189	10,732,161

These loans are in Jordanian Dinars and secured against endorsed bills with a percentage of 125% or cheques with a percentage of 125% of the utilized loans balances.

These loans bear interest rates between 5.3% - 8.25%.

(13) Deposits

	2016 JD	2015 JD
Conventional Murabaha installments deposits	76,044	72,658
Insurance companies deposits	10,717	106,608
Other	162,759	113,086
	249,520	292,352

(14) Other Provision

	2016 JD	2015 JD
Lawsuits provision	-	22,956
Vacations provision	36,374	37,958
	36,374	60,914



(15) Income Tax

Movements on temporary timing differences arising from the non - deductible tax differences were as follows:

Items include	Balance at the beginning of the year	Additions	Released amounts	Balance at the end of the year	Deferred tax assets as at 31 December 2016
	JD	JD	JD	JD	JD
Provision for impairment in overdue installments receivable	4,309,096	1,305,527	(597,648)	5,016,975	1,204,074
Legal provision	22,956	-	(22,956)	-	-
	4,332,052	1,305,527	(620,604)	5,016,975	1,204,074
Items include	Balance at the beginning of the year	Additions	Released amounts	Balance at the end of the year	Deferred tax assets as at 31 December 2016
	JD	JD	JD	JD	JD
Provision for impairment in overdue installments receivable	3,312,182	2,569,677	(1,572,763)	4,309,096	1,034,183
Legal provision	32,956	-	(10,000)	22,956	5,509
	3,345,138	2,569,677	(1,582,763)	4,332,052	1,039,692

The movement on deferred tax asset account during the year was as follows:

	2016	2015
	JD	JD
Balance at the beginning of the year	1,039,692	802,833
Additions during the year	313,326	616,722
Released during the year	(148,944)	(379,863)
Balance at the end of the year	1,204,074	1,039,692

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

	2016	2015
	JD	JD
Balance at the beginning of the year	760,744	705,188
Income tax paid	(1,103,330)	(917,215)
Income tax expense on current year profit	944,070	972,771
Income tax expense related to previous years	146,814	-
Balance at 31 December	748,298	760,744

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

	2016	2015
	JD	JD
Income tax expense on current year profit	944,070	972,771
Income tax expense related to previous years	192,766	-
Return from income tax department	(45,952)	-
Changes on deferred tax assets	(164,382)	(236,859)
	926,502	735,912

Reconciliation between taxable income and accounting income is as follows:

	2016	2015
	JD	JD
Profit before tax for the year	3,046,660	3,013,689
Deduct: used provision	(17,022)	(4,437)
Non-deductible expenses	903,987	1,043,965
Taxable income	3,933,625	4,053,217
Effective tax ratio	24%	24%
Declared tax rate	24%	24%

The Income and Sales Tax department had finalised its review and issued a final clearance up to the year ended 31 December 2011. The Company raised a law suit against the income tax department in the related courts claiming back amount of JD419,000 for 2009 and still in the case in court. Also the Company raised a legal case in the specialized court for the tax imposed in 2010. The appeal decision has been declared on 19 December 2016 approving the amount recorded in the corporate income tax return noting that the amount is paid in full. The company will appeal this decision in the court. The management and the tax advisor except tax surplus amount of JD 140,000.

The Company submitted corporate income tax return for the years 2012, 2013 and 2014 on the due dates. The Income and Sales Tax department had finalized its review and issued a final clearance for 2012 and 2013. For 2014 it was accepted under the sample basis.

The Company submitted corporate income tax return for the year ended 31 December 2015 on the due date. The Income and Sales Tax department did not review the income tax for the year 2015 up to date.



of issuing the financial statements.

The Subsidiary "Jordan Facilities for Finance Lease L.L.C" submitted corporate income tax return up to the year ended 31 December 2014 and it was accepted under the sample basis.

As per the opinion of the company' management and its tax consultant, the company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 31 December 2016.

(16) Bonds

	2016	2015
	JD	JD
Bonds paid due during the year	-	750,000
Bond paid due in more than a year	-	3,750,000
	-	4,500,000

This item represents bonds issued by the Group on May 19, 2013 for five years duration with an interest rate of 10%, for the first two years and variable every six months period depends on the interest rate given to the best clients plus 1% risk rate, the interest is paid on the 19th of November and the 19th of May each year. The bond is fully paid on the 19th of November 2016.

(17) Reserves

Statutory reserve

The amounts accumulated in this account represents annual profits that have been transferred before taxes and fees by 10% during the year and prior years in accordance with companies law and is not distributable to the shareholders.

General banking risk reserve

This item represents the general banking risks reserve according to the Central Bank of Jordan's instructions which represent 1% of performing installments.

(18) Other Operating Revenues

	2016	2015
	JD	JD
Collection fees, delay penalties and returned cheques other	844,396	655,863
Filing administrative fees	224,458	220,178
Credit cards revenues	143,011	126,256
Re-scheduling commission	4,596	9,146
	1,216,461	1,011,443

(19) Salaries, Wages And Employee Benifits

	2016	2015
	JD	JD
Salaries and wages	821,914	815,177
Social Security contribution	97,882	94,162
Bonus	189,946	102,210
Medical Insurance	55,283	66,380
Miscellaneous	18,472	9,588
	1,183,497	1,087,517

(20) Administrative Expenses

	2016	2015
	JD	JD
Rents	138,672	134,861
Maintenance	48,824	40,425
Telephone, internet and post	38,041	31,144
Directors' transportation	38,021	40,096
Directors' remuneration	35,000	35,000
Trading commissions	45,079	31,612
Professional fees	54,421	87,666
Water and electricity	26,286	26,507
Transportation and Travel	10,021	18,161
Subscriptions and fees	28,927	31,159
Sales Tax	57,403	57,883
Hospitality	9,952	9,675
Printing and stationary	10,053	9,832
Lawsuits expenses	58,735	22,833
General assembly meeting expenses	10,064	8,270
Advertising and promotion	14,283	36,555
Miscellaneous	71,529	30,810
	695,311	652,489



(21) Transactions With Related Parties

21.1 Consolidated Statement of Financial Position

	Related Party				Balance			
	Parent company	Subsidiary company	Major shareholders	Executive officers	2016		2015	
					Less than a year	More than a year	Less than a year	More than a year
					JD	JD	JD	JD
Financial assets at amortized cost	-	2,682,740	49,232	65,045	2,004,503	792,514	41,102	1,634,590
Bonds	-	-	-	-	-	-	-	990,000
Loans	3,116,180	-	-	-	1,137,564	1,978,616	500,000	1,000,351
Current account	60,262	-	-	-	60,262			-

21.2 Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Related Party				Balance	
	Parent company	Subsidiary company	Major shareholders	Executive officers	2016	2015
					JD	JD
Installment revenue	-	194,094	4,756	6,839	205,689	88,483
Finance expenses- Bonds	35,140	-	-	-	35,140	101,869
Finance expenses- Loans	161,070	-	-	-	161,070	153,567

Credit guarantees balance with the parent company was 42,000 dinars as of December 31, 2016 (2015: 35,000 dinars).

Balances and transactions with the subsidiaries was excluded in these consolidated financial statmenmts, and they are shown only for declaration.

21.3 Executive Management Salaries And Remunerations For Administration

Salaries and remunerations short term paid to the Group's higher executive management amounted to JOD 374,026 for the year ended December 31, 2016 (2015: JOD 275,604).

(22) Earnings Per Share For The Year (JOD/Share)

	2016 JD	2015 JD
(Profit for the year belong to the shareholder (JOD	2,120,158	2,277,777
(The weighted average for outstanding shares (share	16,500,000	16,500,000
	0,128	0,138

The basic earnings per share (EPS) for the current year profit attributed to parent owners equals to diluted (EPS) , since the Company did not issue any financial instruments which may affect the basic (EPS)

(23) Dividends

The Board of directors approved in the meeting held in April 20, 2016 on paying cash dividends to shareholders by (10%) of paid up capital amounted to (1,650,000) dinars.

The General Assembly of the shareholders approved in its meeting held on 20 April 2016 the distribution amount of JD 1,650,000 of the retained earnings to the shareholders which represents 10% of the authorized paid in capital in 2015.

(24) Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

31 December 2016

Financial assets measured at fair value through profit or loss
Financial assets measured at fair value through other comprehensive income

Level 1 JD	Level 2 JD	Level 3 JD	Total JD
44,700	183,793	-	228,493
16,650	-	-	16,650
61,350	183,793	-	245,143

31 December 2015

Financial assets measured at fair value through profit or loss
Financial assets measured at fair value through other comprehensive income

Level 1 JD	Level 2 JD	Level 3 JD	Total JD
47,140	170,825	-	217,965
16,650	-	-	16,650
63,790	170,825	-	234,615



(25) Contingent Liabilities

At the date of the consolidated financial statement, the group has the following contingent liabilities:

	2016	2015
	JD	JD
Bank Guarantees	86,000	79,000

Against cash margin as follows:

	2016	2015
	JD	JD
Cash margin	4,400	7,900

