AL TASHEELAT
التسهيلات

Annual Report No. 38

2018

Annual Report 2018

His Majesty King Abdulla II
King of Hashemite Kingdom of Jordan

His Royal Highness
Prince Hussein Bin Abdulla II

BOARD MEMBERS

BOARD MEMBERS

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

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

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

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

Mr. Nasser Awwad Al Khaldi / Member

General Manager
Mr. Eyad Mohammad Jarrar

Auditor
Pricewaterhouse Coopers-Jordan (PWC)

Legal Consultant
Mr.Mohammad Ali. Al - Hiasat

MESSAGE FROM THE CHAIRMAN

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

Dear Shareholders,

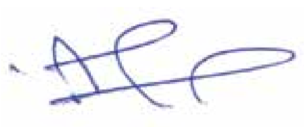
It is an honor and pleasure to welcome you on behalf of myself and the board members to the 38TH General Assembly and to share the annual report about the Company's activities and achievements for the year 2018.
Being the first lending company of its type in Jordan, JOTF was founded in 1983 and, due to the continuous achievements of its objectives.
In 2018 JOTF has achieved a net profit of JOD 3,107,972 compared to JOD 3,078,181, in 2017.
The company has closed the earlier pending income tax cases for the years 2009 and 2010, and currently there are no tax cases between the company and income tax department.
Total assets reached JOD 48,327,222 in 2018 compared to JOD 46,409,846 in 2017 with a growth of 4%. These positive results have increased the net shareholders equity to JOD 27,271,217 from JOD 24,939,648 in 2017, with a growth of 9,3 % ، The return on capital at the end of 2018 was 18.8% compared to 18.7% at the end of 2017.

Dear Respected Shareholders,
The Company has complied with the Corporate Governance Guidelines and has accordingly established Risk , Compliance and Internal Control Departments to ensure full adherence to the guidelines.
As a subsidiary of Invest Bank, JOTF started implementing CBJ instructions in regards of provisions and in accordance with IFRS 9 measures effective 2018.
JOTF is focusing on different segments mainly SMEs & retail lending as well as it's core business in auto financing.
The company also keeps pace with the development and the search for new markets and review credit policies periodically to be able to provide appropriate services to customers, and attract new customers as well as provide new services and products in addition to the ease and speed of transactions.
Finally, I would like to express on my behalf and on behalf of the board members my sincere appreciation and gratitude for all JOTF employees and their efforts and loyalty in serving the Company and its clients. I would also like to thank all our clients and shareholders for their continuous trust and support.
Furthermore, the Board of Directors would like to do the following:

1-Review of the minutes of the previous regular general assembly's meeting.
2-Discuss and endorse the Report by the Board of the Directors for fiscal year 2018 and the Company's action plan.
3-Listen to the independent external auditor report of the Company for fiscal year 2018.
4-Discuss and endorse the balance sheet, profit and loss statement, distribution statement for the fiscal year ending 31/12/2018.
5-Approval of the appointment of Mr. Nasser Awwad Al Khaldi as a member of the Board of Directors replacing Invest Bank representative.
6-Deem the Chairman and board members as discharged of duties of trust and any liabilities whatsoever and howsoever arising for the year 2018.
7-Elect an independent external auditor for the fiscal year 2019.
8-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



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

A. Company's Main Activities

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

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

Geographical Location	Address	Tel	No. of Employees
Head Office	Abdel Hameed Sharaf St, Bldg 52 Al Shemeisani	06-5671720	53
Main Branch	Abdel Hameed Sharaf St, Bldg 52 Al Shemeisani	06-5671720	5
Outdoor Sales/ Dabouq	Khair al-Din Maani Street Building No. 41, Dabouq	06-5373837	5
Al Madina Branch	Near Sport City, Opposite to Sarh Al Shaheed	06-5158816	5
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	3
Al aqaba Branch	Jordanian Royal Bldg, Opposite To Princess Haya Hospital	03-2042225	5
Total Number of Employees			85

C. Total shareholders' Equity

The Company has a total equity of JD 27,271,217 of which JD 16,500,000 represent the paid-up capital, JD 3,292,986 is a mandatory reserve and JD 7,470,899 is retained earnings.

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

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

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

BOARD MEMBERS

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

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

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

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

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

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	16/6/1977	Jordanian	Master Degree, Business Administration,2002
Experience	2011 - Present Assistant General Manager / Head of Consumer Banking at Invest 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		

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

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

Mr. Nasser Awwad Al Khaldi -- Member

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

Mr. Nabil George Safadi / Vice-Chairman – Representative of Tamkeen Leasing Com. up to 18/1/2018

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 Tamkeen Leasing Com. up to 30/4/2018

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 .		

Miss. Mais Adnan Alshalabi / Member – Representative of Invest Bank - up to21/5/2018

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 2013 – 2012 : Executive Manager / Head of Managerial Accounting Department/ INVESTBANK 2011 -2007 : Head of Financial Control Department/ Capital Bank 2007 -2002 : Head of MIS Department/Finance/ Cairo Amman Bank 2002 -1996 : Several positions in Finance /Planning and Procedures Developing Departments/ Cairo Amman Bank Board Member of Al Imdad Company Board Member of Tamkeen leasing co. Chairman of mawared brokerage company Since 2011 Member of Institute of Management Accountants (IMA)		

Mr . Hisham Mousa Rajha / Member – Representative of Tamkeen Leasing Com up to 30/4/2018

Member since	Date of Birth	Nationality	Educational Qualification
18/1/2018	19/12/1975	Jordanian	Bachelor Accounting 1996
Experience	2011 - present: Assistant General Manager at Tamkeen Leasing Company 2010-2011 Financial Manager at Al Manhal Furniture Manufacturing Company 2009-2010 Deputy General Manager of Al Ramleh Leasing Company 2005-2009 Acting Head of Marketing and Leasing at Arab National Leasing Company 1996-2004 Accountant in a number of companies		

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: Jordan Trade Facilities Company/Administrative and Shareholders Affairs Department. 1981 - 1983: Military Consumer Establishment/Accountant.		

Mr. Moaad Ahmad Mohammad Anasweh / Branches and Sales Manager

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

Mr. Malik Ali Mohammad Al Radaideh/Credit, Collection and Legal Manager up to 9/8/2018

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 - 2018: 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. Mohammad Lafi / Credit and Research Manager

<table>
<tr><th>Appointment Date</th><th>Date of Birth</th><th>Nationality</th><th>Educational Qualification</th></tr>
<tr><td>4/9/2016</td><td>29/1/1987</td><td>Jordanian</td><td>B.A., Business Information Systems</td></tr>
<tr><th>Experience</th><td colspan="3">2016 – present: Credit and Research Manager at Jordan Trade Facilities Company.
2015 - 2016: Core Segments & Products Manager at Bank of Jordan.
2012 - 2015: Products Development Supervisor/ Assets at Bank of Jordan.
2008 - 2012: Products Development Employee at Bank of Jordan.</td></tr>
</table>

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	31/12/2017		31/12/2018	
	Number of Stocks	Share %	Number of Stocks	Share %
Tamkeen Leasing Com.	15,430,385	93.5%	15,430,385	93.5%

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.
- JOTF has expanded it's SMEs lending as the company's future strategy is to compete in this vital sector.
-The sector of finance companies in Jordan is one of the important sectors as it is complementary to the activity of banks by providing financing solutions to their customers taking into account their privacy and requirements

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

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

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

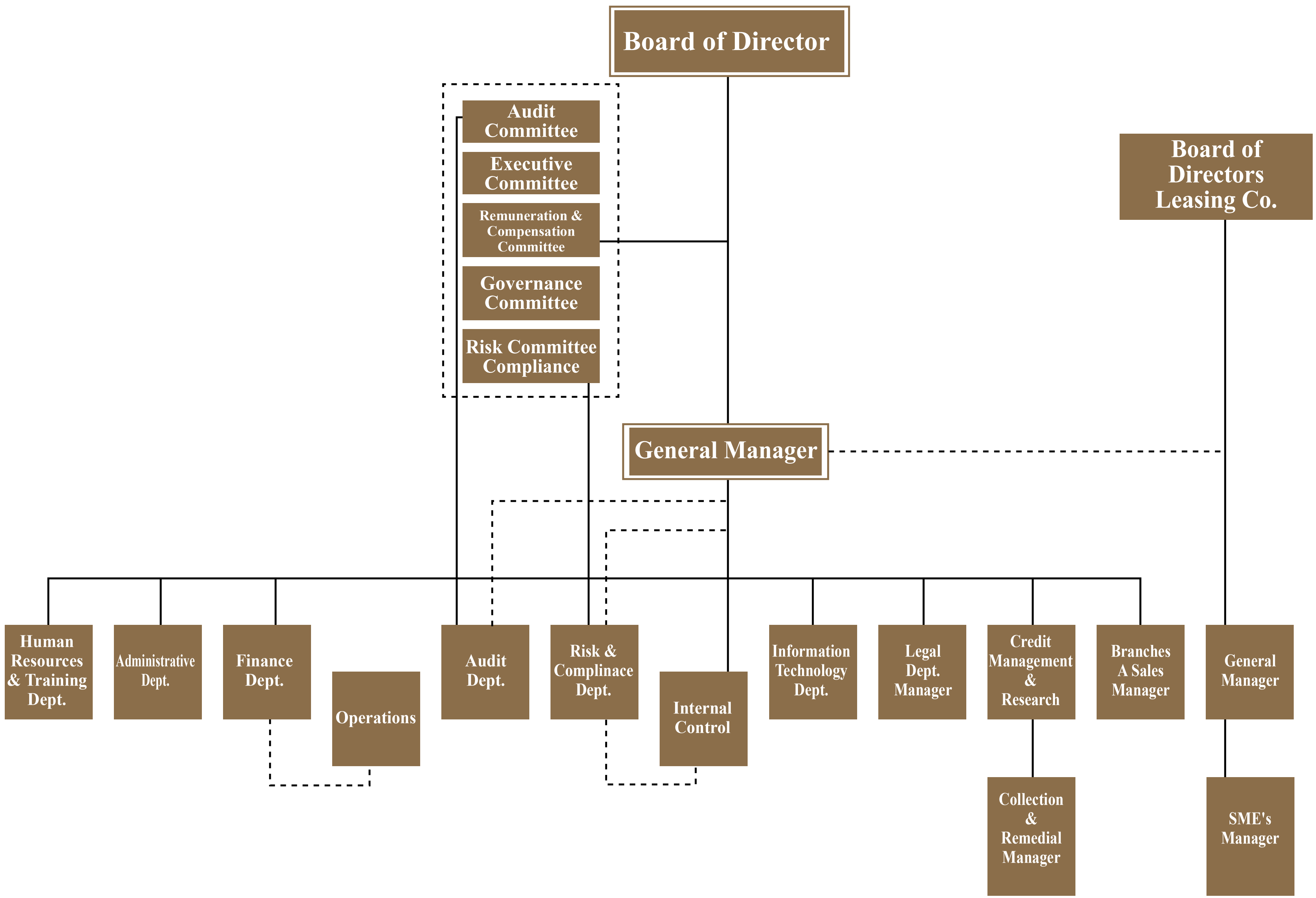
* Under applicable laws, regulations or others, the Company and its products do not have any government protection or any other privileges.
* The Company has not obtained any patents or franchising rights.

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

* There are no decisions issued by the Government, international organizations or any other authorities that have material impact on the Company's business or any of its products or competitiveness exception of the new income tax law, which raised the tax rate on financial companies from 24% to 28%
* International Quality Standards do not apply to the Company's business.

9. The Company's organizational structure and number of employees
As of 31/12/2018, the number of the Company's employees was (85) compared to (84) in 2017.

JORDAN TRADE FACILITIES ORGANIZATION STRUCTURE 2018



B. Employees Categories and Qualifications

Educational Qualification	Categories	No. of Employees
Master’s degree	Admin. Employees	4
Bachelor’s	Admin. Employees	66
Average Diploma	Admin. Employees	5
High School	Admin. Employees	4
High School	General Services	5
Less than High School	General Services	1
	Total	85

C. Training Courses

Training Programs during 2018	Number of Employees
IFRS 9 (International Financial Reporting Standards)	3
Interactive dashboard and Dynamic Report	1
Eligibility Program (for company products, procedures and policies)	33
Principles and applications of corporate governance and internal audit policies and procedures	1
Credit Query Service (CRIF)	1
Anti Money Laundering	34
SMEs Financing (POS)	25

10. Risks to which the Company is exposed to:

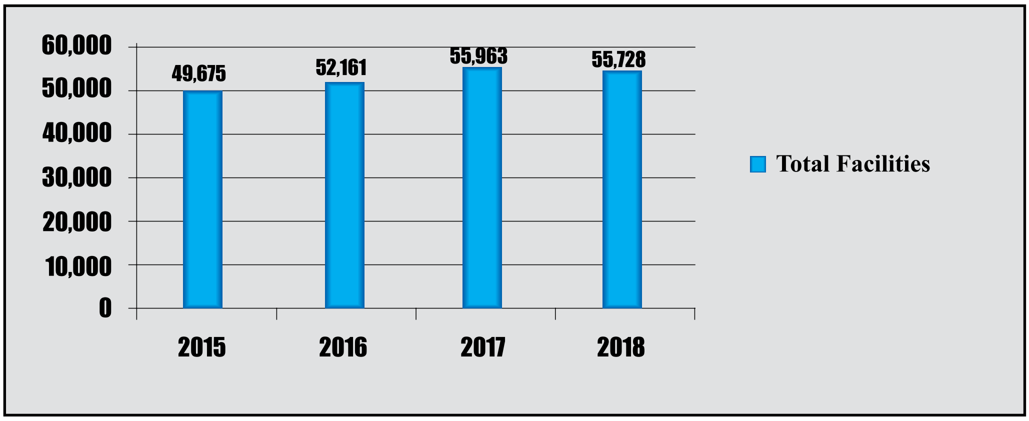
There are no risks that the Company may be exposed to during the next fiscal year that have any material impact on operations.

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

a) The Board of Directors held nine meetings in 2018.
b) As plan to diversify its funding sources, JOTF managed to issue JOD 3 million bond with one year maturity and managed to secure a USD 4 million dollar(equivalent in JOD) loan from a foreign lending fund (Sanad) to be repaid over three years .
c) Internal control and compliance departments were created to ensure full compliance to control measures.
d) New central operations department was also introduced to segregate tasks and to ensure highest standards of control and smooth work flows.
e) Anew branch in Dabouq was added of JOTF network as per the company‘s expansion plan.
f) New policies and procedures were introduced and implemented in line with governance regulations to ensure full control and transparency.

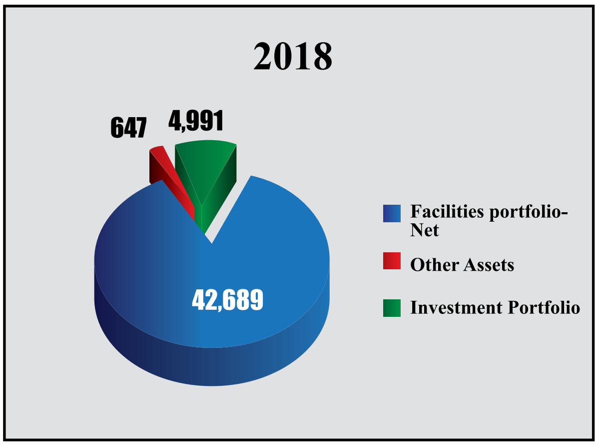
Total facilities portfolio over the last four years (in thousand Dinars):

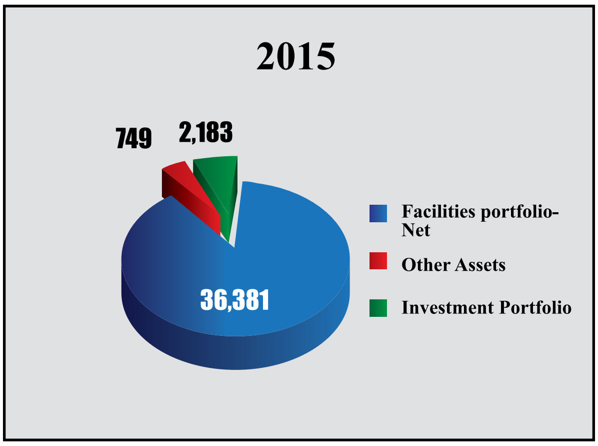
Year	Total Facilities
2015	49,657
2016	52,161
2017	55,963
2018	55,728



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

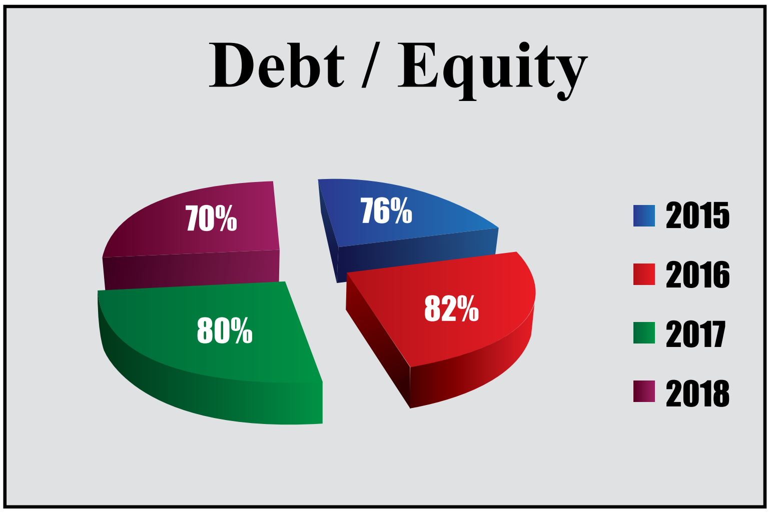
Year	2015	2016	2017	2018
Facilities portfolio –Net	36,381	37,919	42,135	42,689
Investment portfolio	749	737	663	647
Other assets	2,183	2,373	3,612	4,991
Total assets	39,313	41,052	46,410	48,327





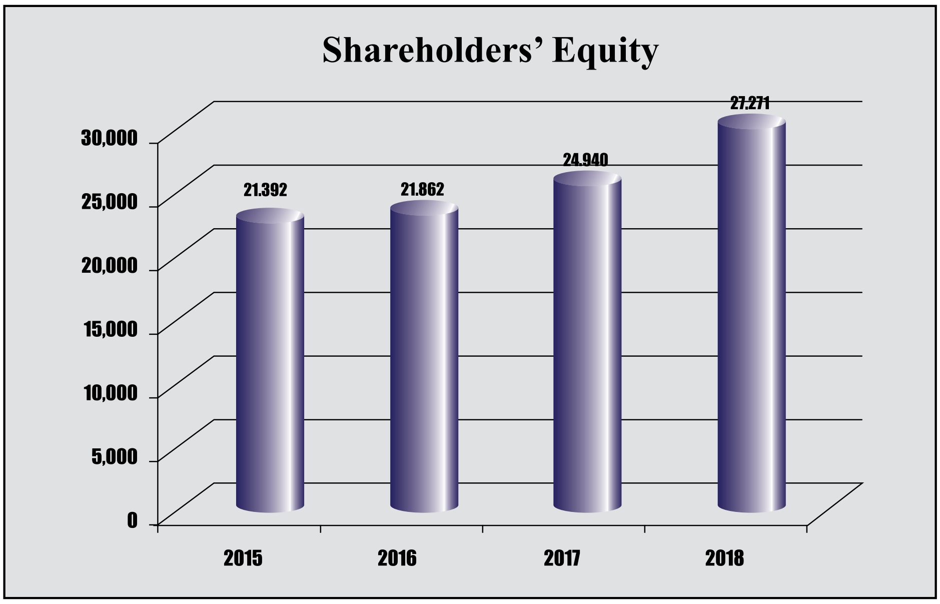
Company's leverage details from 2015 to 2018:

Year	Debt (in thousands)	Shareholders' Equity (in thousands)	Debt/Equity
2015	16,180	21,392	76%
2016	17,914	21,862	82%
2017	19,829	24,940	80%
2018	19,105	27,271	70%



Owners' Equity and details on profitability from 2015-2018

Year	Shareholders' Equity (in thousands)	Profit after tax and fees (in thousands)	Return on Equity	EPS
2015	21,392	2,278	10.6%	0.138
2016	21,862	2,120	9.7%	0.128
2017	24,940	3,078	12.3%	0.187
2018	27,271	3,108	11.4%	0.188



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	2014	2015	2016	2017	20018
Net profit before tax and provisions (in thousand Dinars)	2,888	4,034	3,922	3,621	3,845
Net profit after tax and provisions (in thousand Dinars)	1,479	2,278	2,120	3,078	3,108
Dividends (in thousand Dinars)	1,155	1,650	-	-	-
Net Shareholders' Equity (in thousand Dinars)	20,271	21,392	21,862	24,940	27,271
Price per Share (in Dinar)	0.950	1.380	1.050	1.10	1.060

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

No.	Index	Percentage
1	Stock Turnover	0,99 %
2	Return On Investment	6,4%
3	Return On Equity	11,4%
4	Return On Capital	18,8%

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.
* Continuing to finance small and medium-sized enterprises (SMEs)
*Diversity in products by introducing new products to penetrate and reach the largest segments of the Jordanian society.
* Enhance Fire Wall protection system to ensure the maximum safety and in line with regulations .
* Further development of human capital through specialized training.

16. Audit Remunerations

Remuneration for the Company's auditors, PWC was JD 16,820 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	
			31/12/2017	31/12/2018
Tamkeen Leasing Com. represented by: Mr. Jamal Mohammad Fariz Mr. Muhannad Zuhair Boka Mr. Tareq "Mohammad Nazih" Sakkijha Mr.Nabil George Safadi up to 18/1/2018 Mr. Awni Mahmoud Diab A'mar up to 30/4/2018 Mr . Hisham Mousa Rajha from 18/1/2018 up to 30/4/2018	Jordanian Jordanian Jordanian Jordanian Jordanian Jordanian Jordanian	 Chairman Vice Chairman Member Vice Chairman Member Member	15,430,385 2,200 000 000 000 000 000	15,430,385 2,200 000 000 000 000 000
Invest Bank, represented by: Miss. Mais Adnan Alshalabi up to 21/5/2018	Jordanian Jordanian	 Member	269,597 000	229,597 000
University of Jordan Investment Fund, represented by: Mrs . Rima Abdallah Said Daher	Jordanian Jordanian	Member	77,000 000	77,000 000
Mr. Nasser Awwad Al Khaldi from 22/5/2018	Jordanian	Member	000	10,000

Senior Executive Management

No.	Name	Nationality	Title	Number of Shares	
				31/12/2017	31/12/2018
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 up to 9/8/2018	Jordanian	Credit, Collection & Lega Manager	--------	--------
5	Mr. Khaled Mohammad Abualrob	Jordanian	Assistant Financial Manager	--------	--------
6	Mr. Mohammad lafi	Jordanian	Credit and Research Manager	--------	--------

Relatives of the Board Members and Senior Executive Management:

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

18. Benefits, Remunerations and Travel Allowances of the Board Chairman and Members, and Senior Executive Management in 2018

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

Board Member Name	Title	Travel and Transportation Allowance to Board	Remuneration for 2017	Total
Tamkeen Leasing Com. represented by: Mr. Jamal Mohammad Fariz Mr. Muhannad Zuhair Boka Mr. Tareq "Mohammad Nazih" Sakkijha Mr. Nabil George Safadi up to 18/1/2018 Mr. Awni Mahmoud Diab A'mar up to 30/4/2018 Mr. Hisham Mousa Rajha from 18/1/2018 up to 30/4/2018	 Chairman Vice Chairman Member Vice Chairman Member Member	 5,000 5,000 5,000 417 1,667 1,250	 5,000 5,000 5,000 5,000 5,000 0000	 10,000 10,000 10,000 5,417 6,667 1,250
Invest Bank, represented by: Miss. Mais Adnan Alshalabi up to 21/5/2018	Member	2,083	5,000	7,083
University of Jordan Investment Fund, represented by: Mrs. Rima Abdallah Said Daher	Member	5,000	000	5,000
Mr. Nasser Awwad Al Khaldi from 22/5/2018	Member	2,917	000	2,917

* Salaries and remunerations of the Executive Management :

Name	Date of Appointment	Job	Salary	Bonuses	Total
Mr. Eyad M. Jarrar	2/11/2014	General Manager	159,000	42,400	201,400
Mr. Ziad Saleh	21/01/1984	Administration Manager	32,383	1,020	33,403
Mr. Moath Ahmad Alanasweh	18/9/2016	Branches and Sales Manager	35,276	2,300	37,576
Mr. Malik Ali AlRadaideh up to 9/8/2018	1/11/2016	Credit, Collection & Lega Manager	37,883	8,500	46,383
Mr. Khaled Abualrob	17/10/2004	Assistant Financial Manager	28,225	924	29,148
Mr. Mohammad Lafi	4/9/2016	Credit and Research Manager	29,438	4,375	33,318
Total					**381,723**

19. Donations and grants paid by the Company during the fiscal year

The Company did not pay any donations or grants during the fiscal year.

20. Contracts, projects and commitments made by the Company to subsidiaries, sister companies, or with the Chairman, General Manager or any employee at the Company or their relatives

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

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

22. Corporate Governance Rules

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

23. corporate governance codes report.

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

2. The current and resigning members of the Board of Directors during 2018

Board Member Name	Title	Executive / non-executive	Independent / non-independent
Mr. Jamal Mohammad Fariz/ Representative of Tamkeen Leasing Com.	Chairman	non-executive	non-independent
Mr. Nabil George Safadi / up to 18/1/2018 Representative of Tamkeen Leasing Com	Vice-Chairman	non-executive	non-independent
Mr. Awni Mahmoud A'mar / up to 30/4/2018 Representative of Tamkeen Leasing Com.	Member	non-executive	non-independent
Mr. Tareq "Mohammad Nazih" Sakkijha / Representative of Tamkeen Leasing Com.	Member	non-executive	non-independent
Mr. Muhannad Zuhair Boka / Representative of Tamkeen Leasing Com.	Vice-Chairman	non-executive	non-independent
Miss. Mais Adnan Alshalabi / up to 21/5/2018 Representative of Invest Bank	Member	non-executive	non-independent
Mr . Hisham Mousa Rajha from 18/1/2018 up to 30/4/2018 Representative of Tam-keen Leasing Com	Member	non-executive	non-independent
Mrs . Rima Abdallah Said Daher / Representative of University of Jordan Investment Fund	Member	non-executive	independent
Mr. Nasser Awwad Al Khaldi from 22/5/2018	Member	non-executive	independent

3- The Executive Management:

Name	Date of appointment	Job
Mr. Eyad M. Jarrar	2/11/2014	General Manager
Mr. Ziad Hussein Saleh	21/01/1984	Administration Manager
Mr. Moath Ahmad Alanasweh	18/9/2016	Branches and Sales Manager
Mr. Malik Ali AlRadaideh up to 9/8/2018	1/11/2016	Credit, Collection & Lega Manager
Mr. Khaled Abualrob	17/10/2004	Assistant Financial Manager
Mr. Mohammad Lafi	4/9/2016	Credit and Research Manager

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

Board Member Name	The company in which he is a member
Mr. Nabil George Safadi	Jerusalem Real Estate Investment Company
Mr. Muhannad Zuhair Boka	Jordan Duty Free Company
Mr. Nasser Awwad Al Khaldi	Royal Wings

5 - Corporate Governance Officer : Mr. Amer Bidas

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

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

Mrs. Rima Abdallah Said Daher / Chairman

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

Mr. Jamal Mohammad Fariz / Member

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

Mr. Nasser Awwad Al Khaldi - Member

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

8- Members of other committees

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

9- Number of meetings of each committee and attendees

committees	Number of meetings	Attendees
Audit Committee	5	All members of the committee attended
Nominations and Compensations Committee	2	All members of the committee attended
Governance Committee	2	All members of the committee attended excluded Mr. Muhannad Boka not attend meeting No.2
Risk Committee	2	All members of the committee attended excluded Mr. Muhannad Boka not attend meeting No.2

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

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

Meeting number	
1/2018	All members excluded Mrs . Rima Abdallah Said Daher
2/2018	All members excluded Mr. Jamal Mohammad Fariz and Mr. Tareq "Mohammad Nazih" Sakkijha
3/2018	All members excluded Mr. Muhannad Zuhair Boka
4/2018	All members excluded Mrs . Rima Abdallah Said Daher
5/2018	All members
6/2018	All members excluded Miss. Mais Adnan Alshalabi
7/2018	All members excluded Mr. Nasser Awwad Al Khaldi
8/2018	All members
9/2018	All members excluded Mr. Muhannad Zuhair Boka

Jamal Mohammad Fariz
Chairman of the Board

Acknowledgments

1. The Company's Board of Directors acknowledges that there are no material issues that may affect the Company's continuity during the next fiscal year 2019.
2. The Company's Board of Directors acknowledges its liability towards the preparation of the financial statements and the existence of an effective and adequate internal control system in the Company.
3. We, the undersigned, hereby acknowledge the authenticity, precision and comprehensiveness of the information and data included herein.

Khaled Mohammad Abualrob Assistant Financial Manager	Eyad Mohammad Jarrar General Manager	Jamal Mohammad Fariz Chairman of the Board
		

Jordan Trade Facilities Company
(Public Shareholding Company)

Consolidated Financial Statements

31 December 2018

Jordan Trade Facilities Company.
(Public Shareholding Company)

Financial Statements

31 December 2018

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 (the ”Company”) and its subsidiary (“together the Group”) as at 31 December 2018, and its financial performance and its 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 31 December, 2018;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in shareholders equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis 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.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current 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.

Key audit matter	How our audit addressed the Key audit matter
Provision for impairment of the overdue instalments receivable and finance lease contracts As stated in accounting policies (2.2) and (2.8) and note (4) "Significant accounting estimates and judgments", the management determines the amount of the provision for impairment of due and overdue payments and financial leasing leases In accordance with the requirements of IFRS 9 Financial Instruments since the beginning of 2018. Which requires the use of the forward-looking model (expected credit loss) as explained in Note 2.2 to the financial statements. The Company has applied the effect of applying the Standard on the opening balances of retained earnings as of 1 January 2018 rather than re-issuing the consolidated financial statements for the year ended 31 December 2017. The impact of the adoption is fully explained in Note 2-2 to the financial statements. Standard. 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. As disclosed in Note (7) to the consolidated financial statements, management had recognised a provision for impairment of the overdue instalments receivable and finance lease contracts with an amount of JD 5,081,874 while total group investment in loans and finance lease contracts amount of JD 42,689,465 which represents 88% of the group total assets as at 31 December 2018.	We have performed the following procedures to assess the reasonableness of the Provision for impairment of the overdue installments receivables and finance lease contracts instalments: • Understood the nature of loans and finance lease contracts portfolio • Assessed management's methodology in assessing the required provision as at 31 December 2018. • Assess the management methodology used to determine the value of the provision as of 31 December 2018, and compare it with the requirements of IFRS 9. • Evaluate the assumptions used by the Group in determining the factors leading to a significant increase in credit risk and the inclusion of credit exposures within different stages. • Use our specialized internal experts to assess the following aspects: 1. The conceptual framework used in the development of the Group's impairment policy in the context of its compliance with the requirements of IFRS 9. 2. Methodology of the expected credit loss model and the calculations used to calculate the probability of default and loss resulting from default and exposure due to default of the Group's financial instrument categories. 3. Reasonableness of the assumptions used in preparing the model framework, including the assumptions used to assess future scenarios and the significant increase in credit risk. • Compare the assumptions used in the application of the expected loss model (ECL) with the requirements of IFRS No. 9. • Review a sample of management's estimates of recoverable amount when selling the asset to assess its reasonableness. • Tested the completeness of data used to calculate the expected credit loss (ECL) • Tested some 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 IFRS (9). • Assessed the adequacy of disclosures over the Provision for impairment of the overdue installments receivable and finance lease contracts installments

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 2018 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.

When we read the other information, we will conclude if there is no material misstatement therein, to communicate to those charged with governance.

We read the other information, and there is no material misstatement therein, 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 skepticism 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 Company 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.

For and on behalf of PricewaterhouseCoopers "Jordan" L.

Osama Marouf
License No. (718)

Amman, Jordan
31 March 2019

Certified Public Accountants
pwc
Amman - Jordan

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Note	2018	2017
		JD	JD
Assets			
Cash on hand and at banks	5	504,291	242,082
Financial assets at fair value through statement of income	6	-	195,164
Financial assets at fair value through comprehensive income	7	202,496	-
Financial assets at amortised cost	8	42,689,465	42,135,036
Other debit balances		254,837	414,120
Investment properties - Net	9	444,600	468,000
assets seized against non-performing loans		2,129,530	1,415,267
Property and equipment	10	287,690	170,579
Intangible assets	11	67,998	93,268
Deferred tax assets	17	1,746,315	1,276,330
Total Assets		48,327,222	46,409,846
Liabilities And Shareholders' Equity			
Liabilities			
Overdrafts	12	1,878,338	2,726,100
Loans	13	14,731,185	17,345,342
Loan Support	14	3,000,000	-
Other liabilities	15	624,395	463,056
Other provisions	16	37,548	71,220
Income tax provision	17	784,539	864,480
Total Liabilities		21,056,005	21,470,198
Shareholders' Equity			
Authorized and paid-in capital	1	16,500,000	16,500,000
Statutory reserve	18	3,292,986	2,905,561
General banking risk reserve	18	-	385,000
Fair value reserve		7,332	-
Retained earnings		7,470,899	5,149,087
Total Shareholders' Equity		27,271,217	24,939,648
Total Liabilities And Shareholders' Equity		48,327,222	46,409,846

General Manager

Chief Financial Officer

The attached notes from 1 to 27 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		JD	JD
Revenues and commissions from conventional Murabaha and finance leases		6,674,433	6,203,937
Other operating revenues	19	1,032,519	747,345
Total revenues		7,706,952	6,951,282
Salaries, wages and employees' benefits	20	(1,354,892)	(1,286,170)
Administrative expenses	21	(845,890)	(733,367)
Depreciation and amortization	10,11	(107,339)	(101,502)
Reverse of impairment (Impairment loss) on financial assets at amortised cost	8	24,972	446,366
Finance expense		(1,593,328)	(1,227,967)
Total expenses		(3,876,477)	(2,902,640)
Income from operating activities		3,830,475	4,048,642
Gain from financial assets at fair value through statement of income		-	18,563
Other expense		48,317	(23)
Other Provisions Expense		(4,535)	(38,593)
Profit for the year before income tax		3,874,257	4,028,589
Income tax expense	17	(766,285)	(950,408)
Profit for the year		3,107,972	3,078,181
Other comprehensive income:			
Net change in the fair value of financial assets at fair value through comprehensive income		7,332	(539)
Total comprehensive income for the year		3,115,304	3,077,642
Earnings per share for the year (JD/Share)	21	0,188	0,187

The attached notes from 1 to 27 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Authorized and paid-in capital	Statutory reserve	General Banking risk reserve	Net Fair value **Reserve	Retained **Earnings	Total
	JD	JD	JD	JD	JD	JD
2018						
Balance at 31 December 2018	16,500,000	2,905,561	385,000	-	5,149,087	24,939,648
Effect of application of IFRS(9)	-	-	-	-	(783,735)	(783,735)
Transfer to general bank risk reserve						
Adjusted Balance at 31 January 2018	16,500,000	2,905,561	385,000	-	4,365,352	24,155,913
Profit for the year	-	-	-	-	3,107,972	3,107,972
Change in fair value for the year	-	-	-	7,332	-	7,332
Transfer from general bank risk reserve	-	-	(385,000)	-	385,000	-
Transfer to statutory reserve	-	387,425	-	-	(387,425)	-
Balance at 31 December 2018	16,500,000	3,292,986	-	7,332	7,470,899	27,271,217
2017						
Balance at 1 January 2017	16,500,000	2,502,702	285,000	(78,652)	2,652,956	21,862,006
Profit for the year	-	-	-	-	3,078,181	3,078,181
Change in fair value for the year	-	-	-	78,652	(79,191)	(539)
Transfer to statutory reserve	-	402,859	-	-	(402,859)	-
Transfer to general banking risk reserve	-	-	100,000	-	(100,000)	-
Balance at 31 December 2017	16,500,000	2,905,561	385,000	-	5,149,087	24,939,648

* Included in retained earnings an amount of JD 1,746,315 as of 31 December 2018 (2017: JD 1,276,330) restricted by the instructions of Jordan Security Commission for deferred tax assets,

** The amount of retained earnings distributed to the shareholders of the Company is JD 5,724,584 as at 31 December 2018.

*** In accordance with the instructions of the Central Bank of Jordan No. 13/2018, the accumulated balance of the public bank risk reserve item, which has a balance of KD 385,000 as at 31 December 2017, has been transferred to retained earnings to offset the impact of IFRS 9.

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

	2018	2017
	JD	JD
Operating activities		
Profit before income tax	3,874,257	4,028,589
Adjustments for:		
Depreciation and amortization	130,739	124,902
Gain from valuation of financial assets at fair value through income statement	-	(11,371)
loss from sale of property and equipment	7,783	23
Profit on sale of assets held for bad debt	(4,179)	-
Reverse of Impairment loss on financial assets at amortised cost	(24,972)	(446,366)
Finance expense	1,593,328	1,227,967
	5,576,956	4,923,744
Working capital changes:		
Financial assets at amortized cost	(2,405,872)	(4,628,503)
Other debit balances	159,283	(185,605)
Financial assets measured at fair value through income statement	-	44,700
Other liabilities	33,980	105,786
Income tax government fees provision	(33,672)	34,846
Cash flows from operating activities before paid income tax and finance expense	3,330,675	294,968
	(1,465,969)	
Finance expense paid	(1,068,716)	(1,227,967)
Income tax paid		(906,482)
Net cash flow used in operating activities	795,990	(1,839,481)
Investing activities		
Purchases of property and equipment	(192,257)	(18,058)
Purchases of intangible assets	(16,345)	(73,817)
Additions to assets held against bad debts	(83,622)	-
Return from the sale of assets for bad debts	218,722	-
Proceeds from the sale of property and equipment	1,640	-
Proceeds from the sale of financial assets at fair value through comprehensive income	-	16,112
Net cash flow used in investing activities	(71,862)	(75,763)
Financing activities		
Loans	(2,614,157)	3,050,153
Overdrafts	(847,762)	(1,026,644)
Bond	3,000,000	-
Net cash flow generated from financing activities	(461,919)	2,023,509
Net change in cash and cash equivalents	262,209	108,265
Cash and cash equivalents at 1 January	242,082	133,817
Cash and cash equivalents at 31 December	504,291	242,082
Non-cash transactions		
Transferred from receivables to assets held for bad debts	845,184	858,694

The attached notes from 1 to 27 are an integral part of these consolidated financial statements

(1) To Be Updated…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 [Date]

(2) Basis Of Preparation Of The Consolidated Financial Statements

The principal accounting policies applied in the preparation of these consolidated 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 31 December, 2017 except for the information presented in note (2-2) .

2-2 Changes in accounting policy and disclosures

The accounting policies are in line with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2017. As explained in Note 2.2.1.

2-2-1 New and revised standards and interpretations issued and applied by the Company in the fiscal year beginning on 1 January 2018New standards, amendments and interpretations adopted by the company

(a) Which have no material impact on the financial statements:

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- Recognition of Deferred Tax Assets for Unrealized Losses – Amendments to IAS 12,
- Disclosure initiative – amendments to IAS 7.
- Transfers of Investment Property – Amendments to IAS 40.
- Annual Improvements to IFRSs – 2012-2014 Cycle
- IFRS 15 - «Revenue from contracts with customers», effective 1 January 2018. This standard replaces IAS 18 which covers contracts for goods and services and IAS 11 covering construction contracts. On the basis of the new standard, revenue is recognized when the control of the asset or service is transferred to the customer - hence the idea of control replaces the notion of risk and return. The standard permits full retroactive or retrospective application.

Impact: There is no impact from applying the standard on the financial statements of the company, since most of the company›s revenues come from sources not subject to this standard.

(b) New standards applied by the Bank commencing 1 January 2018 and has significant impact:

IFRS 9 “Financial Instruments”:

Nature of change: IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and introduced a new impairment model.

Impact of adopting IFRS 9:

The Bank has adopted International Financial Reporting Standard (IFRS) 9 effective January 1, 2018.

The following are the most important aspects of application:

A- Classification and measurement of financial assets

- There was no material impact on the application of the Standard.

- The Company reclassified the financial instruments between the categories defined under IFRS 9 (amortized cost at fair value through income statement at fair value through other comprehensive income) and allowed for one time at the beginning of 2018 to achieve the correct application Requirements of the standard.

B- Classification and measurement of financial liabilities:

IFRS (9) has retained the requirements of IAS (39) regarding the classification of financial liabilities. IAS 39 (revised) requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss in the consolidated statement of income, whereas IFRS (9) requires:

- Recognition of differences in thee assessment of financial liabilities classified as financial liabilities at fair value through statement of income as a result of changes in credit risk in the consolidated statement of comprehensive income.

- The remaining amount of fair value valuation differences is recognized in the consolidated statement of income.

- The Company has reclassified the financial instruments among the categories determined under IFRS 9 at amortized cost at fair value through statement of income at fair value through other comprehensive income and allowed for one time at the beginning of 2018 with a view to achieving the proper application of the Standard›s requirements . The reclassification is described in paragraph (f) of this note.

C- Hedge accounting

When applying IFRS (9), the Bank has the choice to continue applying the hedge accounting requirements of IAS (39) instead of the requirements IFRS (9).

D- Impairment of financial assets

IFRS 9 replaces the «loss recognition» model adopted in IAS 39 to calculate the impairment of financial assets to the forward-looking model «expected credit losses», which requires the use of estimates and judgments to estimate the economic factors The model has been applied to all financial assets - debt instruments classified at amortized cost or at fair value through the statement of comprehensive income or at fair value through income statement. Effective 1 January 2018, deals with the classification, measurement and recognition of financial assets and liabilities and introduces new rules for hedge accounting.

Impairment losses have been calculated in accordance with the requirements of IFRS 9 in accordance with the following rules:

- 12 month impairment losses: Impairment of expected impairment is calculated within 12 months following the date of the consolidated financial statements.

- Impairment losses for the useful life of the instrument: Impairment of the expected impairment on the life of the financial instrument to maturity is calculated as of the date of the consolidated financial statements.

- The methodology for calculating expected credit losses depends on the probability of default, which is calculated according to the credit risk, future economic factors and loss given default, which depends on the collectible value of the existing collateral and the exposure at default.

E- The general framework for the application of the requirements of IFRS 9:

1. Apply a specialized automated system to meet the requirements of the standard.
2. Inclusion (classification) of all credit exposures / debt instruments that are subject to the measurement and calculation of the expected credit loss in one of the following stages:

- Stage 1: The expected credit loss is weighted by the probability of default of the credit / debt instrument within the next 12 months. Credit / debt instruments that have not received significant or significant increase in their credit risk since the recognition Or has a low credit risk as of the date of preparation of the financial statements.

- Stage 2: This stage includes credit exposures / debt instruments, which have had a significant increase in their credit risk since their initial recognition, but have not yet reached the stumbling stage due to lack of objective evidence to confirm default. The expected credit loss is calculated for the entire lifetime of the credit exposure / debt instrument and represents the expected credit loss arising from all potential defaults over the remaining life of the credit exposure / debt instrument.
- Stage 3: This stage includes debt instruments that have evidence / evidence that they have become impaired and in this case the expected credit loss is calculated for the entire lifetime of the credit exposure / debt instrument.

3. The mechanism adopted to calculate expected credit losses (ECL) on financial instruments and for each item separately:

- The calculation of expected credit losses depends on the probability of default, which is calculated according to the credit risk and economic factors, and the loss loss default ratio, which depends on the value of the collection of guarantees and the value of exposure at default and accordingly The following mathematical model has been adopted to calculate the expected credit loss according to criterion (9) where the following equation applies to all exposures as follows:

$ECL = PD\% \times EAD_{(JOD)} \times LGD\%$
• ECL: expected credit loss
• PD: Probability of default
• EAD: Credit exposure when default
• LGD: Loss ratio assuming default

- Expected scope of application / loss:

In accordance with the requirements of IFRS 9, the expected credit loss measurement model is applied within the following framework (except as measured at fair value through statement of income):

• Loans and credit facilities.
• Debt instruments carried at amortized cost.
• Debt instruments carried at fair value through other comprehensive income.

• Financial guarantees stipulated in accordance with the requirements of the standard (9).
• Accounts receivable related to leases are within the requirements of IAS 17 and IFRS 16.
• Trade receivables.
• Credit exposures on banks and financial institutions [excluding current balances used to cover the company›s operations such as remittances, guarantees and credits within a very short period of time (days)].

4. Calculating the possibility of default (PD) where the probability of default was calculated according to the following data:

- Economic indicators and macroeconomic factors (GDP, unemployment, inflation, real interest rates) were taken into account for the purpose of calculating the expected credit loss (PD).

- A roll-rate methodology has been adopted to calculate the future loss rate in case of default. It is based on the study of historical data by taking into account the analysis of the results of the methodology at a collective level for credit exposures with similar credit characteristics, A number of factors are as follows:

• Product Type
• Quality of guarantees
• Sector

5. Calculate credit exposure (EAD) by taking into account both the type of credit exposure, credit exposure balance and credit conversion factor (CCF).

6. Calculate the rate of loss by default (LGD) by analyzing the historical data of the recovery rates, after taking into account a number of factors, the most important of the nature of the guarantees and products and the classification of the client and accordingly has been developed ratios (LGD).

F- Disclosures

IFRS (9) requires detailed disclosures, particularly with regard to hedge accounting, credit risk, and expected credit losses.

G- Implementation

The Bank Company recorded the effect of IFRS (9) on opening balances of retained earnings as at 1 January 2018, provisions and non-controlling interests rather than restating the consolidated financial statements for the year ended 31 December 2017 and earlier.

The following table shows the increase in credit risk exposures for financial assets that are subject to a credit loss as expected as of 1 January 2018.

	Stage 1	Stage 2	Stage 3	Total	Deferred tax asset	Net effect
	JD	JD	JD	JD	JD	JD
Financial assets at amortized cost	883,071	148,160	-	1,031,231	(247,495)	783,736

The following table shows the amendment to the opening balances as at 1 January 2018:

	Balance 31 Dec 2017	Effect IFRS(9)	Balance 31 Dec 2018
Financial assets at amortized cost	42,135,036	(1,031,231)	41,103,805
Deferred tax assets	1,276,330	247,495	1,523,825
The retained earnings	5,149,087	(783,736)	4,365,351
Financial assets at fair value through statement of income	195,164	(195,164)	-
Financial assets at fair value through statement of comprehensive income	-	202,496	202,496

- Credit exposures in accordance with the provisions of Classification No. 47/2009 and in a manner that is in conformity with IFRS 9

According to IFRS 9									Classification Instructions No. (47/2009)				Item
Stage 1			Stage 2			Stage 3							
Outstanding benefits	ECL	Total	Outstanding benefits	ECL	Total	Outstanding benefits	ECL	Total	Provision	Origin	Outstanding benefits	Total	
5,977	247,560	1,230,259	1,593	141,658	2,971,120	-	710,461	34,227,634	-	38,471,442	7,570	38,749,012	Performing
19,540	108,381	514,988	298	271,495	2,115,594	-	-	-	205,290	2,610,744	19,838	2,630,582	Watch List
1,063,170	2,757,415	7,752,323	-	-	-	-	-	-	3,958,260	6,689,153	1,063,170	7,752,323	NPL which:
111,706	301,949	1,724,647	-	-	-	-	-	-	318,838	1,612,941	111,706	1,724,647	Substandard
124,698	211,843	1,101,412	-	-	-	-	-	-	324,448	976,714	124,698	1,101,412	Doubtful
826,766	2,243,624	4,926,264	-	-	-	-	-	-	3,314,974	4,099,498	826,766	4,926,264	Heck
1,088,687	3,113,356	9,497,570	1,891	413,153	5,086,713	-	710,461	34,277,634	4,163,550	47,771,339	1,090,578	48,861,917	Total

2-3 Basis of consolidation financial statements

The consolidated financial statements include the financial statements of the Company and the wholly owned subsidiary company controlled by it. Control exists when the Company has the ability to control the financial and operating policies of the subsidiary company in order to achieve financial benefits out of their operations. All inter-company transactions, balances, revenues and expenses between the Company and its subsidiary are eliminated.

The following are the details of its subsidiary as of December 31, 2018:

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 subsidiary are prepared using the same accounting policies adopted by the company, Changes are made to the accounting policies of the subsidiary, when necessary, to align them with accounting policies adopted by the company,
The subsidiary's 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 consolidated 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 consolidated financial statements are presented in 'Jordanian Dinar', which is the company's functional and presentation currency,

(b) Transactions and balances

Foreign currency transactions are translated into the Jordanian dinar using the exchange rates prevailing at the dates of the transactions, 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 consolidated statement of income,

2-5 Property, plant and equipment

Property 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 Group 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	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 consolidated statement of income,

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

Intangible assets arising from the Group'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 consolidated 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 consolidated statement of income,

Dividends or interest earned are recognized in the consolidated statement of 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 other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent Solely Payments of Principal and Interest, and that are not designated at FVTPL, are measured at FVTOCI. Movement in carrying amount are taken throgh Other Comprehensive Income (OCI), except for the recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instruments' amortized cost which are recognized in profit or loss. When the financial assest is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in 'Net Investment Income'.

Financial assets at fair value through profit and loss in 2017 were reclassified into financial assets at fair value through other comprehensive income in 2018.

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 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 consolidated statement of income using the effective interest method,

- Interest expense are recognized on accrual basis

2-16 Income Tax

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 date of consolidated statement of financial position, 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.

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 consolidated statement of income. Revaluation gains are not recognised.

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 consolidated 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 cannot be reliably measured are stated at cost less any impairment in their value.

2-22 Financial instruments by category

	2018	2017
	JD	JD
Assets as per the statement of financial position		
Loans and receivables		
Financial assets at amortized cost	42,689,465	42,135,036
Financial assets measured at fair value through consolidated income statement	-	195,164
Financial assets measured at fair value through other comprehensive income	202,496	-
Other debit balances	254,837	414,120
Cash on hand and at banks	504,291	242,082
	43,651,089	42,986,402
Liabilities as per statement of financial position		
Financial liabilities at amortized cost		
Bank overdrafts	1,878,338	2,726,100
Loans	14,731,185	17,345,342
Loan Support	3,000,000	-
Other liabilities	624,395	463,056
Other provisions	37,548	71,220
	20,271,466	20,605,718

(3) Financial Risk Management

3-1 Financial risks factors

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 minimize potential adverse effects on the Company's financial performance.

The Company's management is responsible for preparation and controlling risk management.

Risk management policies are prepared to identify and analyze the risks that the company's face, and to set fitted regulations and limits to the range of that the risks and control it to ensure that there are no override for the set limits.

The policies and risk management regulations are periodically reviewed to reflect the changes in the market circumstances and company's activities. The management aims through trainings, standards, and procedures that the management set to improve constructive control environment that clarify the role of each person in the company.

The Audit Committee monitor the performance of the management in monitoring the extent of the compliance of the Company policies and procedures in risk management, in addition to reviewing the sufficiency of the risk management in relation to Company's risk. The Internal audit department assist the audit committee in the monitoring process. The internal audit department review the procedures for risk management and report the result to the audit committee.

(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, therefore 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 issued at fixed rates; (Note 13).

(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 2018, based on contractual payment dates and current market interest rates

	Less than year 1	Over year 1
	JD	JD
At 31 December 2018		
Bank overdrafts	2,020,433	-
Loans	8,131,932	7,630,437
Loan Support	3,019,125	-
Other liabilities	624,395	-
Other provisions	37,548	-
At 31 December 2017		
Bank overdrafts	2,914,200	-
Loans	8,038,448	10,389,244
Other Liabilities	463,056	-
Other provisions	71,220	-

(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 least 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 consolidated statement of financial position,

Gearing ratios were as follows:

	2018	2017
	JD	JD
Total borrowings	19,609,523	20,071,442
Less: Cash on hand and at banks	(504,291)	(242,082)
Net debt	19,105,232	19,829,360
Total equity	27,271,217	24,939,649
Total capital	46,376,449	44,769,009
Gearing ratio	41%	44%

3-3 Fair value estimation

The carrying values of investment in lease contract approximate their fair values.

(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

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.

(c) Provision for impairment of seized assets

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).

(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 does not conflict with the International Financial Reporting Standards and the instructions of the Regulatory authorities.

(5) Cash On Hand And At Banks

	2018	2017
	JD	JD
Cash on hand	148,363	40,066
Current account at banks	355,928	202,016
	504,291	242,082

(6) Financial Assets At Fair Value Though Income Statement

	2018	2017
	JD	JD
Outside the kingdom		
Shares of unlisted companies	-	195,164

* Financial assets at fair value through income statement have been reclassified to the financial assets at fair value through statement of comprehensive income of KD 195,164 as at 31 January 2018 with a view to the proper application of IFRS 9 based on the instructions of the Central Bank of Jordan (13/2018).

(7) Financial assets at fair value through statement of comprehensive income

	2018	2017
Outside the kingdom		
Shares of unlisted companies	202,496	-

(8) Financial Assets At Amortized Cost

	2018	2017
	JD	JD
(Instalments receivables (a	35,086,480	33,435,991
(Finance lease contracts instalments (b	7,430,312	8,526,111
Customers loans – Credit cards	172,673	172,934
	42,689,465	42,135,036

(a) Installment receivable

Installment receivables represent 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:

	2018	2017
	JD	JD
Mature within less than a year	22,593,474	20,385,899
Mature within more than a year and less than five years	23,729,731	24,002,344
Mature within more than a year and less than five years	163,586	721,817
	46,486,791	45,110,060
Less: Provision for impairment on the overdue instalments receivable	(4,718,911)	(4,336,871)
Less: Deferred revenue related to unmeasured instalments	(5,674,225)	(6,682,514)
Less: Finance revenue in suspense	(1,007,175)	(654,684)
	35,086,480	33,435,991

The sectorial distribution of installment receivables is as follows:

Investment in facilities contracts-Net:

	2018	2017
	JD	JD
Real-estate	3,714,353	4,842,408
Corporations	30,007,579	28,595,305
Loans and trade bills	12,764,859	11,672,347
Total installment receivable	46,486,791	45,110,060
Deferred revenue related to unmeasured installments	(4,718,911)	(4,336,871)
Provision for impairment on the overdue installments receivable	(5,674,225)	(6,682,514)
Finance revenue in suspense	(1,007,175)	(654,684)
Net installment receivable	35,086,480	33,435,991

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

	2018	2017
	JD	JD
Balance at the beginning of the year	4,336,871	4,782,916
Effect of applying IFRS(9)	988,172	-
Edited during the year	(116,616)	(440,566)
Write off *	(489,516)	(5,479)
Balance at the end of the year	4,718,911	4,336,871

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

	2018		2017	
	Overdue installments receivable	Total installmnets receivable	Overdue installments receivable	Total installmnets receivable
	JD	JD	JD	JD
Not accrued installments receivable	-	26,689,644	-	27,872,330
1-3 months	415,906	7,186,587	399,565	4,370,425
4-6 months	308,788	1,505,821	280,324	697,930
7-9 months	187,491	621,976	103,865	327,525
10-12 months	157,136	412,413	102,443	228,066
More than 12 months	2,876,191	4,396,126	3,045,074	4,931,270
	3,945,512	40,812,567	3,931,271	38,427,546

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:

	2018		2017	
	Overdue installments receivable	Total installmnets receivable	Overdue installments receivable	Total installmnets receivable
	JD	JD	JD	JD
Clients balances – Legal cases	7,741,207	3,402,436	4,993,475	3,047,300

• Based on the decision of the Board of Directors of the Company, an amount of JD 489,516 was written off during the period ended 31 December 2018 (2017: 5,479) of the provision for debt and write-off of JD (98,962) of outstanding income.

Provision for impairment of receivables After adding the impact of application of IFRS9:

	31 Dec 2018
	Jod
Stage 1	644,404
Stage 2	379,941
Stage 3	3,694,566
Total	4,718,911

(b) Finance lease contract receivables

Investment in finance lease contracts – Net

	2018	2017
	JD	JD
Real-estate	5,377,381	6,333,399
Corporations	84,655	163,561
Loans	3,606,642	4,183,247
Total investment in finance lease contracts	9,068,678	10,680,207
Deferred revenue related to finance lease contracts	(362,963)	(228,259)
Provision for impairment on the overdue finance lease contracts	(1,192,000)	(1,857,106)
Finance revenue in suspense within accrued installments	(83,403)	(68,731)
Net investment in finance lease contracts	7,430,312	8,526,111

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

	2018	2017
	JD	JD
Mature during less than a year	4,796,366	4,973,941
Mature during more than a year and less than five years	4,041,050	5,179,033
Mature during more than five years	231,262	527,233
	9,068,678	10,680,207
Impairment provision of finance lease contract*	(362,963)	(228,259)
Deferred revenue	(1,192,000)	(1,857,106)
Finance revenue in suspense within accrued installments	(83,403)	(68,731)
	7,430,312	8,526,111

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

	2018	2017
	JD	JD
Balance at the beginning of the year	228,259	234,059
Effect of applying IFRS(9)	43,059	-
Edited during the year	334,296	-
Release during the year	(242,651)	(5,800)
	362,963	228,259

Provision for impairment of finance leases after adding the effect of applying IFRS 9.

	31 Dec 2018
	Jod
Stage 1	66,057
Stage 2	33,212
Stage 3	263,694
Total	362,963

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

	2018		2017	
	Receivables finance lease overdue	Total debt balance	Receivables finance lease overdue	Total debt balance
	JD	JD	JD	JD
Not accrued instalments receivable	-	5,873,580	-	7,651,283
1-3 months	44,902	1,190,535	51,797	711,409
4-6 months	25,799	215,452	2,208	13,606
7-9 months	5,705	28,782	18,602	68,225
10-12 months	8,364	38,102	23,138	109,817
More than 12 months	138,290	530,227	49,545	268,761
	223,060	7,876,678	145,290	8,823,101

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:

	2018		2017	
	Receivables finance lease overdue	Total debt balance	Receivables finance lease overdue	Total debt balance
	JD	JD	JD	JD
Clients balances – Legal cases	832,862	164,586	842,657	113,787

**Part of the collaterals of the due installments and finance lease contract related to Jordan Trade Facilities Company with an amount of JD 7,655,029 (promissory notes) as of 31 December 2018 against JD9,692,559in 2017 (promissory notes) were deposited as collaterals against the loans and overdraft of the company.

Movement on provision for impairment

	SME's	Retail	Real state	Total
Beginning balance	751,330	3,243,712	570,088	4,565,130
Loss on new stocks during the year	751,599	1,857,364	185,138	2,758,101
Repaid/derecognized	(257,248)	(1,336,952)	(157,641)	(1,751,841)
Transfer from stage1	(7,918)	(23,584)	(1,314)	(32,816)
Transfer from stage2	2,202	21,561	(119)	23,644
Transfer from stage3	5,716	2,023	1,433	9,172
Write-Off	(379,949)	(8,855)	(100,712)	(489,516)
Total balance as at the end of the yea	829,732	3,755,269	496,873	5,081,874

(9) Investment property- Net

	2018	2017
	JD	JD
Buildings*	585,000	585,000
Accumulated depreciations	(140,000)	(117,000)
	444,600	468,000

* This item represents the allocation of 24 residential units of Al Majd residential project for the benefit of the company, based on the agreement signed with the developer Tameer International Real Estate Company, noting that the company acquired the apartments and issued registration bonds in its name, The fair value of the real estate investments is estimated at JD 593,465 under the latest real estate valuation available to the Company on 31 March 2018.

(10) Property And Equipment

	Furniture and fixture	Tools, Office machine and Computer	Decorations	Vehicles	Projects under construction	Total
2018	JD	JD	JD	JD	JD	JD
Cost						
At 1 January 2018	98,970	208,021	308,476	84,500	2,637	702,604
Additions	14,541	42,431	88,276	-	47,009	192,257
Transfer	-	-	2,637	-	13,647	16,284
Disposals	(2,405)	(12,500)	(74,560)	-	-	(89,465)
At 31 December 2018	111,106	237,952	324,829	84,500	63,293	821,680
Accumulated Depreciation						
At 1 January 2018	74,049	177,485	233,881	46,610	-	532,025
Charged during the year	11,846	22,037	41,830	12,675	-	88,388
Related to disposals	(2,402)	(11,420)	(72,601)	-	-	(86,423)
At 31 December 2018	83,493	188,102	203,110	59,285	-	533,990
Net book value as at 31 December 2018	27,613	49,850	121,719	25,215	62,293	287,690

The gross carrying amount of fully depreciated assets at 31 December 2018 amounted to JD [611,487] (2017: JD 537,716).

	Furniture and fixture	Tools, Office machine and Computer	Decorations	Vehicles	Projects under construction	Total
	JD	JD	JD	JD	JD	
2017						
Cost						
At 1 January 2017	98,284	207,502	502,048	84,500	-	892,334
Additions	686	8,692	6,043	-	2,637	18,058
Disposals	-	(8,173)	(199,615)	-	-	(207,788)
At 31 December 2017	98,970	208,021	308,476	84,500	2,637	702,604
Accumulated Depreciation						
At 1 January 2017	63,873	160,925	402,793	33,935	-	661,526
Charged during the year	10,176	24,719	30,694	12,675	-	78,264
Related to disposals	-	(8,159)	(199,606)	-	-	(207,765)
At 31 December 2017	74,049	177,485	233,881	46,610	-	532,025
Net book value as at 31 December 2017	24,921	30,536	74,595	37,890	2,637	170,579

(11) Intangible Assets

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

	Computer Programs and the website	Projects under construction	Total
2018	JD	JD	JD
Cost			
Balance at 1 January 2018	280,988	49,174	330,162
Additions	4,531	11,814	16,345
Disposals	-	(22,664)	(22,664)
Transfers	17,700	(17,700)	-
Balance at 31 December 2018	303,219	20,624	323,843
Accumulated Amortization			
Balance at 1 January 2018	236,894	-	236,894
Amortization charge	18,951	-	18,951
Balance at 31 December 2018	255,845	-	255,845
Net book value At 31 December 2018	47,374	20,624	67,998

2017	Computer Programs And the website	Projects under construction	Total
	JD	JD	JD
Cost			
Balance at 1 January 2017	233,284	23,061	256,345
Additions	24,643	49,174	73,817
Transfers	23,061	(23,061)	-
Balance at 31 December 2017	280,988	49,174	330,162
Accumulated Amortization			
Balance at 1 January 2017	213,656	-	213,656
Amortization charge	23,238	-	23,238
Balance at 31 December 2017	236,894	-	236,894
Net book value At 31 December 2017	44,094	49,174	93,268

(12) Bank Overdrafts

The facilities granted to the Company in the form of an overdraft have been secured against endorsed bills with a percentage of 120% of the utilized balance, bearing an interest rate between 7% - 8%, The main purpose of these facilities is to finance the Company's activities within a year.

(13) Loans

	2018	2017
	JD	JD
Bank loans due within a year	7,599,935	7,566,310
Bank loans due after a year	7,131,250	9,779,032
	14,731,185	17,345,342

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

Facilities type	Renewal date	Facilities limit	2018	2017
			JD	JD
Reducing loan	May-2020	4,000,000	1,764,528	2,944,011
Revolving loan	May-2021	4,000,000	2,655,247	3,788,127
Revolving loan	June -2022	3,000,000	871,157	2,812,406
Revolving loan	Sep-2019	200,000	-	102,985
Revolving loan	April-2020	1,000,000	369,181	-
Reducing loan	May-2020	3,000,000	2,029,494	2,790,443
Reducing loan	Dec-2021	1,000,000	705,842	980,800
Revolving loan	May-2021	2,000,000	1,555,298	2,000,000
Revolving loan	Nov-2021	2,000,000	1,944,438	1,926,570
Revolving loan	Oct-2021	2,836,000	2,836,000	-
			14,731,185	17,345,342

These loans are in Jordanian Dinars and secured against endorsed bills with a percentage of 120%-130% of the utilized loans balances.

These loans bear interest rates between 6,5% - 8%.

• The company has a loan of 2,836,000 JD from (Sanad Fund for micro and small enterprises) on 27 August 2018 an interest rate of 6.6% rest able and rest every six months from October 5, 2018. The loan is repayable in installments every six Months. The first installment on 5 October 2019 and the last installment on 5 October 2021

(14) loan guarantees

Loans payable within one year:

2018	2017
JD	JD
3,000,000	-
3,000,000	-

* This item represents loans issued by the Company on 9 February 2018 for a period of 360 days at an interest rate of 6.75%. The interest is payable every six months on 7 August 2018 and 2 February 2019. The loan is repayable on 3 February 2019.

(15) Other Liabilities

	2018	2017
	JD	JD
Interest payable	127,359	-
Accounts payable	246,084	195,090
Dividend paid and unpaid	81,524	119,321
Due expenses	95,478	62,427
Due expenses	73,950	86,218
	624,395	463,056

(16) Other Provision

	2018	2017
	JD	JD
Lawsuits provision	11,842	29,500
Vacations provision	25,706	41,720
	37,548	71,220

(17) 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	Effect of applying IFRS(9)	Additions	Released amounts	Balance at the end of the year	Deferred tax assets as at 31 December 2018
	JD	JD	JD	JD	JD	JD
Provision for impairment in overdue installments receivable	4,565,130	1,031,231	1,525,002	(2,039,489)	5,081,874	1,422,925
Finance revenue in suspense	723,415	-	661,460	(297,297)	1,090,578	305,361
Legal provision	29,500	-	-	(29,500)	-	-
Provision for due leave	-	-	40,464	(2,915)	37,549	10,513
Bounce Provision	-	-	11,843	-	11,843	3,316
Other provision	-	-	15,000	-	15,000	4,200
	5,318,045	1,031,231	2,253,769	(2,366,201)	6,236,844	1,746,315

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 2017
	JD	JD	JD	JD	JD
Provision for impairment in overdue installments receivable	5,016,975	724,292	1,176,137	4,565,130	1,095,630
Finance revenue in suspense	-	723,415	-	723,415	173,620
Legal provision	-	29,500	-	29,500	7,080
	5,016,975	1,477,207	1,176,137	5,318,045	1,276,330

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

	2018	2017
	JD	JD
Balance at the 1 January	1,276,330	1,204,074
Effect of applying IFRS(9)	247,495	-
Additions during the year	885,026	354,529
Released during the year	(662,536)	(282,273)
Balance at 31 December	1,746,315	1,276,330

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

	2018	2017
	JD	JD
Balance at the beginning of the year	864,480	748,298
Income tax paid	(1,068,716)	(906,482)
Income tax expense on current year profit	937,985	1,022,664
Income tax expense related to previous years	50,790	-
Balance at 31 December	784,539	864,480

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

	2018	2017
	JD	JD
Income tax expense on current year profit	937,985	1,022,664
Income tax expense related to previous years	50,790	-
Changes on deferred tax assets	(222,490)	(72,256)
	766,285	950,408

* The deferred tax was calculated as at 31/12/2018 at 28% (2017: 24%) in accordance with the new Income Tax Law 2018 which came into force as of January 1, 2019. Under this law, the tax rate on the company will become 28% instead of 24%

Reconciliation between taxable income and accounting income is as follows:

	2018	2017
	JD	JD
Profit before tax for the year	3,874,257	4,028,589
Nontaxable income	(580,655)	(543,805)
Non-deductible expenses	614,670	776,315
Taxable income	3,908,272	4,261,099
Effective tax ratio	24٪	24%
Declared tax rate	28٪	24%

- A final clearance was made with the Income and Sales Tax Department until the end of 2014.
- The Company has submitted its self-assessment for the years 2015, 2016 and 2017 as scheduled, and the Income and Sales Tax Department has not audited the Company's records until the date of preparation of these financial statements
- The Company has submitted the general sales tax returns on time. The income and sales tax department has audited the submitted statements for the years 2009 through 2013.
- The Company (Commercial Facilities Leasing Company) submitted the self-assessment statements until the end of 2014 and was accepted by the income and sales tax department without sampling. The self-assessment reports for the years 2015 and 2016 were also submitted by the Income and

Sales Tax Department Without modification.

- The Commercial Leasing Company has submitted the self-assessment report for 2017 on the due date. The Income and Sales Tax Department has not reviewed the Company's records until the date of preparation of these financial statements.

- The subsidiary (Commercial Leasing Company) has submitted the general sales tax returns on time. The income and sales tax department has audited the statements submitted up to 2013.
- In the opinion of the management of the company and the tax advisor, the Jordanian Commercial Facilities Company and its subsidiary shall not have any obligations exceeding the appropriation taken until 31 December 2018..

(18) 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,

(19) Other Operating Revenues

	2018	2017
	JD	JD
Collection fees, delay penalties and returned cheques	467,406	403,710
Filing administrative fees	145,173	136,292
Credit cards revenues	325,886	101,274
Credit card income	94,054	106,069
	1,032,519	747,345

(20) Salaries, Wages And Employee Benefits

	2018	2017
	JD	JD
Salaries and wages	965,633	923,469
Social Security contribution	118,335	113,809
Bonus	161,109	161,809
Medical Insurance	96,848	73,444
Miscellaneous	12,967	13,639
	1,354,892	1,286,170

(21) Administrative Expenses

	2018	2017
	JD	JD
Rents	193,941	168,144
Maintenance	54,427	46,855
Telephone, internet and post	43,103	41,362
Directors' transportation and remuneration	63,333	60,200
Trading commissions	17,677	44,678
Professional fees	57,830	53,696
Water and electricity	28,814	26,112
Transportation and Travel	2,565	3,964
Subscriptions and fees	30,081	29,393
Sales Tax	90,553	70,237
Hospitality	11,462	9,260
Printing and stationary	13,417	11,971
Lawsuits expenses	42,269	12,469
General assembly meeting expenses	6,679	7,012
Advertising and promotion	39,075	33,642
Depreciation of real estate investments	23,400	23,400
Miscellaneous	127,264	90,972
	845,890	733,367

(22) Balances and Transactions With Related Parties

22-1 Consolidated Statement of Financial Position

	Parent company	Subsidiary company	Major shareholders	Executive officers	2018	2017
	JD	JD	JD	JD	JD	JD
Financial assets at amortized cost	-	-	-	26,834	26,834	1,860,487
Loans	1,944,437	-	-	-	1,944,437	2,601,248
Amounts due from a related party	-	1,412,105	-	-	1,412,105	72,815
Current account	316,485	-	-	-	316,485	93,550

22-2 Consolidated Statement of Comprehensive Income

	Related Party				Balance	
	Parent company	Subsidiary company	Major shareholders	Executive officers	2018	2017
	JD	JD	JD	JD	JD	JD
Installment revenue	-	60,717	-	4,929	65,646	233,707
Finance expenses-Loans	152,310	-	-	-	152,310	157,151

Credit guarantees balance with the parent company was 30,000 dinars as of December 31, 2018 (2017: 37,000 dinars),

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

22-3 Executive Management Salaries And Remunerations For Administration

Salaries and remunerations paid to the Group's executive management amounted to JOD 400,544 for the year ended 31 December, 2018 (2017: JOD 454,610),

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

	2018	2017
	JD	JD
Profit for the year belong to the shareholder (JOD)	3,107,972	3,078,181
The weighted average for outstanding shares (share)	16,500,000	16,500,000
	0,188	0,187

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)

(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)

	Level 1	Level 2	Level 3	Total
31 December 2018	JD	JD	JD	JD
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	202,496	202,496
	-	-	202,496	202,496
31 December 2017				
Financial assets measured at fair value through profit or loss	-	-	195,164	195,164
Financial assets measured at fair value through other comprehensive income	-	-	-	-
	-	-	195,164	195,164

(25) Contingent Liabilities

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

	2018	2017
	JD	JD
Bank Guarantees	270,000	139,500

Against cash margin as follows:

Cash margin	9,350	1,000

(26) Lawsuits Raised Against The Company And Its Subsidiary

The Company is defendant in a lawsuit in the Jordanian court amounting to JD 258,494 as at 31 December 2018 compare to JD 39,200 as at 31 December 2017. Balance of provision booked against these legal cases amount of JD zero as at 31 December 2018 compare to JD 29,500 as at 31 December 2017.Management of the Company and legal consultant believes that no extra liabilities will result from these legal cases.

The Subsidiary “Jordan Facilities for Finance Lease “ is defendant in a lawsuit in the Jordanian court amounting to JD 22,046 as at 31 December 2018 compare to JD 300 as at 31 December 2017. Balance of provision booked against these legal cases amount of JD zero as at 31 December 2018(zero:2017). No legal cases were against the Company as at 31 December 2018.

(27) Comparative Figures

Certain comparative figures for the year ended 31 December 2017 have been reclassified to conform with the presentation of the consolidated financial statements figures for the year ended 31 December 2018.