شركة التسهيلات التجارية الأردنية م.ع.م.

Jordan Trade Facilities Company PLC

نحن هنا لنساعدك !

Annual Report 2014

P.O. Box 941493Amman11194- Jordan, Tel. 5671720 Fax 5672255 Company Registration No. 179

His Majesty King Abdulla II
King of Hashemite Kingdom of Jordan

His Royal Highness
Prince Hussein Bin Abdulla II

Members of the Board

Chairman

Mr. Mohammad Zaki Al-Masri	Representative of Global MENA Financial Assets Limited

Vice-Chairman

Mr. Zakir Hussein Rizvi	Representative of Financial Assets Bahrain

Members

Mr. Talal Algharaballi	Representative of Financial Assets Bahrain
Mr. Abed Alhamid Mohammad Mehriz	Representative of Global Investment House
Mr. Awni Mahmoud A'mar	Representative of Invest Bank
Dr. Adel Sharaf Eldein Bino	Representative of University of Jordan Investment Fund
Mr. Derar Gazi Mohammad	Representative of Financial Assets MENA WLL

General Manager

Mr. Eyad Mohammad Jarrar

Auditor

KPMG

Legal Consultant

Al-Qustas Firm for Legal Consultation

Report of the Board of Directors
For the Fiscal Year 2014

In the Name of God

Dear Shareholders,

It is an honor and pleasure to welcome you on behalf of myself and the board members to the 34rd General Assembly and to share the annual report about the Company's activities and achievements for the year 2014.

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

For the year 2014, JOTF achieved operational revenues of JOD 6,859,347, a lending portfolio of JOD 31,288,150 and total assets of JOD 33,934,664 which had an increase / growth in operational profit by 17% (JOD 2.9 Million vs. 2.4 Million for the previous year).

On the other hand, the company has taken sufficient provisions and increased the coverage ratio for non-performing loans to maintain and ensure a healthier portfolio as well as taking an exceptional income tax and sales tax provision to meet any possible future disputed claims.

Dear Respected Shareholders,

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

Finally, we would like to thank you for your attendance today, hoping that we will continue to achieve our mutual goals with your support.

Sincere Regards,

As per the declaration requirements, the Company is committed to the Prescriptive rules of the governance guide book and we hereby state the following:

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 and Credit cards, as well as small and medium enterprises loans there are diffident product's and offerings for diffident segments based on their needs. Furthermore also, Leasing products are among the Company's offering portfolio.

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

JTFC operates through its branches, which are distributed throughout the Kingdom with total number of 67 employees distributed according to the following:

1) Headoffice in Shemesani Area, with 39 employees working in management.
2) The main branch is located in Shmeisani, with 5 employees.
3) Sports City Street Branch, with 6 employees.
4) Wehdat area branch, with 5 employees.
5) Zarqa city branch, with 4 employees.
6) Irbid city branch, with 4 employees.
7) Aqaba Branch, with 4 employees.

C. Total shareholder Equity

The Company has a total equity of JD 20,466,612, of which JD 16,500,000 represent the paid-up capital, JD 1,980,230 the statuary reserve, JD 2,063,234 the retained earnings, and represent the fair value reserve. JD (76,852) represent the fair value reserve.

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

Jordan Trade Facilities Company owns Jordan Facilities Company for Leasing, which is a limited liability company established in 5/5/2010 with a subscribed capital of one million Jordanian Dinars fully paid; the capital was increased to JD 2 Million in 2013. This company is wholly-owned by JTFC, and its main business activities are leasing commodities such as equipment and fixed assets. The Company currently has 3 employees.

3. Statement of the Names of Board Members, Names and Titles of Executive Senior Managers and a Brief on Each of Them

A. Members of the Board

Mr. Mohammad Zaki Al-Masri / Chairman of the Board
Representative of Global MENA Financial Assets Limited
Date of Membership: 21/3/2011
Date of Birth: 9/9/1978
Nationality: Jordanian
Educational Qualifications:
B.A. in Accounting, 2001
Professional Experience:
2005 - Present: Assistant deputy chairman in Global Investment House
2001 - 2005: Financial Auditor, KPMG Kuwait.

Mr. Zakir Hussein Rizvi / Vice chairman of the board
Representative of Financial Assets Bahrain
Date of Membership: 19/1/2012
Date of Birth: 18/09/1976
Nationality: Pakistani
Educational Qualifications:
Master's Degree in Economics, 1999
Master's Degree in International Financing, 2003
Professional Experience:
2003 - Present: Assistant deputy chairman in Global Investment House

Mr. Talal Sameer Algharaballi / Member of the Board of Directors
Representative of Financial Assets Bahrain
Date of Membership: 1/7/2012
Date of Birth: 20/07/1986
Nationality: Kuwaiti
Educational Qualifications:
B.S. in Accounting
Professional Experience:
2010 - Present: Investment Manager in Global Investment House.

Mr. Abdul Hamid Mohamed Mehrez / Member of the Board of Directors
Representative of Global Investment House
Date of Membership 10/4/2014
Date of Birth 03/10/1976
Nationality: Lebanese
Educational Qualifications:
Certificate (CFA) 2005, Master's Degree in Finance, Bachelor of Science Biology 1999
Professional Experience:
2011 - Present: Senior Vice President, Asset Management - Special Cases at Global Investment House
2010 - 2011: Vice President of KIPCO Asset Management - Kuwait.
2005 - 2010: Financial Analyst at Global Investment House - Kuwait
2003 - 2005: Financial Analyst at First Investment Group - Kuwait

Mr. / Dirar Ghazi Mohammed / Member of the Board of Directors
Representative of Financial Assets MENA
Date of Membership 5/3/2014
Date of Birth 15/02/1981
Nationality: Canadian
Educational Qualifications:
B.A. in Business Administration 2006
Professional Experience:
2008 - Present: Manager at Global Investment House - Kuwait
2007 - 2008: Rasmaleh Consultant Company - Kuwait
2003 - 2006: Financial Analyst in Minax International Company - Kuwait

Dr. Mamoun Mohammed Al-Debi'e / Member of the Board of Directors
Representative of the University of Jordan Investment Fund
Date of Membership: 13/5/2012 up to 7/9/2014
Date of Birth: 4/07/1965
Nationality: Jordanian
Educational Qualifications:
Ph.D. in Accounting and Finance in 1997
M.A. in Managerial Science in 1990
B.A. in Business Administration/Accounting in 1987
Professional Experience:
2012 - 2014: Investment Funds Manager – University of Jordan
1997 - 2012: Member in several committees in Ministry of Higher Education and Scientific Research, Audit Bureau, Jordan University and Al-Ahlyieh University.
2006 - 2008: Part Time consultant for the Auditing Bureau Manager
2005 - 2007: Dean of Financial & Administrative Faculty and Development Manager of Education Committee in Al-Ahlyieh University
2000 - 2004: Assistant Dean for the Business Administration Faculty – Jordan University.
1991 - 2001: Professor – Jordan University

Dr. Adel Sharaf Al Din Pino / Member of the Board of Directors
Representative of the University of Jordan Investment Fund
Date of Membership 7/9/2014
Date of Birth 22/09/1972
Nationality: Jordanian

Educational Qualifications:
Ph.D. Financial Economics 2007
Masters Degree in Funding 1999
B.A. in Accounting 1993

Professional Experience:
2014 - Present: Assistant Professor of Financial Management and Acting Director of the FIU funds at the University of Jordan
2010 - 2013: Assistant Professor in Financial management, The Dean of the Financial Management at the University of Jordan
2008 - 2010: Assistant Professor of Finance and Assistant Dean of Student Affairs at the University of Jordan
2007 - 2008: Assistant Professor of Finance at the University of Jordan
2006 - 2007: Part-time lecturer in Finance at the University of Louisiana - USA
2004 - 2006: Assistant Lecturer in Economics and Finance at the University of New Orleans - USA
1999 - 2002: Teacher of Financial Management at the University of Jordan
1993 - 1996 Assistant Director of Commercial and Consumer Loans Department at the Housing Bank

Mr. Awni Mahmoud Diab A'mar / Board Member
Representative of the Invest Bank
Date of Membership: 21/3/2011
Date of Birth: 1/2/1972
Nationality: Jordanian

Educational Qualifications:
Master's Degree in Financial and Banking Sciences, Specialized in Banking, 1996
B.A. in Economics and Statistics, 1994

Professional Experience:
1997 - Present: Executive Manager - Corporate Credit Department at Invest Bank.

B. Higher Executive Management

Mr. Eyad Mohammad Jarrar / General Manager from 2/11/2014
Date of Appointment: 2/11/2014
Date of Birth: 16/11/1971
Nationality: Jordanian

Educational Qualification:
B.A. in Economics

Professional 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. Hisham Zaki Ismail Jaber / General Manager up to 27/10/2014
Date of Appointment: 13/7/2008
Date of Birth: 21/10/1972
Nationality: Jordanian

Educational Qualification:
Master's Degree in Financial and Banking Sciences, 2000.
Higher Diploma in Financial and Banking Sciences, 1999
B.A. in Management Information Systems, 1996
Accredited Expert Certificate in Small Enterprise Financing
Vocational Diploma in Advanced Banking Credit

Professional Experience:
2008 - 2014: General Manager at Jordan Trade Facilities Company
2007 - 2008: Director of the Operations Department at Housing Loan Insurance Company (Darkom)
2002 - 2007: Clients Account Manager for Corporate Banking at Union Bank -Jordan
2002: Head of Finance and Investment Division at the Islamic International Arab Bank
1996 - 2001: Facilities Officer at the Bank of Jordan – Amman

Mr. Ziad Hussein Husni Saleh / Administration Manager
Date of Appointment: 21/1/1984
Date of Birth: 21/1/1962
Nationality: Jordanian

Educational Qualification:
B.A. in Business Administration

Professional Experience:
1984 - Present: Jordan Trade Facilities Company/Administrative and Shareholders Affairs Department.
1981 - 1983: Military Consumer Establishment/Accountant.

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

Mr. Anton Bandali EliasTannous / Financial Manager from 29/07/2013
Date of Appointment: 29/07/2013
Date of Birth: 18/8/1977
Nationality: Jordanian
Educational Qualification:
B.A in Accounting2000,
Certified Public Accountant (CPA) in 2011 Certified Internal Auditor (CIA) in 2008
Professional Experience:
2013 - Present: Jordan Trade Facilities Company - Financial Manager.
2012 - 2013: Salbishian trading Commercial Company - Financial Controller
2008 - 2011: ANHAM Company - Financial Controller
2007 - 2008: Public Warehouses Storage Company - Ass. Financial Manager
2007: Imkan Brokerage Company - Finance & Administrative Manager
2006: Tantash Group Company - Internal Auditor
2004 - 2006: Near East Company for investment - Head of Accounting
2003 - 2004: VISA Jordan Card Services Company - Internal Auditor
2000 - 2002: PricewaterhouseCoopers - Senior Assistant Auditor

B. Higher Executive Management

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

Name	31/12/2013		31/12/2014	
	Number of Stocks	Share %	Number of Stocks	Share %
Financial Assets Bahrain	6,583,500	39.90%	6,583,500	39.90%
Financial Assets MENA	6,583,500	39.90%	6,583,500	39.90%
Global MENA Financial Assets Limited	1,232,387	7.46%	1,232,387	7.46%
Gembal Holding Company	1,000,998	6.06%	1,000,998	6.06%

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. Net sales in 2014 reached to JD 12,272,936 resulting from 934 different transactions and products such as:
Car finance, SMEs, Leasing, Mortgage, Murabaha and Consumes Loans.

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

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

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

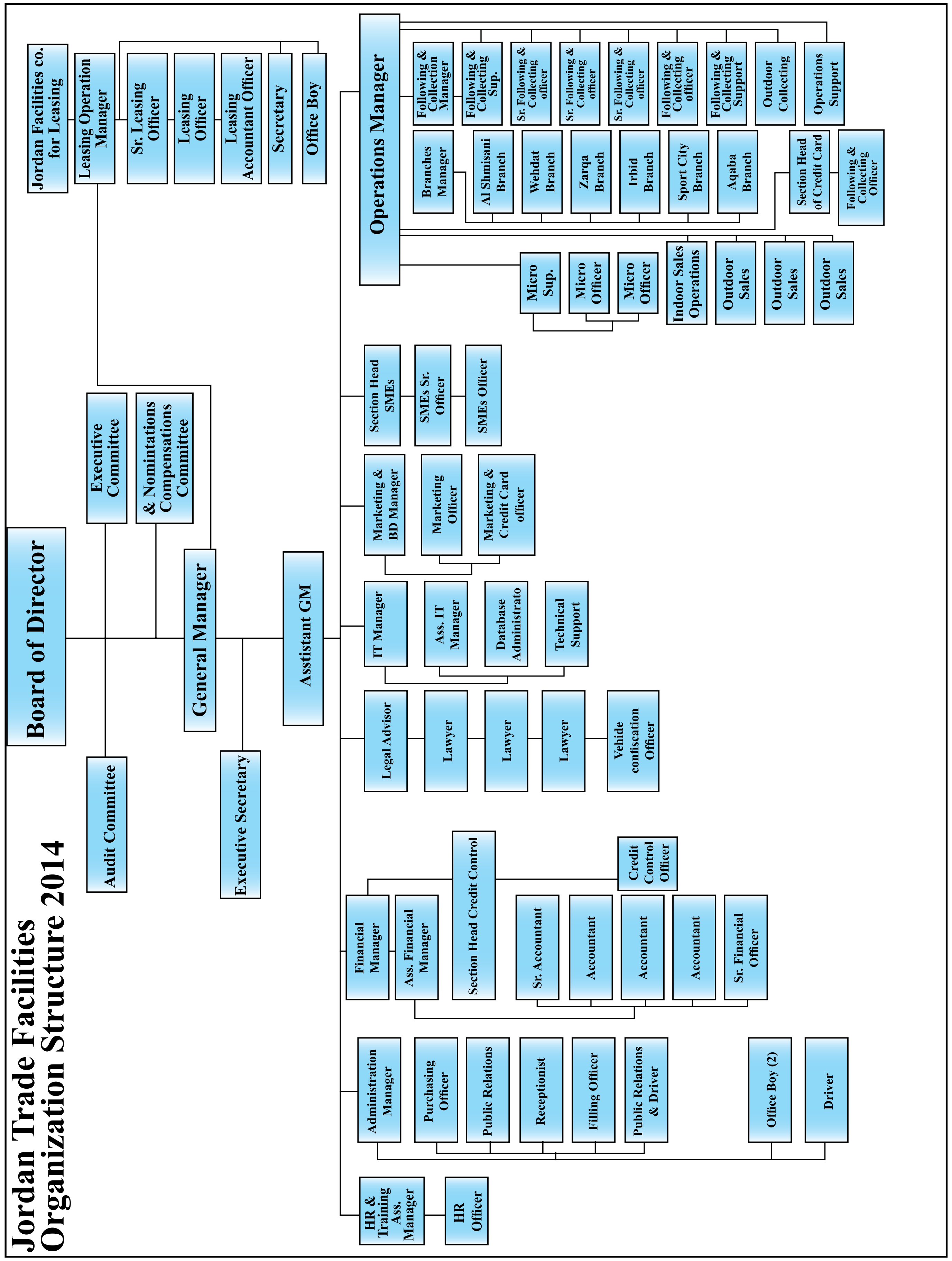
* Under applicable laws, regulations or others, the Company and its products do not have any government protection or any other privileges.
* The Company has not obtained any patents or franchising rights.

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

* There are no decisions issued by the Government, international organizations or any other authorities that have material impact on the Company's business or any of its products or competitiveness.
* International Quality Standards do not apply to the Company's business.

9. The Company's organizational structure and number of employees

At the end of 2014, the number of the Company's employees was (67) compared to (65) in 2013.



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B. Employees Categories and Qualifications

Educational Qualification	Categories	Number of Employees
Master's degree	Admin. Employees	4
Bachelor's	Admin. Employees	47
Average Diploma	Admin. Employees	5
High School	Admin. Employees	2
High School	General Services	8
Less than High School	General Services	1
Total		67

C. Training programs provided to the Company's employees during 2014:

No.	Title of the Training Course	Number of Employees
1	Advanced MS Excel 2007	3
2	Developing Marketing & Business Strategy	2
3	HR Diploma	1
4	Showcasing Successful SME Lending	2
5	The basics of credit and feasibility studies	2
6	Methods of detecting fraud	1
7	Bank financing for small and medium-sized enterprises	2
8	Regional Conference - modern strategies in the leadership of Human Resources	1
9	Advanced bank deposits	1
10	Financing in Islamic banking	2
11	Chambers of industry and commerce and the changing in business organizations	5
12	Labour Law	2
13	Conference -Methods of payment cards in the Middle East 2014	2
14	Conference- Methods of Accepted Payments	2
15	Workshop-Paper Check from the civil and criminal side	2
	Total	30

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 its operations.

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

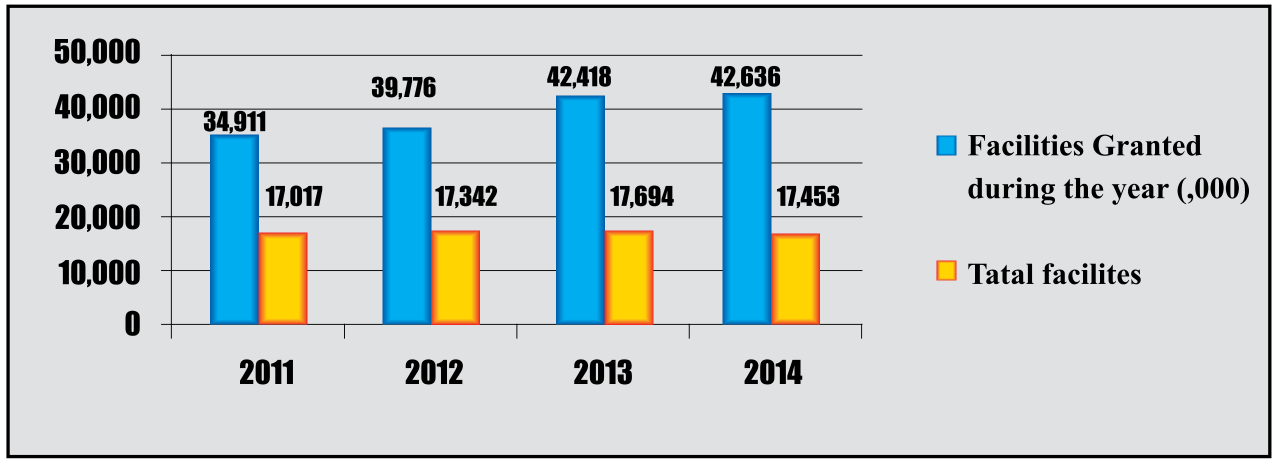
* The Board of Directors held six meetings in 2014.
* The appointment of Mr. Eyad Jarrar as General Manager of the Company where Mr. Eyad enjoys banking experience extending to more than 20 years and has served in many senior and executive management positions in a number of local, regional organizations.

* The resignation of GM Mr. Hisham Jaber has been approved by the Board.
* Expanding product financing of small and medium enterprises.
* The Company archived all customer files electronically to regulate its work.
* During the year, the Company has developed electronic systems to ensure smooth and safe environment and to increase efficiency and internal control.

The following are the details of conventional facilities granted by JTFC and the total facilities portfolio over the last four years (in thousand Dinars):

1- Notes receivable

Year	Granted Facilities	Total Facilities
2011	17,017	34,911
2012	17,342	36,431
2013	17,694	42,418
2014	17,453	42,636



2- Credit Cards

Year	Granted Limites (in thousands)	Total Granted (Limits) (in thousands)
2011	214	375
2012	299	231
2013	120	54
2014	239	262

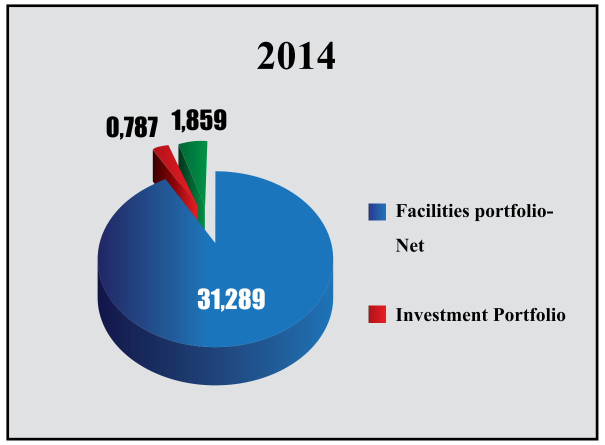
3- Finance lease contracts receivable

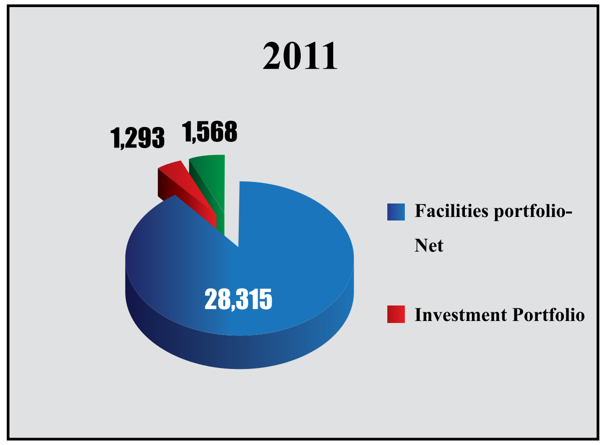
Year	Leasing Contracts Granted (in thousands)	Total leasing Contracts (in thousands)
2011	1,022	1,119
2012	2,452	3,345
2013	1,242	4,007
2014	908	3,467

• In 2014, the percentage of overdue installments (more than 90 days) to the total receivables portfoliois was 13% compared to 15% in 2013.

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

	2011	2012	2013	2014
Facilities portfolio –Net	28,315	29,147	30,862	31,289
Investment portfolio	1,293	1,237	1,187	787
Other assets	1,568	4,404	1,518	1,859
Total assets	31,176	34,788	33,567	33,935



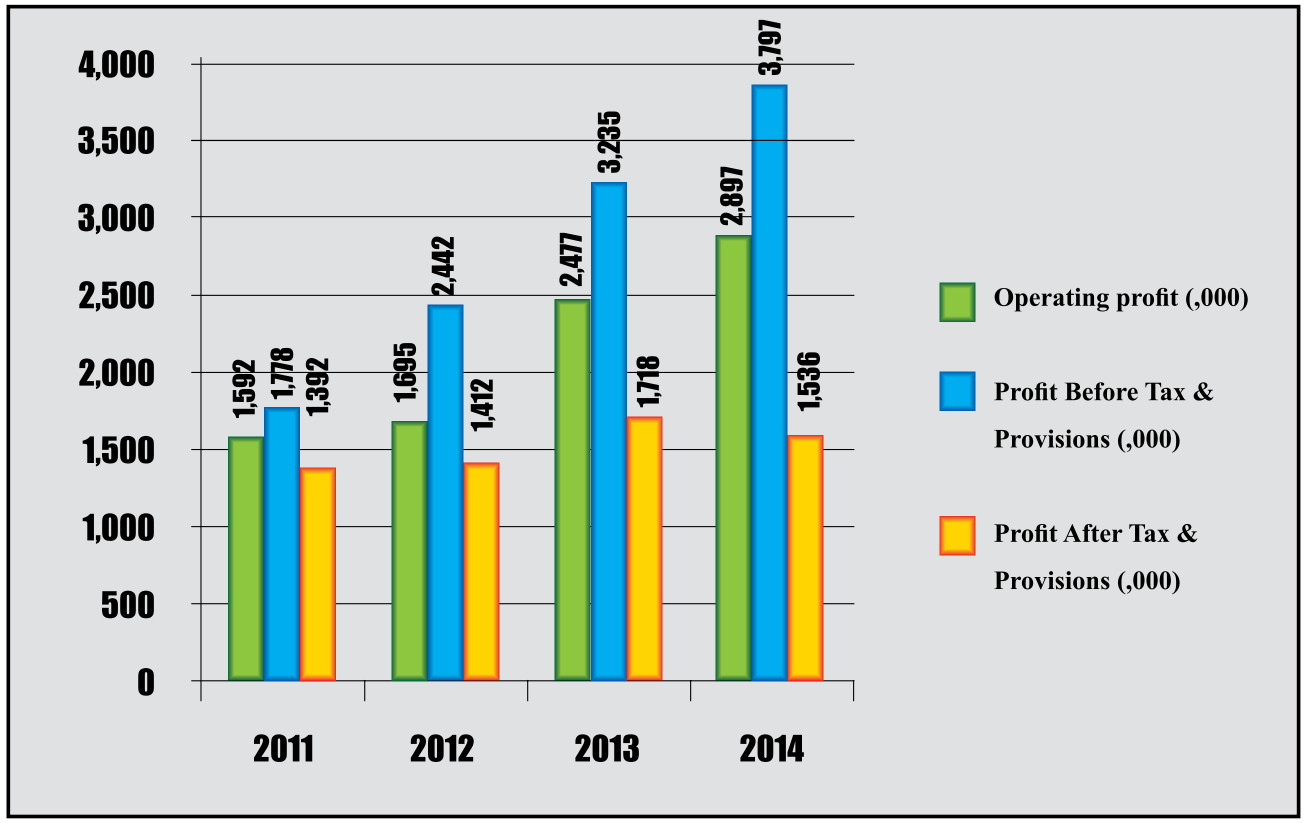


The following is an analysis of the investment portfolio and its performance over the past four years:

Year	2011	2012	2013	2014
Total investment portfolio	1,293	1,237	1,187	787
Percentage of total assets	4.15%	3.6%	3.5%	2.3%
Net profit (loss) of the portfolio	2	(14)	(28)	(71)
Return on the investment portfolio %	0.15%	(1.2)%	(2.3)%	(9)%

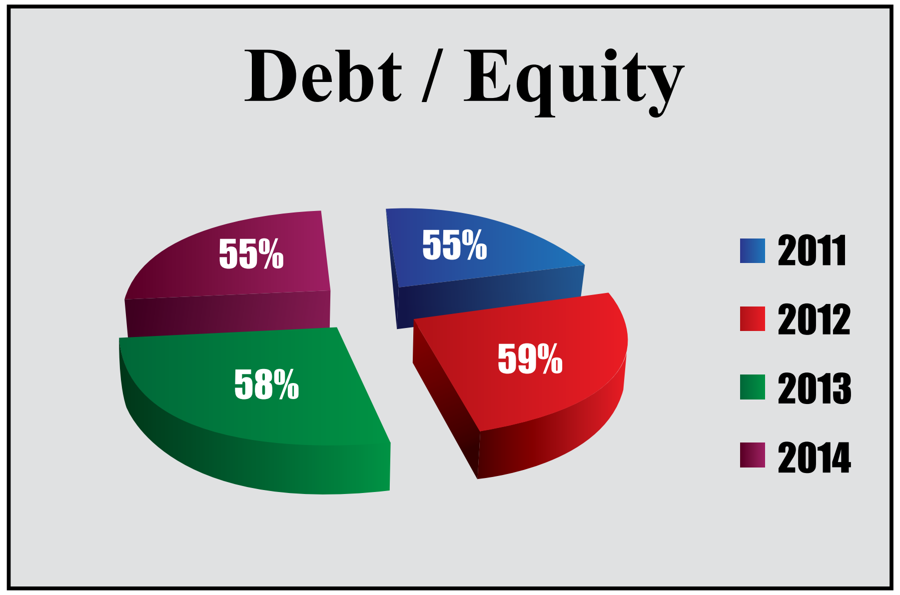
The following are the profits made by the company during the past four years in thousand dinars:

Year	Operating profit	Profit Before Tax & Provisions	Profit After Tax & Provisions
2011	1,752	1,778	1,392
2012	2,478	2,442	1,412
2013	2,477	3,235	1,718
2014	2,897	3,797	1,536



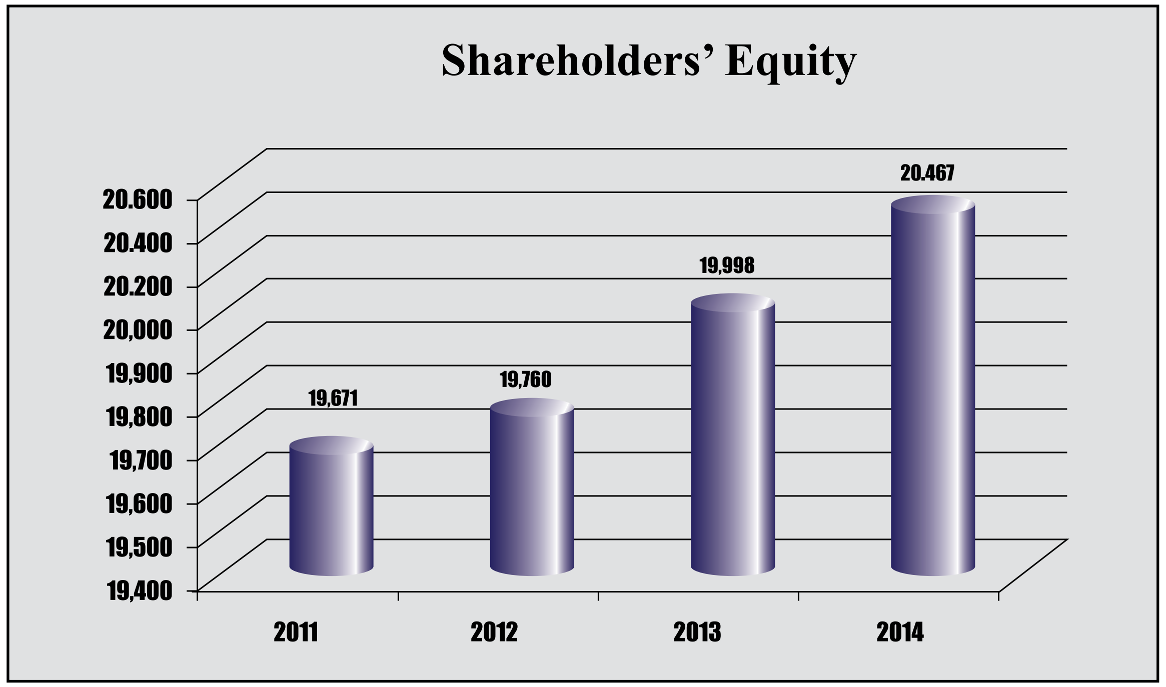
• The Company achieved a net profit before income tax and fees of JD 2,850 K compared to JD 2,124 K in 2013.
• The company has allocated JD 1,314 K for the income tax for the financial year of 2014 and the past years.
The following table shows the Company's leverage details from 2011 to 2014:

Year	Debt (in thousands)	Shareholders' Equity (in thousands)	Debt/Equity
2011	10,892	19,671	55%
2012	11,630	19,760	59%
2013	11,544	19,998	58%
2014	11,188	20,467	55%



The following table shows the Owners' Equity and details on profitability from 2011-2014

Year	Shareholders' Equity (in thousands)	Profit after tax and fees (in thousands)	Return on Equity	EPS
2011	19,671	1,392	7.1%	0.084
2012	19,760	1,412	7.2%	0.086
2013	19,998	1,718	8.6%	0.104
2014	20,467	1,536	7.5%	0.093



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.

	2010	2011	2012	2013	2014
Net profit before tax and provisions (in thousand Dinars)	2,059	1,778	2,442	3,235	3,797
Net profit after tax and provisions (in thousand Dinars)	1,450	1,392	1,412	1,718	1,227
Dividends (in thousand Dinars)	1,320	1,320	1,320	1,072	-
Net Shareholders' Equity (in thousand Dinars)	19,612	19,671	19,760	19,998	20,467
Price per Share (in Dinar)	1,00	1,04	1,04	1,06	0,950

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

No.	Index	Percentage
1	Stock Turnover	0.00046%
2	Earnings Per Share, Dinar	0.093%
3	Return On Investment	4.5%
4	Return On Equity	7.5%
5	Return On Capital	9%
6	Shareholders' Equity	60%
7	Working Capital to Shareholders' Equity	81%

15. Company's developments, future action plans and Board's outlook

Management seeks to develop, diversify and increase productivity to achieve the highest possible returns to shareholders by:
Possessing the largest share in the domestic market.
Expanding it's leasing activities through the leasing company owned by the company.
Diversity in products by introducing new products to reach the largest segments of the Jordanian society.
Developing our human capital by training and coaching.

16. Audit Remunerations

Remuneration for the Company's auditors, KPMG, was JD 12,580.000 inclusive of sales tax.

Entertaining activities for all employees

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	
			31/12/2013	31/12/2014
Global MENA Financial Assets Limited, represented by: Mr. Mohammad Zaki Al-Masri	The Guernsey Island Jordanian	Chairman	1,232,387 --------	1,232,387 --------
Financial Assets Bahrain, represented by: Mr. Zakir Hussein Ms. Talal Sameer Algharaballi	Bahrain Pakistan Kuwait	Vice Chairman Member	6,583,500 -------- --------	6,583,500 -------- --------
Financial Assets MENA WLL, represented by: Mr. Dirar Gazi Mohammad	Bahrain Canada	Member	6,583,500 --------	6,583,500 --------
Global Investment House Co., represented by: Mr. Abed Alhamid Mihriz. Mohammad	Kuwait Lebanon	Member	10,000 --------	10,000 --------
University of Jordan Investment Fund, represented by: Dr.Adel Sharaf Aldin Bino	Jordanian Jordanian	Member	77,000 --------	77,000 --------
Invest Bank, represented by: Mr. Awni Mahmoud Thiab Amar	Jordanian Jordanian	Member	269,597 --------	269,597 --------

• **Senior Executive Management**

No.	Name	Nationality	Title	Number of Shares	
				31/12/2013	31/12/2014
1	Eyad Mohammad Jarrar From 2/11/2014	Jordanian	General Manager	--------	--------
2	Mr. Hisham Zaki Ismail Jaber Up to 27/10/2014	Jordanian	General Manager	--------	--------
3	Mr. Ziad Hussein Husni Saleh	Jordanian	Administration Manager	5,500	5,500
4	Mr. Anton Bandali Elias Tannous	Jordanian	Financial Manager	--------	--------
5	Mr. Nahed Ali Mustafa Ashour	Jordanian	Operations Manager	--------	--------

• Relatives of the Board Members and Senior Executive Management:
There are no shares registered in the name of relatives of the board members or in the name of the senior executive management.

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

18. Benefits, Remunerations and Travel Allowances of the Board Chairman and Members, and Senior Executive Management in 2014

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

Board Member Name	Title	Travel and Transportation to Allowance Board	Remuneration for 2013	Total
Global MENA Financial Assets Limited, represented by: Mr. Mohammad Zaki Al-Masri	Chairman	9,695	5,000	14,695
Financial Assets Bahrain, represented by: Mr. Zakir Hussein Mr. Talal Sameer Algharaballi	Vice Chairman Member	6,601 6,572	5,000 5,000	11,601 11,572
Financial Assets MENA, represented by: Mr. Rajiv Nakani up to 5/3/2014 Mr. Dirar Gazi Mohammad from 5/3/2014	Vice Chairman Member	670 6,850	830 000	1,500 6,850
Global Investment House Co. , represented by: Mr. Mohammad Halawani up to 10/4/2014 Mr Abed Alhamid Mihriz. Mohammad from 10/4/2014	Member Member	900 4,345	5,000 000	5,900 4,345
University of Jordan Investment Fund, represented by: Dr. Mamoun Debei up to 7/9/2014 Dr.Adel Sharaf Aldin Bino from 7/9/2014	Member Member	2,700 900	5,000 000	7,700 900
Invest Bank, represented by: Mr. Awni Mahmoud Thiab Aamar	Member	3,600	5,000	8,600

* The Executive Management obtained the following salaries and remunerations:

Name	Date of Appointment	Job	Salary	Bonuses	Total
Mr. Eyad Mohammad Jarrar	2/11/2014	General Manager	24,585	25,000	49,585
Mr. Hisham Zaki Jaber up to 27/10/2014	13/07/2008	General Manager	125,544	19,200	144,744
Mr. Ziad Saleh	21/01/1984	Administration Manager	28,681	3,690	32,371
Mr. Nahid Ashour	17/10/2010	Operations Manager	34,716	5,159	39,875
Mr. Anton Tannous	29/07/2013	Financial Manager	39,975	3,450	43,425
Total			253,501	56,499	310,000

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

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

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

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

21. The Company's contribution to environment protection and local community service

A. The Company's contribution to environmental protection:
There is no contribution by the Company to protect the environment.
B. The Company's contribution to local community service:
There is no contribution by the Company to local community service.

22. Corporate Governance Rules

The Company complies with corporate governance codes for the PLC companies listed in Amman Stock Exchange for example:
1) The board of directors re-selected the remuneration and nomination committee.
2) The board re-selected an audit committee.
3) The board declared all major issues on time.
4) The Company declared the number of the board of directors' meetings in the annual report.

Acknowledgments

1- The Company's Board of Directors acknowledges that there are no material issues that may affect the Company's continuity during the next fiscal year 2015.

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.

Anton Tannous	Eyad Mohammad Jarrar	Mohammad Al-Masri
Financial Manager	General Manager	Chairman of the Board

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Jordan Trade Facilities Company PLC
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Finally:

I would like to express on my behalf and on behalf of the board members my sincere appreciation and gratitude for all JTFC 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 present the following recommendations:

1. Review of the minutes of the previous regular general assembly's meeting.
2. Discussing and endorsing the Report by the Board of the Directors for fiscal year 2014 and the Company's action plan.
3. Listening to the Independent external auditor report on the Company for fiscal year 2014.
4. Discussing and endorsing the balance sheet, profit and loss statement, distribution statement for the fiscal year ending 31/12/2014
5. Discussing the board's decision to distribute JD 1,155,000 as a cash dividend to the shareholders, which equals 7% of the Company's capital.
6. Discharge the chairman and the members of the board for the year 2014
7. Electing new board members.
8. Electing an independent external auditor for the fiscal year 2015.
9. Any other issues the General Assembly proposes to include in the agenda, to the extent of the authority granted to it, provided such proposal is approved by a number of shareholders who represent no less than 10% of the shares represented in the meeting.

May God Assist Us All

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
TOGETHER WITH INDEPENDENT
AUDITORS' REPORT

KPMG
Kawasmy & Partners Co.
Amman - Jordan

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INDEPENDENT AUDITORS' REPORT

To the General Assembly
Jordan Trade Facilities Company
(Public Shareholding Company)
Amman – Jordan

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Jordan Trade Facilities** Company and its subsidiary ("the Group") which comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements, The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

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reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **the Group** as at 31 December 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records and the accompanying consolidated financial statements are in agreement in all material respects therewith and we recommend the Company's General Assembly to approve these consolidated financial statements.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License no. (656)

Amman- Jordan
March 24, 2015

KPMG
Kawasmy & Partners Co.

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Jordanian Dinar	Note	As of December 31, 2014	2013
Assets			
Cash and cash equivalents	5	483,689	467,442
Financial assets measured at fair value	6	248,875	625,164
Financial assets at amortized cost	7	31,288,150	30,862,337
Other debit balances		199,272	239,488
Investment property	8	538,200	561,600
Land plots seized against non-performing loans		46,047	62,712
Property and equipment	9	264,703	287,315
Intangible assets	10	62,895	84,913
Deferred tax assets	11	802,833	375,788
Total Assets		**33,934,664**	**33,566,759**
Liabilities and Shareholders' Equity			
Liabilities			
Due to banks	12	496,185	1,160,368
Bank loans	13	5,692,271	5,383,415
Payables		240,907	715,064
Miscellaneous deposits due to others	14	312,501	383,605
Accrued expenses		77,862	69,797
Income tax, governmental fees and other provisions	15	1,648,325	856,877
Bonds	16	5,000,000	5,000,000
Total liabilities		**13,468,052**	**13,569,126**
Shareholders' equity			
Paid-up capital		16,500,000	16,500,000
Statutory reserve	17	1,896,667	1,695,210
Fair value reserve		(76,852)	(82,702)
Retained earnings		2,146,797	1,885,125
Net Shareholders' Equity		**20,466,612**	**19,997,633**
Total Liabilities and Shareholders' Equity		**33,934,664**	**33,566,759**

The accompanying notes on pages are an integral part of these consolidated financial statements.

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Jordanian Dinar	Note	For the year ended December 31, 2014	2013
Revenues and commissions from Murabaha and finance leases		6,053,221	5,514,427
Other operating revenues	18	806,126	882,921
Total revenues		**6,859,347**	**6,397,348**
Salaries, wages and employees' benefits	19	(1,047,208)	(901,595)
Advertising and promotion		(65,986)	(77,141)
Administrative expenses	20	(580,755)	(444,986)
Depreciation and amortization	8,9,10	(192,892)	(193,325)
Impairment losses on financial assets at amortized cost	7	(947,993)	(1,111,138)
Finance expenses		(1,127,341)	(1,192,243)
Total expenses		**(3,962,175)**	**(3,920,428)**
Income from operating activities		**2,897,172**	**2,476,920**
Gain (loss) from valuation financial assets at fair value through profit or loss		49,999	(32,180)
Loss from sale financial assets at fair value through profit or loss		(121,804)	-
Other provision	24,15	(835,627)	(348,522)
Other revenues		24,835	27,856
Profit for the year before income tax		**2,014,575**	**2,124,074**
Income tax expense for the year	11	(478,946)	(405,589)
Profit for the year		**1,535,629**	**1,718,485**
Other comprehensive income:			
Net change in the fair value of financial assets at fair value through other comprehensive income		5,850	4,500
Total comprehensive income for the year		**1,541,479**	**1,722,985**
Basic and diluted earnings per share for the period (JD/Share)	22	**0.093**	**0.104**

The accompanying notes on pages are an integral part of these consolidated financial statements.

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Jordanian Dinar	**Paid-up Capital**	**Statutory Reserve**	**Fair value reserve**	**Retained Earnings***	**Total**
Changes for the year ended December 31, 2014					
Balance as at January 1,2014	16,500,000	1,695,210	(82,702)	1,885,125	19,997,633
Profit for the year	-	-	5,850	1,535,629	1,541,479
Transfer to statutory reserve	-	201,457	-	(201,457)	-
Dividends (Note 23)	-	-	-	(1,072,500)	(1,072,500)
Balance as at December 31, 2014	**16,500,000**	**1,896,667**	**(76,852)**	**2,146,797**	**20,466,612**
Changes for the year ended December 31, 2013					
Balance as at January 1,2013	16,500,000	1,482,803	(87,202)	1,864,047	19,759,648
Profit for the year	-	-	4,500	1,718,485	1,722,985
Transfer to statutory reserve	-	212,407	-	(212,407)	-
Dividends (Note 23)	-	-	-	(1,485,000)	(1,485,000)
Balance as at December 31, 2013	**16,500,000**	**1,695,210**	**(82,702)**	**1,885,125**	**19,997,633**

* The retained earnings as at December 31,2014 include deferred tax assets of JD 802,833 prohibited from use in accordance with the instructions of Jordanian Securities Commission.

** According to the Jordanian Securities Commission instructions the negative value of the fair value reserve amounting to JD (76,852) is prohibited from distribution to the shareholders.

The accompanying notes on pages are an integral part of these consolidated financial statements.

شركة التسهيلات التجارية الأردنية م.ع.م.
Jordan Trade Facilities Company PLC
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JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

Jordanian Dinar	**Note**	**For the year ended December 31, 2014**	**2013**
Cash flows from operating activities:			
Profit for the year before tax		2,014,575	2,124,074
Adjustments for:			
Depreciation and amortization	8,9,10	192,892	193,325
(Gain) loss from valuation financial assets at fair value through profit or loss		(49,999)	32,180
Loss from sale financial assets at fair value through profit or loss		121,804	-
(Gain) loss from sale of property and equipment		(1,306)	77
Losses from intangible assets		3,963	-
Impairment losses on financial assets at amortized cost	7	947,993	1,111,138
Finance expenses		1,127,341	1,192,243
Contingent liabilities provision	15	835,627	348,522
		5,192,890	**5,001,559**
Change in:			
Financial assets at amortized cost		(1,373,806)	(2,826,128)
Other debit balances		40,216	(24,801)
Financial assets measured at fair value		326,453	(5,972)
Payables		(474,157)	338,396
Accrued expenses		8,066	(67,684)
Deposits due to the others		(71,104)	(47,498)
Income tax government fees provision		(373,504)	4,871
Cash flows from operating activities		**3,275,054**	**2,372,743**
Finance expenses paid		(1,127,341)	(1,192,243)
Income tax paid	11	(576,120)	(411,148)
Net cash from operating activities		**1,571,593**	**769,352**
Cash flows from investing activities:			
Acquisition of property and equipment	9	(96,823)	(51,227)
Proceeds from sale of property and equipment		(394)	926
Acquisition of intangible assets	10	(30,302)	(20,704)
Net cash used in investing activities		**(127,519)**	**(71,005)**
Cash flows from financing activities:			
Loans		308,856	(2,776,506)
Dividends paid	23	(1,072,500)	(1,485,000)
Bonds		-	2,000,000
Net cash used in financing activities		**(763,644)**	**(2,261,506)**
Net change in cash and cash equivalents		680,430	(1,563,159)
Cash and cash equivalents at the beginning of the year	5	(692,926)	870,233
Cash and cash equivalents at the end of the year	5	**(12,496)**	**(692,926)**

The accompanying notes on pages are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1) GENERAL

A. 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:

- 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.
- Engaging in advertisement, press, publication and distribution activities.
- Engaging in shipping agency activities.

B. The Company shares are listed on the Amman Stock Exchange.

C. The consolidated financial statements were approved by the Board of Directors on February 5, 2015 which is subject to approval of the general assembly of shareholders.

2) BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for the financial assets and financial liabilities at amortized cost and financial assets at the fair value through profit or loss and financial assets at the fair value through other comprehensive income.

(c) Functional and presentation currency
The financial statements are presented in Jordanian Dinar, which is the functional currency of the group.

(d) Use of estimates
The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Management discusses with the Company's audit committee the development, selection and disclosure of the Company's critical accounting policies and their application, and assumptions made relating to major estimation uncertainties.
Information about assumptions and estimation that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is disclosed below.

Impairment:
Assets accounted for at amortized cost are evaluated for impairment at each reporting date whether there is objective evidence that the financial assets are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrate that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include financial difficulty of the customer, default or delinquency by a customer, restructuring of the customers receivable by the Company on term that the Company would not otherwise consider, indications that a customer is entering bankruptcy or default in repaying the installments receivable through the due date.

The Company considers the receivables impaired and assesses for specific impairment when a customer default in repaying the fourth installment consecutively. The Board of Directors has adopted a timing rates basis to estimate the specific impairment allowance and taking into account the estimated of the net realizable value of collaterals accepted as security. The estimated value of the collateral is determined based on the average percentage of the actual cash received from the final enforcement over the collateral (with similar model and kind) to initial fair value assessed for the vehicle sold to the customer over the last three years. The estimated value of the collateral is decreased to include the risks of; deterioration, depreciation, uncertainty of the real conditions, and the discounting of the expected future cash received when the collateral is enforced.

For the investment properties and properties acquired from the enforcement of the collateral over the bad debts, the decline in the estimated fair value below the carrying value is objective evidence of impairment. An independent real estate expert carries out fair value assessment.

Tax liabilities:
The current tax liability is estimated based on the judgment of management and its tax advisor of the taxable income using the prevailing tax rate. Regarding the law suit with the tax authorities, the outcome is estimated based on the actual hearing, the discovery proceedings, and the decisions in similar past tax cases. Management receives written expectations from its legal and tax advisor.

Litigation:
Frequently, management performs reviews together with its legal advisors for the lawsuits raised against the company based on a legal study prepared by the Company's legal advisors. This study highlights potential risks that the Company may incur in the future.

Useful life of tangible and intangible assets:
Review is made periodically to reassess the economic useful lives of tangible assets and intangible assets based on the general condition of these assets and the expectation of their useful economic lives in the future.

Management believes that its estimates and judgments are reasonable and adequate.

3) SIGNIFICANT ACCOUNTING POLICIES

a) International Financial Reporting Standard Early Adopted

The Group has adopted early International Financial Reporting Standard IFRS (9) "Financial Instruments" to be applied in the financial statements for the year beginning 1 January, 2011 based on the instructions of Securities Exchange Commission. This standard has mandatory application on January 1, 2018.

The accounting policies applied by the Company in this consolidated financial statements for the year ended December 31, 2014 are the same as those applied by the Company in its consolidated financial statements for the year ended December 31, 2013, except the International Financial Reporting Standards which are effective for annual periods that begin after 1 January 2014, as follows:

- Investment entities (Amendments to IFRS 10,IFRS 12 and IAS 27).
- Offsetting financial assets and financial liabilities (Amendments to IAS 32).
- Recoverable amount disclosure for non-financial assets (Amendments to IAS 36).
- IFRIC 21 Levies
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

The application of these new standards is not considered to have a substantial impact to the consolidated financial statements.

b) Basis of consolidation financial statements

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

The consolidated financial statement prepared for the subsidiary company for the same parent company fiscal year and by use the same accounting policies adopted from the parent company.

The Company has the following subsidiary as of December 31, 2014:

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

following table represent the financial position and financial performance for the subsidiary company as of December 31, 2014:

	December 31,2014			
Jordanian Dinar	Total Assets	Total Liabilities	Total revenue	Profit for the year
Jordan Facilities for Finance Lease	2,503,091	123,543	485,089	219,163

	December 31,2013			
Jordanian Dinar	Total Assets	Total Liabilities	Total revenue	Profit for the year
Jordan Facilities for Finance Lease	2,821,111	660,726	263,158	113,138

The results of the subsidiary are consolidated in the consolidated statement of profit or loss and other comprehensive income at the date of acquisition, which is the date that actual control is obtained over the subsidiary.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in consolidated statement of profit or loss and other comprehensive income immediately. Transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in the consolidated statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the consolidated statement of profit or loss and other comprehensive income.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the statement of income.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statements.

c) Financial instruments

• Financial assets and liabilities at amortized cost

i- Financial assets

Financial assets are held within the Group in order to collect contractual cash flows, which represent payments of principal and interest on the principal amount outstanding with fixed or determinable payments that are not quoted in an active market and the Group does not intend to sell immediately or in the near term.

When purchasing these assets they are recognized at cost plus acquisition costs, where premium / discount are amortized using the effective interest method, recording or to the interest account, where any provisions resulted from the impairment in its amount leads to the inability to recover the principal or part of it are deducted, any impairment in its amount to be recognized at the consolidated statement of profit or loss and other comprehensive income.

The impairment amount in the value of these assets represents the difference between the value recorded at the books and the present value of the expected discounted cash flows at the original effective interest rate.

Financial assets at amortized cost include: cash and cash equivalents, receivables, installment receivables, finance lease receivables and credit cards loans.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method. Regarding the finance lease receivables when the group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental top ownership of the asset to the lessee the arrangements is classified as a finance lease and receivable equal to the net investment in the lease is recognized and presented within loans and advances.
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.

ii- Financial liabilities

The financial liabilities of the group which are presented at amortized cost include due to banks, loans, bonds and other liabilities.

• Financial assets at fair value through profit or loss

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

When purchasing these assets they are recognized at fair value (acquisition expenses are recognized in the income statement when purchasing) to be revalued later at fair value. The change in fair value

appears in the statement of income including the change in fair value resulting from the differences in conversion of non-monetary assets items in foreign currencies. In the case of selling such assets or part thereof, profits or losses are recorded in the statement of income.

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

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

• Financial assets at fair value through other comprehensive income

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

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

These assets are not subject to impairment loss testing. Dividends are recorded as a separate line item in the consolidated statement of profit or loss and other comprehensive income.

Financial assets at amortized cost include cash and cash equivalents, receivables, installment receivables, finance lease receivables and credit cards loans.

d) Property and equipment

- Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the property and equipment. Borrowing costs related to the acquisition or constriction of qualifying assets are capitalized as incurred.

When parts of an item of property and equipment have different useful lives, they are accounted for as separated items of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within the consolidated statement of profit or loss and other comprehensive income.

- Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day – to – day servicing of property and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

- Depreciation

Depreciation expense is recognized in the consolidated statement of profit or loss and other comprehensive income on a straight – line basis over the estimated useful life of each part of an item of property and equipment.

The depreciation percentages of property and equipment for the current and previous year are as follows:

	Percentage of depreciation	
	2014	**2013**
	%	%
Furniture and fixtures	20	20
Tools, office machinery and computer equipment	15	15
Decorations	20	20
Vehicles	15	15

At each financial year-end, the Group reviews the depreciation methods, useful lives and remaining amounts and are adjusted if necessary.

e) Intangible assets

Intangible assets that are acquired other than through acquisition are recognized at cost less accumulated amortization and accumulated impairment losses.

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

Intangible assets arising from company operation 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.

- Amortization

Amortization expense is recognized in the consolidated statement of profit or loss and other comprehensive income, where the company depreciates this asset by its estimated useful lives for each item in intangible assets.

The amortization rates of intangible assets for the current and previous year are as follows:

	Percentage of amortization	
	2014	**2013**
	%	%
Computer programs	25	25
Website	25	25

f) Impairment

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.

Individually significant financial assets are tested for impairment on an individual basis.

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

Non-financial assets:
The carrying amounts of the group's non financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

All impairment losses are recognized in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are recognized initially at cost. Their fair values are disclosed in the notes to the consolidated financial statements. Investment properties are revalued annually by independent real-estate experts based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

Depreciation
Depreciation expense is recognized in the consolidated statement of profit or loss and other comprehensive income on a straight – line basis using a rate of 4%.

h) Revenue recognition

Interest income is recognized in the statement of income using the effective interest method. The effective interest method is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction cost and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income on bank deposits are recognized on timely basis in which it's reflect the actual income over assets.

Other revenue recognized on accrual basis.

i) Foreign currency transactions

Transactions in foreign currencies during the year are translated at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jordanian Dinar at the exchange rate at that date.

The foreign currency gain (loss) on monetary items is the difference between amortized cost in Jordanian Dinar at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Jordanian Dinar at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in the consolidated statement of income.

j) Fair value

Fair values represent the amount with which an asset could be exchanged, or a liability settled, in a transaction between knowledgeable, willing parties in an arm's length transaction.

The closing prices (purchase of assets \ sale of liabilities) on consolidated financial statements date in effective markets, represents the fair value of financial assets and liabilities that have market prices.

In the absence of quoted prices or lack of active trading of some financial assets or the in absence of an active market, fair value is determined by comparing with current market value of financial instrument, or by using the discounted future cash flows discounted at the rate of similar financial instrument or by use the net assets value method of investments.

k) Offsetting

Financial liabilities are set off against financial assets, and the net amount is shown in the consolidated financial position only when the obliging legal rights are available and when settled on net basis or the realization of assets or settlement of liabilities is done at the same time.

l) Date of recognition of financial assets

Purchase and sale of financial assets are recognized on the trading date (date when company commitment to sell or buy financial assets)

m) Provisions

A provision is recognized in the consolidated statement of financial position when the company has a present obligation (legal or constructive) as result of a past event, it is probable that an outflow economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

n) Finance expenses

Finance expenses comprise interest expense on borrowings. All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of income using the effective interest method.

o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of income except to the extent that it relates to a business combination, or items recognized directly in equity or in other consolidated comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the consolidated reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets is calculated at the tax rate of 24% which represents the enacted tax rate that will be effective to use for the periods beginning after January 2015.

Current tax payable is calculated at the tax rate of 24% in accordance with prevailing income tax law in Jordan.

p) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

q) New standards and interpretations not yet adopted

A number of new standards, amendments and improvements to standards and interpretations are effective for annual periods beginning after January 1, 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group, is set out below.

New standards

• IFRS 14 Regulatory Deferral Accounts (effective on the year 2016)
• IFRS 15 Revenue from Contracts with Customers (effective on the year 2017)
• IFRS 9 Financial Instruments (effective on the year 2018) , The Group has adopted early International Financial Reporting Standard IFRS 9 Financial Instruments to be applied on the financial statement that begins on the first of January 2011 based on the instructions of security exchange commission

Amendments

• (Amendments to IAS 19) Defined Benefit Plans, Employee Contributions (effective on the year 2015).
• (Amendments to IFRS 11) Accounting for Acquisitions of Interests in Joint Operations (effective on the year 2016)
• (Amendments to IAS 16 and IAS 38) Clarification of Acceptable Methods of Depreciation and Amortization.(effective on the year 2016)
• Amendments to IAS 16 and 41 Bearer plants (effective from 1 January 2016)

Improvements

• Annual Improvements to IFRSs 2010–2012 cycle in relation to the following standards (effective on the year 2015)
• Annual Improvements to IFRSs 2011–2013 cycle in relation to the following standards (effective on the year 2015):

4) SEGMENT REPORTING

A segment is an element of the company which is unique as are subject to risks and returns it separate from others, and participate in providing products or services and this is known as sector operating or engaged in providing products or services within a particular economic environment. Other sectors can be due to economic environments or geographical location.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1- Operating Segment

A- Basis for segmentation

The Group has the following two segments, these segments offer different products and are managed separately because they require different purposes as follows:

Segment	Operation
Finance	Financing long term , consumable commodities and real estate
Investments	Investment in financial assets

B- Information about reportable segments

Information related to each reportable segment is set out below:

Jordanian Dinar	Finance		Reportable segment Investments		Total	
	2014	2013	2014	2013	2014	2013
Revenues of the segment	6,859,347	6,397,348	(71,805)	(32,180)	6,787,542	6,365,168
Gross segment revenue for the year	**6,859,347**	**6,397,348**	**(71,805)**	**(32,180)**	**6,787,542**	**6,365,168**
Salaries, wages and employees' benefits	(1,047,208)	(901,595)	-	-	(1,047,208)	(901,595)
Advertising and promotion	(65,986)	(77,141)	-	-	(65,986)	(77,141)
Administrative expenses	(580,755)	(444,986)	-	-	(580,755)	(444,986)
Depreciation and amortization	(192,892)	(193,325)	-	-	(192,892)	(193,325)
Impairment losses on financial assets at amortized cost	(947,993)	(1,111,138)	-	-	(947,993)	(1,111,138)
Finance expenses	(1,127,341)	(1,192,243)	-	-	(1,127,341)	(1,192,243)
Segment profits for the year before tax	**2,897,172**	**2,476,920**	**(71,805)**	**(32,180)**	**2,825,367**	**2,444,740**
Gross segment assets	33,101,542	32,317,283	833,122	1,249,476	33,934,664	33,566,759
Gross segment liabilities	13,468,052	13,569,126	-	-	13,468,052	13,569,126
Capitalized expenses for the year	127,125	71,931	-	-	127,125	71,931
Deferred tax assets	802,833	375,788	-	-	802,833	375,788

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Reconciliation of segment information accordance to International Financial Reporting Standards

Jordanian Dinar	For the year ended December 31, 2014	2013
Revenue		
Total revenues per reportable segment	6,859,347	6,397,348
Consolidated revenue	**6,859,347**	**6,397,348**
Consolidated profit before tax		
Total consolidated profits before tax	2,825,367	2,444,740
Other revenues	24,835	27,856
Other expenses	(835,627)	(348,522)
Consolidated profit for the year before tax	**2,014,575**	**2,124,074**

Jordanian Dinar	As at December 31 2014	2013
Total consolidated assets	**33,934,664**	**33,566,759**
Total consolidated liabilities	**13,468,052**	**13,569,126**

2- Geographical Segment

The Group operates its activities in the Hashemite Kingdom of Jordan only.

5) CASH AND CASH EQUIVALENTS

Jordanian Dinar	As at December 31, 2014	2013
Cash in hand	14,151	22,557
Cash at banks – current accounts	153,703	106,260
Cash at banks – deposits*	315,835	338,625
Cash and Cash Equivalents	**483,689**	**467,442**
Due to banks	(496,185)	(1,160,368)
Cash and Cash Equivalents for statement cash flow purpose	**(12,496)**	**(692,926)**

* These deposits mature within one month and bear an interest rate of 5%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

6) FINANCIAL ASSETS MEASURED AT FAIR VALUE

Jordanian Dinar	As at December 31, 2014	2013
A-Financial assets measured at fair value through profit or loss		
Companies shares inside the Kingdom	43,300	47,800
Investment units- outside the Kingdom*	187,125	564,764
	230,425	**612,564**
B-Financial assets measured at fair value through other comprehensive income		
Companies shares inside the Kingdom	18,450	12,600
	18,450	**12,600**
Total (A+B)	**248,875**	**625,164**
Current	61,750	60,400
Non-current	187,125	564,764
	248,875	**625,164**

* Financial assets measured at fair value through profit and loss include shares of Al Waseelah company. The cost of this investment amounted to JD 529,200 and a full provision has been taken against this investment value.

7) FINANCIAL ASSETS AT AMORTIZED COST

This item contains the following items:

Jordanian Dinar	As at December 31, 2014	2013
Installments receivable (A)	29,036,759	28،294،006
Finance lease contracts receivable (B)	2,125,954	2,447,949
Customers loans- credit cards	125,437	120,382
	31,288,150	**30,862,337**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

A-Installments receivable

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

Jordanian Dinar	As at December 31, 2014	2013
Due and past due installment receivable	4,021,403	3,157,700
Mature within less than a year	12,247,159	13,555,474
Mature within more than a year and less than five years	22,900,313	21,698,501
	39,168,875	**38,411,675**
Less : Provision for impairment on the overdue installments receivable*	(3,152,674)	(2,651,245)
Less: Deferred revenue related to unmatured installments	(6,979,442)	(7,466,424)
	29,036,759	**28,294,006**

Some installments receivable amounted to JD 7,735,570 are deposited as guarantees against credit facilities granted to the Company by local banks.

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

Jordanian Dinar	2014	2013
Balance at the beginning of the year	(2,651,245)	(1,807,379)
Addition during the year	(1,593,112)	(2,109,772)
Reversal during the year	804,627	998,634
Bad debts written off during the year	287,056	267,272
	(3,152,674)	**(2,651,245)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

	December 31,2014		December 31, 2013	
Jordanian Dinar	**Overdue installment receivable**	**Total installment receivable**	**Overdue installment receivable**	**Total installment receivable**
Accrued but not overdue installment receivable	-	27,430,251	-	26,417,918
1-3 months	707,154	6,532,756	440,414	6,270,449
4-6 months	312,054	948,002	260,842	996,664
7-9 months	446,807	769,025	313,695	1,034,466
10-12 months	314,042	510,857	86,411	262,442
More than 12 months	1,788,415	2,977,984	2,056,338	3,429,736
	3,568,472	**39,168,875**	**3,157,700**	**38,411,675**

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:

	December 31,2014		December 31, 2013	
Jordanian Dinar	**Total installment receivable balance**	**Overdue installment receivable**	**Total installment receivable balance**	**Overdue installment receivable**
Clients balances-legal cases	6,421,307	2,895,991	5,151,560	2,583,648
	6,421,307	**2,895,991**	**5,151,560**	**2,583,648**

Management and legal consultant believe that all receivables are recoverable with law case.

B-Finance lease contract receivables

	As at December 31,	
Jordanian Dinar	**2014**	**2013**
Finance lease contracts receivable – mature within a year	528,511	388,070
Finance lease contracts receivable – mature after more than a year	1,597,443	2,059,879
	2,125,954	**2,447,949**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

- The Company is leasing out real estate with an average term period of 8.5 years.

- The following table analyzes the maturity periods of finance lease contracts receivable:

	As at December 31,	
Jordanian Dinar	**2014**	**2013**
Mature during less than a year	912,038	648,154
Mature during more than a year and less than five year	1,631,479	2,128,888
Mature during more than five year	922,852	1,229,744
	3,466,369	**4,006,786**
Less: Impairment provision of finance lease contract*	(159,508)	-
Deferred revenue	(1,180,907)	(1,558,837)
	2,125,954	**2,447,949**

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

Jordanian Dinar	**2014**	**2013**
Balance at the beginning of the year	-	-
Addition during the year	(159,508)	-
	(159,508)	**-**

8) INVESTMENT PROPERTY

Jordanian Dinar	**2014**	**2013**
Balance at the beginning of the year	585,000	585,000
Accumulated depreciation	(46,800)	(23,400)
Balance at the end of the year	**(532,800)**	**561,600**

This item represents payments on acquiring investment property based on the agreements signed between the Company and Tameer International Company during 2009, by which 44 residential units in Al-Majd City Housing Project has been allocated to the Company. During 2009, the Company canceled the reservation on two buildings for a 5% discount of its value.

The fair value at the date of the consolidated financial statements for investment property as assessed by an independent expert was JD 593,840

9) PROPERTY AND EQUIPMENT

Jordanian Dinar	Furniture and Fixture	Tools, Office machine and Computer	Decorations	Vehicles	Total
<u>December 31, 2014</u>					
<u>Cost</u>					
Balance as at January 1, 2014	74,260	174,503	371,698	71,500	691,961
Additions	10,745	20,633	6,445	59,000	96,823
Disposals	(7,412)	(3,223)	-	-	(10,635)
Balance as at December 31, 2014	**77,593**	**191,913**	**378,143**	**130,500**	**778,149**
<u>Accumulated Depreciation</u>					
Balance as at January 1, 2014	50,957	100,270	235,184	18,235	404,646
Depreciation for the year	16,271	28,661	64,003	12,200	121,135
Disposals	(8,523)	(3,812)	-	-	(12,335)
Balance as at December 31, 2014	**58,705**	**125,119**	**299,187**	**30,435**	**513,446**
Net book value as at December 31, 2014	**18,888**	**66,794**	**78,956**	**100,065**	**264,703**
<u>December 31, 2013</u>					
<u>Cost</u>					
Balance as at January 1, 2013	72,295	149,943	351,505	71,500	645,243
Additions	3,071	27,963	20,193	-	51,227
Disposals	(1,106)	(3,403)	-	-	(4,509)
Balance as at December 31, 2013	**74,260**	**174,503**	**371,698**	**71,500**	**691,961**
<u>Accumulated Depreciation</u>					
Balance as at January 1, 2013	40,368	76,549	162,066	10,600	289,583
Depreciation for the year	12,794	27,028	73,118	7,635	120,575
Disposals	(2,205)	(3,307)	-	-	(5,512)
Balance as at December 31, 2013	**50,957**	**100,270**	**235,184**	**18,235**	**404,646**
Net book value as at December 31, 2013	**23,303**	**74,233**	**136,514**	**53,265**	**287,315**

10) INTANGIBLE ASSETS

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

	As at December 31,	
Jordanian Dinar	2014	2013
<u>Cost</u>		
Balance at the beginning of the year	209,119	188,415
Additions	30,302	20,704
Disposals	(4,640)	-
Balance at the end of the year	**234,781**	**209,119**
<u>Accumulated Amortization</u>		
Balance at the beginning of the year	124,206	74,856
Amortization for the year	48,357	49,350
Disposals	(677)	-
Balance at the end of the year	**171,886**	**124,206**
Net book value	**62,895**	**84,913**

11) INCOME TAX

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

Items include	Balance at the beginning of the year	Additions	Released amounts	Balance at the end of the year	Deferred tax assets as of December 31, 2014
Jordanian Dinar					
Provision for impairment in overdue installment receivable	2,651,245	1,752,620	(1,091,683)	3,312,182	794,924
Legal provision	32,956	-	-	32,956	7,909
	2,684,201	**1,752,620**	**(1,091,683)**	**3,345,138**	**802,833**

Items include	Balance at the beginning of the year	Additions	Released amounts	Balance at the end of the year	Deferred tax assets as of December 31, 2013
Jordanian Dinar					
Provision for impairment in overdue installment receivable	1,807,379	2,109,772	(1,265,906)	2,651,245	371,174
Legal provision	32,956	-	-	32,956	4,614
	1,840,335	**2,109,772**	**(1,265,906)**	**2,684,201**	**375,788**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

Jordanian Dinar	2014	2013
Balance at the beginning of the year	375,788	257,647
Additions during the year	420,628	295,368
Released during the year	(262,004)	(177,227)
Tax rate effect*	268,421	-
Balance at the end of the year	**802,833**	**375,788**

*This item represent the effect of the tax for recalculating the deferred tax assets on 24% instead of 14% for the years 2013 and before.

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

Jordanian Dinar	2014	2013
Balance at the beginning of the year	437,129	324,547
Income tax paid	(576,120)	(411,148)
Income tax due on current year profit	905,991	523,730
Balance at the end of the year	**767,000**	**437,129**

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

Jordanian Dinar	2014	2013
Income tax due on current year profits	905,991	523,730
Deferred tax assets	(427,045)	(118,141)
	478,946	**405,589**

Reconciliation between taxable income and accounting income is as follows:

Jordanian Dinar	%	2014	%	2013
Profit before tax for the year		2,014,575		**2,124,074**
Income tax calculated using prevailing tax rate	24%	483,498	%14	297,370
Temporary differences – deductible tax items	(%10)	(202,690)	%5.6	118،141
Permanent differences – deductible tax items	%6.4	128,929	(%2.2)	(45،649)
The impact of the subsidiaries tax rate – Temporary differences	(%1.9)	(38,282)	-	-
Tax effect for the subsidiaries	%5.3	107,491	%1.7	35,727
Income tax payable	**%23.77**	**478,946**	**19.1%**	**405,589**

- Jordan Trade Facilities Company filed its income tax return for 2012 but the income tax department has still not audited this.
- The Company is claimed by the Income and Sales Tax Department to owe tax differences for the years 2008 through to 2010. For more information, see note (24).
- Jordan Facilities for Finance Lease Company (Subsidiary Company) has filed its income tax return for the year 2008 until the year 2013 and have been audited; income and sales tax department for the year 2011 but 2012 and 2013 still has not reviewed it.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

12) DUE TO BANKS

The facilities granted to the Company in the form of an overdraft have been secured against endorsed bills with a percentage of 125% of the utilized balance, bearing an interest rate between 8.5% - 9.75%. The main purpose of these facilities is to finance the Group's activities within a year.

13) LOANS

	As of December 31,	
Jordanian Dinar	2014	2013
Bank loans due within a year	3,371,035	4,320,997
Bank loans due after a year	2,321,236	1,062,418
	5,692,271	**5,383,415**

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

Jordanian Dinar			As of December 31,	
Facilities type	**Renewal date**	**Facilities limit**	**2014**	**2013**
Revolving loan	April 21,2015	1,000,000	517,261	646,027
Revolving loan	July 1,2015	2,000,000	1,529,315	1,913,917
Revolving loan	July 12,2015	2,500,000	136,857	1,215,531
Declining loan	August 31,2015	850,000	851,465	-
Revolving loan	November 30,2015	200,000	108,500	77,777
Revolving loan	October 30,2015	750,000	227,637	467,745
Declining loan	June 30,2015	448,321	-	448,321
Declining loan	June 30,2016	320,764	320,764	614,097
Declining loan	December 31,2018	2,000,000	2,000,472	-
			5,692,271	**5,383,415**

* These loans are secured against endorsed bills with a percentage of 125% of the utilized loans balances.
**These loans bear interest rates between 8.25% - 9%.

14) MISCELLANEOUS DEPOSITS DUE TO OTHERS

	As of December 31,	
Jordanian Dinar	2014	2013
Murabaha installments deposits	61,456	57,416
Insurance companies deposits	152,461	195,506
Other	98,584	130,683
	312,501	**383,605**

15) INCOME TAX, GOVERNMENTAL FEES AND OTHER PROVISION

	As of December 31,	
Jordanian Dinar	2014	2013
Income tax provision (Note 11)	767,000	437,129
Lawsuits provision	32,956	32,956
Vacations provision	41,408	38,270
Contingent liabilities provision*	806,961	348,522
	1,648,325	**856،877**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

* The movement on the contingent liabilities during the year

Jordanian Dinar	2014	2013
Balance at the beginning of the year	348,522	-
Addition during the year	835,627	348,522
Prior year income tax paid	(377,188)	-
Balance at the end of the year	**806,961**	**348,522**

16) BONDS

Jordanian Dinar	2014	2013
Balance at the beginning of the year	5,000,000	3,000,000
Paid during the year	-	(3,000,000)
Additions during the year*	-	5,000,000
	5,000,000	**5,000,000**

*This item represent bonds issued by the Company on May 19, 2013 for a period of five years with an annual interest rate of 10%, interest payments are due on 19th November and 19th May each year. The original bond maturity date is May 19, 2018.

17) STATUTORY RESERVES

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.

18) OTHER OPERATING REVENUES

Jordanian Dinar	For the year ended December 31, 2014	2013
Collection fees, delay penalties and returned cheques	537,754	542,157
Filing administrative fees	192,047	192,972
Credit cards revenues	66,690	138,718
Re-scheduling commission	9,635	9,074
	806,126	**882,921**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

19) SALARIES, WAGES AND EMPLOYEE BENIFITS

Jordanian Dinar	For the year ended December 31, 2014	2013
Salaries and wages	746,478	657,066
Social Security contribution	83,563	71,755
Bonus	125,603	103,639
Medical Insurance	64,040	56,048
Vacation expense	23,254	6,591
Miscellaneous	4,270	6,496
	1,047,208	**901,595**

20) ADMINISTRATIVE EXPENSES

Jordanian Dinar	For the year ended December 31, 2014	2013
Rents	89,918	80,783
Maintenance	37,518	39,114
Telephone, internet and post	32,820	37,727
Directors' transportation	45,418	35,795
Directors' remuneration	30,833	35,000
Trading commissions	28,872	31,346
Professional fees	96,909	30,273
Water and electricity	26,876	29,910
Transportation and Travel	30,004	28,015
Subscriptions and fees	35,622	27,606
Sales Tax	32,826	-
Hospitality	11,151	15,154
Printing and stationary	23,677	10,429
Lawsuits expenses	28,023	10,125
General assembly meeting expenses	9,916	9,496
Miscellaneous	20,372	24,213
	580,755	**444,986**

21) TRANSACTIONS WITH RELATED PARTIES

	Related Party		Balance			
21-1) Consolidated Statement of Financial Position	**Major shareholders**	**Executive officers**	**December 31, 2014**		**December 31, 2013**	
Jordanian dinar			**Less than a year**	**More than a year**	**Less than a year**	**More than a year**
Installments receivable	-	26,959	11,405	15,553	16,822	10,137
Bonds	1,100,000	-	-	1,100,000	-	11,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

21-2) Consolidated Statement of Comprehensive Income Jordanian dinar	Major shareholders	Executive officers	Balance For the year ended on December 31 2014	2013
Installments revenue	-	4,163	4,136	3,374
Finance expenses	110,000	-	110,000	69,341

21-3) EXECUTIVE MANAGEMENT SALARIES AND REMUNERATIONS FOR ADMINISTRATION

Salaries and remunerations short term paid to the Group's higher executive management amounted to JD 346,834 for the year ended December 31, 2014 (2013: JD 298,022).

22) EARNINGS PER SHARE FOR THE YEAR (JD/SHARE)

Jordanian Dinar	For the year ended December 31, 2014	2013
Profit for the year return to shareholder company (JD)	1,535,629	1,718,485
The weighted average for shares outstanding (share)	16,500,000	16,500,000
	0.093	**0.104**

The General Assembly approved in the meeting held on April 17,2014 to pay a cash dividends by (6.5%) of paid up capital amounted to (16.5) million.

The Board of directors will recommend to General Assembly paying of cash dividends to shareholders by (7%) of paid up capital amounted to (16.5) million.

23) DIVIDENDS

The following table describes the declared and paid dividends by the group:

Jordanian Dinar	For the year ended December 31, 2014	2013
6.5% , 9% of the share par value	1,072,500	1,485,000
	1,072,500	**1,485,000**

24) OTHER PROVISION

The Group is defendant against Income and Sales Tax Department (ISTD) to pay tax differences belong to years ended 2008 through 2010, Court of First Instance appeal decision for 2008 and 2009 was in favor of Income and Sales Tax Department, the Group considered subject to financial sector tax rate rather than trading sector, as a result a provision amounted of JOD 459,425 was calculated for both years , however the company filed objection to Court of Cassation.

According to 2010 the Group didn't calculate provision due to fact that the amounts estimated by ISTD doesn't consider the income tax differences of losses resulted from selling of financial instruments, the estimated tax and fines as per ISTD is JOD 583,795, however Group management, legal and tax consultants believe that the results will be tax refund in amount of JOD 143,127 ,therefore the lawsuit is still in process.

The Group dropped the lawsuit case of 2011, accordingly the group paid all tax differences and related fines for the years 2011 through 2013.

Group management, legal and tax consultants believe that other provisions as consolidated financial statements date is sufficient to cover all potential liabilities.

The Council of Ministers decided in meeting held on 13 March 2013 based on the recommendation of the Economic Development Commission dated on 11 March 2013 in which exempt financial activities conducted by financial companies if associated with commodities that is not subject to general sales tax. Provided that the financial activity was their main and exclusive objective as determined by their article of incorporation.

25) CONTINGENT LIABILITIES

Bank Guarantees

Jordanian Dinar	As of December 31 2014	2013
Outstanding balance	98,000	84,135
	98,000	**84,135**

Against cash margin as follows:

Jordanian Dinar	As of December 31 2014	2013
Cash margin	6,700	8,070

26) FINANCIAL RISK MANAGEMENT

Overview
The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Capital management

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The management has overall responsibility for the establishment and oversight of company's risk management framework.

The company's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

- Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and investment securities.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	As of December 31,	
Jordanian Dinar	**2014**	**2013**
Cash and cash equivalents	469,538	444,885
Financial assets at amortized cost	31,288,150	30,862,337
Other debit balances	70,965	70,298
	31,828,653	**31,377,520**

- Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the company maintains line of credit from its bank for sudden cash requirements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

The following are the contracted maturities of financial liabilities, including estimated interest payments:

Non-derivative financial liabilities:

December 31, 2014	**Carrying Amount**	**Contractual Cash Flows**	**6 months or less**	**6 to 12 months**	**More than a year**
Jordanian Dinar					
Due to banks	496,185	(496,185)	-	(496,185)	-
Bank loans	5,692,271	(5,692,271)	(517,261)	(2,853,774)	(2,321,236)
Payables	240,907	(240,907)	(240,907)	-	-
Miscellaneous deposits	312,501	(312,501)	(312,501)	-	-
Accrued expenses	77,862	(77,862)	(77,862)	-	-
Income tax and government fees provision	1,648,325	(1,648,325)	(1,648,325)	-	-
Bonds	5,000,000	(5,000,000)	-	-	(5,000,000)
	13,468,052	**(13,468,052)**	**(2,796,856)**	**(3,349,959)**	**(7,321,236)**

December 31, 2013	**Carrying Amount**	**Contractual Cash Flows**	**6 months or less**	**6 to 12 months**	**More than a year**
Jordanian Dinar					
Due to banks	1,160,368	(1,160,368)	-	(1,160,368)	-
Bank loans	5,383,415	(5,383,415)	(723,804)	(3,597,193)	(1,062,418)
Payables	715,064	(715,064)	(715,064)	-	-
Miscellaneous deposits	383,605	(383,605)	(383,605)	-	-
Accrued expenses	69,797	(69,797)	(69,797)	-	-
Income tax and government fees provision	856,877	(856,877)	(856,877)	-	-
Bonds	5,000,000	(5,000,000)	-	-	(5,000,000)
	13,811,883	**(13,811,883)**	**(2,749,147)**	**(4,757,561)**	**(6,062,418)**

- Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the company's profit or the value of its holdings of financial instruments.
The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

- Currency Risk

Most of the company's financial assets and liabilities are in Jordanian Dinar. Most of the company's transactions in general are in Jordanian dinar accordingly, the company is not highly exposed to foreign currency risk.

- Interest rate risk

At the reporting date of consolidated financial statements, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

Jordanian Dinar	As of December 31, 2014	2013
Fixed rate instruments:		
Financial assets	31,603,985	31,200,962
Financial liabilities	(11,188,456)	(11,543,783)
	20,415,529	**19,657,179**

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through comprehensive income. Therefore a change in interest rates at the reporting date would not affect the consolidated statement of profit or loss and other comprehensive income.

- Other market price risk

Equity price risk arises from financial assets at fair value through other comprehensive income held for meeting partially the unfunded portion of the Group's obligations as well as investments at fair value through profit or loss. Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.

Sensitivity analysis for equity price risk

A change of 5% in fair value of the securities at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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	Profit or loss		Equity	
December 31, 2014	**5% Increase**	**5% decrease**	**5% Increase**	**5% decrease**
Jordanian Dinar				
Financial assets at fair value through other comprehensive income	-	-	923	(923)
Financial assets at fair value through profit or loss	11,522	(11,522)	-	-
	11,522	**(11,522)**	**923**	**(923)**
December 31, 2013				
Financial assets at fair value through other comprehensive income	-	-	630	(630)
Financial assets at fair value through profit or loss	30,628	(30,628)	-	-
	30,628	**(30,628)**	**630**	**(630)**

- Capital management

Group's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, non-redeemable preference shares, retained earnings and non-controlling interests of the Group.

The management monitors the return on capital, which the management defined as net operation income divided by total shareholders' equity.

The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There have been no changes in the Company's approach to capital management during the year neither the company is subject to externally imposed capital requirements.

Debt-to-adjusted Capital Ratio

Jordanian Dinar	As of December 31, 2014	2013
Total Debt	13,468,052	13,569,126
(Less) cash and cash equivalents	(483,689)	(467,442)
Net Debt	**12,984,363**	**13,101,684**
Net Shareholders' equity	20,466,612	19,997,633
Adjusted capital	**20,466,612**	**19,997,633**
Debt - to- adjusted capital ratio	**64%**	**66%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

The fair values of financial assets and liabilities, not significantly different from book value in the consolidated statement of financial position as of 31 December 2014 and 2013.

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**
Jordanian Dinar				
December 31, 2014				
Financial assets measured at fair value through profit or loss	43,300	187,125	-	230,425
Financial assets measured at fair value through other comprehensive income	18,450	-	-	18,450
	61,750	**187,125**	**-**	**248,875**
December 31, 2013				
Financial assets measured at fair value through profit or loss	47,800	564,764	-	612,564
Financial assets measured at fair value through other comprehensive income	12,600	-	-	12,600
	60,400	**564,764**	**-**	**625,164**

This item represents the cost of financial assets through profit or loss that is not listed in financial markets for the company's share in Al-Soor Financing and Leasing Company. The company performed test over the fair value of this item based on evaluation of these stocks, the company's management believes that this is the most convenient way to measure the fair value of the investment due to the lack of updated information on the market value of this investment.

27) COMPARATIVE FIGURES

The comparative figure represents the consolidated financial statements for the year ended December 31,2013.