



للإسراء والتمويل الإسلامي ش.م.ع
Al Israa for Islamic Finance & Investment PLC

عمّان في 2017/05/15

الرقم : 2017/2134

To: Jordan Securities Commission

السادة/ هيئة الأوراق المالية المحترمين

To: Amman Stock Exchange

السادة/ بورصة عمان المحترمين

Subject: Quarterly Report as of 31/03/2017

الموضوع: التقرير ربع السنوي كما في 2017/03/31

Attached the Quarterly Report of Al Israa for
Islamic Finance & Investment P.L.C as of
31/03/2017.

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة
الإسراء للإستثمار والتمويل الإسلامي ش.م.ع كما هي بتاريخ
2017/03/31.

Kindly accept our highly appreciation and respect
Al Israa for Islamic Finance & Investment P.L.C

وتفضلوا بقبول فائق الاحترام،،،
شركة الإسراء للإستثمار والتمويل الإسلامي ش.م.ع

Chairman of Board of Directors Signature

توقيع رئيس مجلس الإدارة



بورصة عمان
الدائرة الإدارية والالية
الديوان
٢٠١٧ / ١٦
الرقم المتسلسل: 3148
رقم الملف: 31282
الجهة المختصة: 211/611

AI-ISRA'A FOR ISLAMIC INVESTMENT
AND FINANCING COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE THREE
MONTHS ENDED MARCH 31, 2017
TOGETHER WITH REVIEW REPORT

AI-ISRA'A FOR ISLAMIC INVESTMENT AND FINANCING COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
FOR THE THREE MONTHS
ENDED MARCH 31, 2017

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Review Report on the Condensed Interim Financial Statements

AM/32770

To the Chairman and the Board of Directors members,
Al Israa for Islamic Finance and Investment Company
(Public Limited Shareholding Company)
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim financial statement of Al-Isra'a for Islamic Investment and Financing Company (Public Limited Shareholding Company) which comprise condensed interim statements of financial position as of March 31, 2017, income and comprehensive income changes in shareholders' equity and statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statement in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Accounting Standard 34 "Interim Financial Reporting", and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Based on our estimates, there is a deficiency in the provision for doubtful debts, inclusive of the deficiency in the provision of the associate company, by approximately JD 4.250 million as of March 31, 2016 (approximately JD 4.250 million as of December 31, 2016). Had the deficit in the said provision been recorded, the Company's accumulated losses would have increased by approximately JD 4.25 million, net of the impact of deferred taxes. Likewise, accounts receivable from financing activities would have decreased by around JD 4.1 million, the balance of investment in the associate company would have also decreased by JD 150 thousand, and the deferred tax assets balance would have increased by around JD 1 million.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified conclusion section of our report, nothing has come to our attention that the accompanying condensed interim financial statements are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Emphasis of a Matter

Without further qualification in our conclusion, as stated in Note (11 a) to the condensed interim financial statements, the Income and Sales Tax Department reviewed during the year 2011 the Company's records for the period from inception to December 31, 2010. The review resulted in tax differences of approximately JD 814 thousand. Consequently, the Company filed a lawsuit in objection to this review within the legal period, and the lawsuit is still pending at the Tax First Instance Court. In this respect, the said court appointed an expert who submitted his report to the court, which approved the report. Moreover, the Tax Prosecutor General submitted the report to the Reconciliations Committee of the Income and Sales Tax Department based on the expert's report. However, the report is still at the Reconciliations Committee, and no final settlement thereon has been reached.

In the opinion of the Company's management and its tax consultant, the payments on account and tax provisions booked for the years subsequent to the year 2010 exceed the amount of tax difference for the said years. Accordingly, no additional provisions are required, as stated by the Company's management.

Explanatory Paragraphs

The Company's fiscal year ends on December 31 of each year. However, the condensed interim financial statements have been prepared for management purposes and for the Jordan Securities Commission requirements only.

The accompanying condensed consolidated interim financial statements are a translation of the statutory condensed interim financial statements in the Arabic language to which reference is to be made.

Amman - Jordan
April 27, 2017


Deloitte & Touche (M.E.) - Jordan



AL ISRAA FOR ISLAMIC FINANCE AND INVESTMENT COMPANY
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN- JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		March 31, 2017 (Reviewed not Audited)	December 31, 2016 (Audited)
	Note	JD	JD
Current Assets:			
Cash on hand and at banks		108,722	233,063
Financial assets at fair value through profit or loss	4	48,093	54,643
Accounts receivable from financing activities - Net	5	17,622,282	17,516,012
Properties seized against debts	6	3,737,082	3,747,534
Other debit balances	7	175,021	166,293
Total Current Assets		21,691,200	21,717,545
 Deferred tax assets	 11 c	 570,676	 570,676
 Investment in associate company	 8	 543,569	 543,569
 Property and equipment - Net		 100,680	 107,884
 Intangible assets-net		 7,562	 14,981
Total Assets		22,913,687	22,954,655
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>Liabilities:</u>			
Customers' Sukuk investment portfolios	9	4,490,000	4,372,000
Cash deposits against financing receivables		62,067	60,513
Income tax provision	11	9,570	48,972
Other credit balances	10	350,823	548,601
Total Liabilities		4,912,460	5,030,086
 <u>SHAREHOLDERS' EQUITY - PAGE (5)</u>			
Paid-up capital		20,000,000	20,000,000
Statutory reserve		136,379	136,379
Special reserve		220,512	220,512
Accumulated (losses)		(2,432,322)	(2,432,322)
Profit for the period		76,658	-
Total Shareholders' Equity		18,001,227	17,924,569
Total Liabilities and Shareholders' Equity		22,913,687	22,954,655

Chairman of Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING REVIEW REPORT.

AL ISRAA FOR ISLAMIC FINANCE AND INVESTMENT COMPANY

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

		For the Three Months	
		Ended March 31,	
	Note	2017	2016
Revenue:		JD	JD
Murabaha revenue		275,720	264,649
Istisna'a Revenue		<u>849</u>	<u>1,103</u>
Total Joint Revenue		276,569	265,752
<u>less:</u> Sukuk investment portfolio owners' share from revenue	9	<u>(50,248)</u>	<u>(106,014)</u>
Company's Share from Revenue		226,321	159,738
(Losses) from revaluation of financial assets at fair value through profit or loss	4	(6,550)	(31,600)
Commission and other revenue		<u>5,380</u>	<u>18,430</u>
Total Revenue		<u>225,151</u>	<u>146,568</u>
Expenses:			
Staff cost		60,940	52,286
Other operating expenses		<u>61,278</u>	<u>61,506</u>
Total Expenses		<u>122,218</u>	<u>113,792</u>
Profit for the Period before Income Tax		102,933	32,776
Income tax expense	11/b	<u>(26,275)</u>	<u>(15,450)</u>
Profit for the Period / Total Comprehensive Income for the Period		<u>76,658</u>	<u>17,326</u>
Earnings per Share for the Period	12	<u>0.004</u>	<u>0.001</u>

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Chairman of Board of Directors

General Manager

AL ISRAA FOR ISLAMIC FINANCE AND INVESTMENT COMPANY

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Paid-up Capital	Statutory Reserve	Special Reserve	Retained Earnings *	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD
<u>For the Three Months Ended March 31, 2017</u>						
Balance - beginning of the period	20,000,000	136,379	220,512	(2,432,322)	-	17,924,569
Profit for the period /comprehensive income for the period	-	-	-	-	76,658	76,658
Balance at the End of the Period	20,000,000	136,379	220,512	(2,432,322)	76,658	18,001,227
<u>For the Three Months Ended March 31, 2016</u>						
Balance - beginning of the period	20,000,000	114,706	220,512	(2,463,196)	-	17,872,022
Profit for the period /comprehensive income for the period	-	-	-	-	17,326	17,326
Balance at the End of the Period	20,000,000	114,706	220,512	(2,463,196)	17,326	17,889,348

* The balance of retained earnings includes JD 570,676, representing deferred tax assets as of March 31, 2017 and 2016. This balance may not be used according to instructions of the Jordan Securities Commission.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED

INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM

AND WITH THE ACCOMPANYING REVIEW REPORT.

AL ISRAA FOR ISLAMIC FINANCE AND INVESTMENT COMPANY

(A PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN- JORDAN

CONDENSED INTERIM STATEMENT OF CASH FLOWS

(REVIEWED NOT AUDITED)

	Note	For the Three Months	
		Ended March 31,	
		2017	2016
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before income tax		102,933	32,776
Adjustments:			
Gains on Sale of Properties seized against debts	6	(4,149)	-
Deprecation and amortization		16,264	16,081
Loss from sale of properties and equipment		268	-
Loss from revaluation of financial assets at fair value through profit or loss	4	6,550	31,600
Net Cash Flows from Operating Activities before Changes in Working Capital Items		121,866	80,457
(Increase) in accounts receivable from financing activities-net		(106,270)	(1,770,234)
(Increase) in due from brokerage companies		-	(500,000)
(Increase) in other debt balances		(8,728)	(44,411)
Increase in Customers' Sukuk investment portfolios		118,000	100,000
Increase (decrease) in cash deposits against financing receivables		1,554	(35,552)
(Decrease) in other credit balances		(197,778)	(175,867)
Net Cash Flows (used in) Operating Activities before Income Tax Paid		(71,356)	(2,345,607)
Income tax paid	11	(65,677)	(34,303)
Net Cash (used in) Operating Activities		(137,033)	(2,379,910)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase of) property and equipment		(2,126)	-
Proceeds from sale of property and equipment		217	-
Proceed from sale of properties seized against debts	6	20,001	-
(Increase) in properties seized against debts		(5,400)	-
Net Cash Flows from Investing Activities		12,692	-
Net (Decrease) in Cash on Hand and at Banks		(124,341)	(2,379,910)
Cash on hand and at banks - beginning of the period		233,063	2,439,484
Cash on Hand and at Banks - End of the Period		108,722	59,574

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FIRST FINANCE COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- a. Al Israa for Islamic Finance Investment Company was established as a public limited shareholding company based on the Jordan Companies Law Number 22 for the year 1997 and its amendments under number 451 dated April 20, 2008 with an authorized capital of JD 20 million, divided into 20 million shares of JD 1 each. This capital has been fully paid.

The Company's main objectives are as follows:

1. Performing Investing and Financing activities, representing the following:
 - a. Financing consumable and durable products.
 - b. Financing real estate.
 - c. Financing the construction of private and public properties.
 - d. Financing movable and immovable assets.
 - e. Financing inventory and working capital.
1. Managing of properties, real estate, and other fixed assets for the benefit of others for a percentage of the revenue of those properties and real estates.
2. Providing financing and investment consultancy services, and preparing feasibility studies, market studies, and studies on available investment opportunities for others against certain fees.
3. Establishing portfolios and investment funds, financing, and managing financial instruments funds on behalf of others inside the Kingdom.
4. Issuing and managing exchange bonds, sukuk and Islamic financial instruments.
5. Marketing, managing, and producing electronic payment systems cards.
- b. Based on the Ministry of Industry and Trade's Letter No. Msh/1/451/23017 dated July 31, 2008, the Company obtained the right to start its operations effective from July 29, 2008.
- c. The condensed interim financial statements have been approved by the Board of Directors on April 27, 2017.

2. Significant Accounting Policies

- Basis of Preparation of the Condensed Interim Financial Statements
- The accompanying condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting.
- The condensed interim financial statements have been prepared according to the historical cost convention except for the financial assets and financial liabilities that are shown at fair value at the date of the condensed interim financial information statement.
- The condensed interim financial statements are presented in Jordanian Dinar (JD), which represents the Company's functional currency.

- The accompanying condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and must be read with the financial statements of the Company as of December 31, 2016. In addition, the results of the Company's operations for the three months ended March 31, 2017 do not necessarily represent indications of the expected results for the year ending December 31, 2017, and do not contain the appropriation of the profit of the current period, which is usually performed at year-end.
- The accounting policies adopted in the preparation of the condensed interim financial statement are consistent with those adopted for the year ended December 31, 2016, except for the following:
 - The annual improvements on the International Financial Reporting Standards issued in the years 2014-2016, which include amendments to International Financial Reporting Standard number (12).
 - The amendments to International Accounting Standard number (12): "Income Taxes" that relate to recognizing deferred tax assets resulting from unrealized losses.
 - Amendments to International Accounting Standard Number (7) "Cash Flows Statement" that aim to present additional disclosures in the statement of cash flows to enable financial statements users to assess changes in liabilities resulting from financing activities.

Adoption of the above new standards had no impact on the amounts reported and disclosures made in the condensed interim financial statements.

3. Using Estimates

Preparation of the condensed interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, and provisions. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The following estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and situations of those estimates in the future.

Management believes that the estimates adopted in the condensed interim financial statements are reasonable, and consistent with the estimates adopted during the year ended December 31, 2016.

4. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Financial assets quoted at Amman stock exchange	48,093	54,643
	<u>48,093</u>	<u>54,643</u>

The Company evaluated its financial assets through other comprehensive income. This resulted in losses of JD 6,550 as of March 31, 2017 (losses of JD 31,600 as of March 31, 2016).

5. Accounts Receivable from Financing Activities - Net

This item represent the accounts receivable resulted from the credit a sales and finance provided, as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Finance receivable	20,555,980	20,546,783
<u>Less: Deferred income from financing contract</u>	<u>(1,397,885)</u>	<u>(1,496,343)</u>
	19,158,095	19,050,440
<u>Less: Impairment provision</u>	<u>(1,465,000)</u>	<u>(1,465,000)</u>
Suspended revenue	(70,813)	(69,428)
	<u>17,622,282</u>	<u>17,516,012</u>

The details of this account based on financing activities are:

	Total Accounts Receivable as of March 31, 2017	Deferred Income as of March 31, 2017	Net Accounts Receivable as of March 31, 2017	Net Accounts Receivable as of December 31, 2016
	JD	JD	JD	JD
Murabaha financing	17,146,437	(1,391,165)	15,755,272	15,495,959
Istisna financing	41,945	(6,720)	35,225	36,893
Bal'a Ajel financing	3,367,598	-	3,367,598	3,367,588
Associate company financing	-	-	-	150,000
	<u>20,555,980</u>	<u>(1,397,885)</u>	<u>19,158,095</u>	<u>19,050,440</u>

Provision for Doubtful Debt

The movement on the provision for the doubtful debt is as following:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance - beginning of the period / year	1,465,000	2,377,815
<u>Deduct: Provisions relate to debts transferred to off-statement of financial position **</u>	<u>-</u>	<u>(912,815)</u>
Balance - Ending for the Period / Year	<u>1,465,000</u>	<u>1,465,000</u>

Suspense Revenue

The movement on revenue suspense is as follows:

	For the Three Months Ended March 31, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance - beginning of the period / year	69,428	3,340,205
Suspended revenue during the period / year	1,385	17,627
Suspended revenue transferred off-statement of financial position **	-	(1,053,958)
Suspended revenue amortized against accounts receivable from financing activities ***	-	(2,234,446)
Balance - End of the Period / Year	<u>70,813</u>	<u>69,428</u>

- ** During the year 2016, the Board of Directors' approval has been obtained to transfer non-performing receivables covered by provisions and suspended revenue to items off-statement of financial position of JD 1,966,773.
- *** During the year 2016, the Board of Directors' approval has been obtained to close certain suspended revenue against non-performing accounts receivable of JD 2,234,446.
- Non-performing accounts receivable approximated JD 6.9 million, representing 33% of accounts receivable as of March 31, 2017 and December 31, 2016.
- There are credit concentrations of approximately JD 8.5 million, representing 45% of total receivables from financing activities, after deducting deferred revenue. These credits are granted to eight key customers as of March 31, 2017 and December 31, 2016

6. Properties Seized against Debts

The balance of properties seized against debts represent real estates seized against non-performing receivable balances. Their balance amounted to JD 3,737,082 as of March 31, 2017 (JD 3,747,534 as of December 31, 2016), which has been recorded according to the assessment of seized property by competent courts. The fair value of those seized properties amounted to JD 5,550,209.

The movement in the properties seized against debts is as follow:

	March 31, 2017	December 31, 2016
	JD	JD
Balance - Beginning of the period / year	3,747,534	3,649,771
Additions during the period / year	5400	202,220
Sold land during the period / year *	<u>(15,852)</u>	<u>(104,457)</u>
Balance - End of the Period / Year	<u>3,737,082</u>	<u>3,747,534</u>

- * During the period, a piece of land was sold, the sale resulted in profits of JD 4,149 which was booked in the condensed interim statement of income and comprehensive income.

7. Other Debit Balances

The details of this account are as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Prepaid expenses	34,670	30,818
Refundable deposits	5,150	5,150
Refundable legal fees	81,350	75,853
Staff receivable	18,065	20,715
Others	<u>35,786</u>	<u>33,757</u>
	<u>175,021</u>	<u>166,293</u>

8. Investment in Associate Company

This item represents the value of the investment in Jordan Saudi and Emarati Company for Financial Investments being 25% from its share capital of JD 3 million as of March 31, 2017. The investment in the associate is recorded based on the equity method in the condensed interim financial statements based on the latest audited financial statements, noting that the results of its operation during first quarter of 2017 is not material.

9. Customers' Sukuk Investment Portfolios

This item represents the value of investment portfolios received from customers to be invested in the Company's main operation for 6 months or one year from the date of investment. The profit from the investment is distributed based on the proportions agreed on as per the contracts. The Company is committed not engage in any Murabaha contracts with a return less than 8%.

11. Other Credit Balances

The details of this account are as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Accrued expenses	29,553	31,384
Customers deposits	106,883	282,753
Deposits from processing and collections fees	9,879	18,938
Accrued and unpaid profits from customers Sukuk investment portfolios	50,007	21,300
Shareholders payable	6,650	6,650
Provision for contingent liabilities	100,000	100,000
Board of directors remuneration	840	840
Others	47,011	86,736
	<u>350,823</u>	<u>548,601</u>

12. Income Tax

a. Income tax provision:

The movement on the income tax provision is as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Balance - beginning of the period / year	48,972	(70,681)
Income tax paid	(65,677)	(44,534)
Income tax Provision for the period / year	<u>26,275</u>	<u>164,187</u>
Balance - End of the Period / Year	<u>9,570</u>	<u>48,972</u>

The Company filed the tax returns for the period from inception until December 31, 2010 with the Income and Sales Tax Department. Moreover, the Company paid the declared taxes within the legal period. During the year 2011, the Income and Sales Tax Department reviewed the Company's records for the period from inception until December 31, 2010. The review resulted in tax differences of approximately JD 814 thousand. Consequently, the Company filed a lawsuit objecting to the review within the legal period, and the lawsuit is still before the Tax Court of First Instance. In this respect, the Income and Sales Tax Department appointed an expert who submitted his report, which was approved by the said court. Additionally, the Prosecutor General submitted a report to the Reconciliations Committee of the Income and Sales Tax Department to reconcile with the Company based on the expert's report, which is still pending at the Reconciliations Committee. In this regard, no final settlements have been reached. In the opinion of the company's management and its tax consultant, the payments on account and the tax provisions taken for the years subsequent to the year 2010 exceed the tax difference due on the above fiscal years. Therefore, the Company will not have further liabilities toward the Income and Sales Tax Department, and no additional provisions are required.

The Company submitted the tax returns for the years from 2011 until 2015, and the tax returns for the years from 2011 to 2014, excluding 2012, were accepted as final. In this regard, the tax return for 2012 was accepted without accepting any losses. Consequently, no additional tax is due for that year. As for the year 2015 and 2016, the Company submitted its tax return, and the Income and Sales Tax Department has not reviewed the Company's work yet, In the opinion of the Company's management and its tax advisor, the provisions recorded in the financial statements as at March 31, 2017 are sufficient to meet the expected tax liabilities for the periods mentioned above.

- b. Income tax expense shown in the condensed interim statement of income and comprehensive income is as follows:

	For the Three Months Ended March 31,	
	2017	2016
	JD	JD
Accrued income tax on the profits of the period	26,275	44,534
Income Tax Expense	26,275	44,534

- c. The details of deferred tax assets calculated based on the income tax rate of 24% is as follows:

	Beginning Balance	Additional Amounts	Released Amounts	Ending Balances	Deferred Tax Assets as of	
					March 31, 2017	December 31, 2016
	JD	JD	JD	JD	JD	JD
Provision for doubtful debt *	2,377,815	-	-	2,377,815	570,676	570,676
Balance - End of the Period / Year	2,377,815	-	-	2,377,815	570,676	570,676

Deferred tax assets amounted to JD 570,676 as per management's estimate as of March 31, 2017. Moreover, the Company expects to benefit from these assets in the future.

* According to the Board of Director's decisions, an amount of JD 912,815 has been taken of off-statement of financial position.

12. Earnings per Share for the Period

This item consists of the following:

	For the Three Months Ended March 31,	
	2017	2016
	JD	JD
Profit for the period	76,658	17,326
Number of shares	20,000,000	20,000,000
Earnings per Share for the Period	0.004	0.001

13. Balances and Transactions with Related Parties

The details for balances and transactions with related parties is as follows:

	Board of Directors Members and Relatives	Company's Employee	Associate Company *	Total	
				March 31, 2017	December 31, 2016
<u>Condensed Interim Statement of Financial Position Items</u>	JD	JD	JD	JD	JD
Murabaha and Istisna'a finances	525,126	37,744	-	562,870	726,258
Investment In associate company*	-	-	543,569	543,569	543,569
<u>Condensed Interim Statement of Income and Comprehensive Income Items</u>					
Transportation and other allowances	10,500	-	-	10,500	10,500
Murabaha realized during the period / year	10,058	739	-	10,797	11,745

- * This item represents the Company partially owned by the Board of Directors' chairman.
- The salaries and rewards of executive management amounted to around JD 39,300 for the three months ended March 31, 2017 (JD 35,400 for the three months ended March 31, 2016).
- The fees and other benefits of the Sharia'a Committee amounted to JD 1,800 for the three months ended March 31, 2017 (JD 1,800 for the three months ended March 31, 2016).
- The Company contracted with the Board of Directors' chairman to rent the Company's premises for JD 35 thousand each year.

14. Information about the Company Business

The Company performs its operations through two main activities:

- 1- Financing activity
Includes following up on customers and extending credit to them.
- 2- Investing activity
Includes investing in different financial Instruments.

The following table shows the distributions of revenue between those two activities:

	Financing	Investment	Total for the Three Months Ended March 31 ,	
	JD	JD	2017	2016
Total profits (loss)	231,701	(6,550)	225,151	146,568
Undistributed expenses	-	-	(122,218)	(113,792)
Income tax expense	-	-	(26,275)	(15,450)
Profit for the Period / Year			<u>76,658</u>	<u>17,326</u>
Segment Assets	17,622,282	591,662	18,213,944	18,114,224
Not distributed Assets	-	-	4,699,743	4,840,431
Total			<u>22,913,687</u>	<u>22,954,655</u>
Segment liabilities	62,067	4,490,000	4,552,067	4,432,513
Undistributed liabilities	-	-	360,393	597,573
Total			<u>5,912,460</u>	<u>5,030,086</u>

15. Contingent Liabilities

The Company had the following contingent liabilities as of the date of the condensed interim statement of financial position:

	March 31, 2017	December 31, 2016
	JD	JD
The company's office rent contract	20,825	29,750

16. Fair Value Hierarchy

a. Fair value of financial assets measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each financial period. The following table illustrates how the fair values of these financial assets are determined:

Financial Assets	Fair Value		Fair Value Hierarchy	Valuation Technique	Significant Unobservable Inputs	Relationship of Unobservable Inputs to fair Value
	March 31, 2017	December 31, 2016				
	JD	JD				
Financial assets at fair value						
Financial assets at fair value through profit or loss:						
Shares with available market prices	48,093	54,643	Level 1	Prices announced at the financial market	Not applicable	Not applicable
Total Financial Assets at Fair Value	48,093	54,643				

There were no transfers between Level 1 and Level 2 for the three months ended March 31, 2017 and during the year 2016 .

b. Fair value of financial assets and financial liabilities not measured at fair value on a recurring basis

Except as detailed in the following table, the Company deems that the carrying amounts of the financial assets and financial liabilities in the financial statements approximate their fair value due to their short-term maturity or repricing of their interest rates during the financial period.

	March 31, 2017		December 31, 2016		Fair Value Hierarchy
	Book value	Fair Value	Book value	Fair Value	
	JD	JD	JD	JD	
Financial assets not calculated at fair value:					
Properties seized against debts	3,737,082	5,550,209	3,747,534	5,607,158	Level 2
	3,737,082	5,550,209	3,747,534	5,607,158	

The fair value of the above items for Level 2 was determined based on real estate appraisals which exceed the recorded amount of JD 1,813,127.