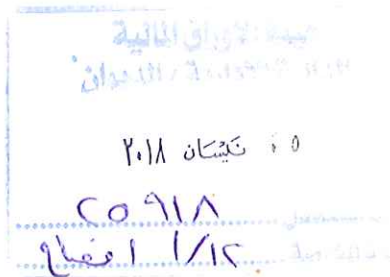




AL TAS-HEELAT
التسهيلات

<p>Date:-4/4/2018 Ref : jtf1/27/695 To: Jordan Securities Commission</p> <p>Subject: Annual Report for the fiscal year ended 31/12/2017</p>	<p>التاريخ: 2018/4/4 الرقم : ت ج 695/27/1 السادة هيئة الاوراق المالية المحترمين</p> <p>الموضوع : التقرير السنوي للسنة المنتهية في 2017/12/31</p>
<p>Attached CD and the Annual Report of (Jordan Trade Facilities Company) for the fiscal year ended at 31/12/2017 English Virgin. Noting that they are subject to the CBJ final approval and possible amendment by CBJ.</p>	<p>مرفق طيه CD يحتوي التقرير السنوي والبيانات المالية لشركة التسهيلات التجارية الاردنية عن السنة المالية المنتهية في 2017/12/31 م النسخة الانجليزي علماً بأن البيانات المالية خاضعة لموافقة البنك المركزي وقابلة لبعض التعديلات عليها من قبله..</p>
<p>Kindly accept our highly appreciation and respect</p> <p>Jordan Trade Facilities Company Ziad Husain Saleh Administration Manager</p>	<p>وتفضلوا بقبول فائق الاحترام،،،</p> <p>شركة التسهيلات التجارية الاردنية زياد حسين صالح المدير الاداري</p>





AL TAS-HEELAT
التسهيلات

Annual Report No. 37
2017

Annual Report 2017



His Majesty King Abdulla II
King of Hashemite Kingdom of Jordan



His Royal Highness
Prince Hussein Bin Abdulla II



BOARD MEMBERS



BOARD MEMBERS

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

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

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

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

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

Miss. Mais Adnan Alshalabi / Member
Representative of Invest Bank

Dr. Mahmoud Abedalhaleem Al Khalaileh / Member
Representative of University of Jordan Investment Fund
Up to 21/11/2017

Dr. Imad Khaled Salah / Member
Representative of University of Jordan Investment Fund
From 21/11/2017

Mr. Eyad Mohammad Jarrar
General Manager

Auditor
Pricewaterhouse Coopers-Jordan (PWC)

Legal Consultant
Mr. Mohammad Ali. Al - Hiasat

MESSAGE FROM THE CHAIRMAN

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

Dear Shareholders,

It is an honor and pleasure to welcome you on behalf of myself and the board members to the 37TH General Assembly and to share the annual report about the Company's activities and achievements for the year 2017.

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 and SMEs lending.

For the year 2017 JOTF has achieved an operating profit of JOD 4,048,642, compared to JOD 3,070,546 in 2016 with a growth of 32% which resulted in a net profit of JOD 3,078,181, compared to JOD 2,120,158 in 2016 with a growth of 45% .

Total assets reached JOD 46,409,846 in 2017 compared to JOD 41,051,880 in 2016 with a growth of 13%. These positive results have increased the net shareholders equity to JOD 24,939,648 from JOD 21,862,005 in 2016, with a growth of 14% , which reflects the ambitious vision of the management and the suitable strategies adopted to deliver positive results.

Dear Respected Shareholders,

Post – Tamkeen Leasing Company (subsidiary of Invest Bank) – acquisition of the majority of the company's shares (94%) in 2016 ,JOTF has become one of Invest Bank Subsidiaries which has positively impacted the company's performance to maximize yields for shareholders .

Post acquisition JOTF started focusing on different segments mainly SMEs as a part of a new strategy to cater this vital segment.

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

Finally, I would like to express on my behalf and on behalf of the board members my sincere appreciation and gratitude for all JOTF employees and their efforts and loyalty in serving the Company and its clients. I would also like to thank all our clients and shareholders for their continuous trust and support. Furthermore.

Sincere Regards,

Jamal Fariz
Chairman



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

A. Company's Main Activities

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

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

Geographical Location	Address	Tel	No. of Employees
Head Office	Abdel Hameed Sharaf St, Bldg 52 Al SHEMEISANI	06-5671720	48
Main Branch	Abdel Hameed Sharaf St, Bldg 52 Al SHEMEISANI	06-5671720	6
Outdoor Sales	Abdullah Bin Masood St, Bldg 53 Al SHEMEISANI	06-5655510	6
Al Madina Branch	Near Sport City, Opposite to Sarh Al Shaheed	06-5158816	6
Al Wehdat Branch	Opposite to Al Taiebat Village	06-4735666	5
Al Zarqa Branch	Amman – Al Zarqa Road	05-3968880	4
Erbid Branch	Near Al Qubba Roundabout	02-7255959	4
Al aqaba Branch	Jordanian Royal Bldg, Opposite To Princess Haya Hospital	03-2042225	5
Total Number of Employees			84

C. Total shareholders' Equity

The Company has a total equity of JD 24,939,648 of which JD 16,500,000 represent the paid-up capital, JD 2,905,561 represent the statutory reserve , JD 385,000 a reserve general banking risks, JD 5,149,087 represent the retained earnings.

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

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



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

BOARD MEMBERS

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

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

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

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

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

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

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

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

Mr. Muhannad Zuhair Boka/ Member – Representative of Tamkeen Leasing Com.

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

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

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



Dr. Mahmoud Abedalhaleem Al Khalaileh up to 21/11/2017 / Member – Representative of University of Jordan Investment Fund

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	1/1/1954	Jordanian	Ph.D. Accounting & Finance 1992
Experience	2016 – 2017: Vice President of the University of Jordan for investment, development and financing 2014 - 2016: Dean of Scientific Research and advisor to President for Administrative and Financial Affairs / University Blue. 2007-2012: Secretary General of the Court of Audit. 2009-2010 expert at the German Financial Supervisory Agency for Development. 2005- 2007: Deputy Director General for Financial and Administrative Affairs, the University of Jordan Hospital. 1997 - 2001: Director of the Finance Unit - University of Jordan 1994 - 1997: Assistant Dean of the Faculty of Economics and Administrative Sciences at the University of Jordan. In addition to his work an assistant professor in several faculties of the University of Jordan		

Dr. Imad Khaled Saleh from 21/11/2017 / Member – Representative of University of Jordan Investment Fund

Member since	Date of Birth	Nationality	Educational Qualification
22/9/2016	20/7/1967	Jordanian	PhD Computer Engineering
Experience	1999-2017: Several tasks at the University of Jordan and most recently Vice President for Investment and Development and Finance 1996-1999 : General Manager of SPS Group of Ukraine		

EXECUTIVE MANAGEMENT

Mr. Eyad Mohammad Jarrar / GM

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

Mr. Ziad Hussein Husni Saleh / Administration Manager

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

Mr. Moath Ahmad Mohammad Anasweh / Branches and Sales Manager

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

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

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

Mr. Khaled Mohammad Abualrob / Assistant Financial Manager

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



Mr. Mohammad Lafi / Business Development and Support Manager

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

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

Name	31/12/2016		31/12/2017	
	Number of Stocks	Share %	Number of Stocks	Share %
Tamkeen Leasing Com.	15,390,385	93.3%	15,430,385	93.5%

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

-The Company operates in the local market, and managed to gain a good market share among competitors with various product offerings such as:
Auto financing, SMEs, Leasing, Mortgage, Murabaha , Credit cards and Consumer Loans.
- JOTF has expanded it’s SMEs lending as the company’s future strategy is to compete in this vital sector.

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

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

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

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

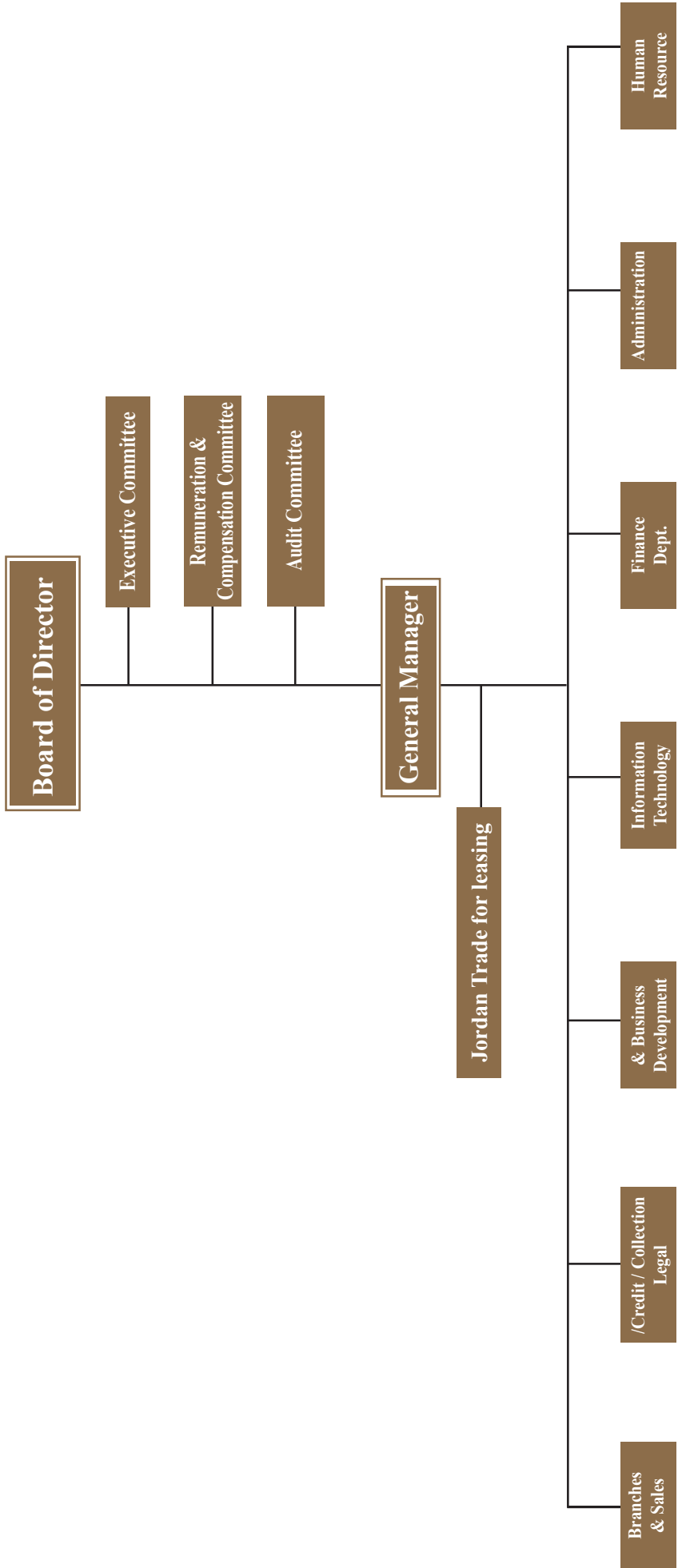
8. Decisions issued by the Government, international organizations or any other authority that constituted material effect on the Company’s business, its products or competitiveness:

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

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

At the end of 2017, the number of the Company’s employees was (84) compared to (80) in 2016.

JORDAN TRADE FACILITIES ORGANIZATION STRUCTURE 2017



B. Employees Categories and Qualifications

Educational Qualification	Categories	No. of Employees
Master's degree	Admin. Employees	3
Bachelor's	Admin. Employees	65
Average Diploma	Admin. Employees	5
High School	Admin. Employees	5
High School	General Services	5
Less than High School	General Services	1
	Total	84

C. Training Courses

Training Programs during 2017	Number of Employees
Banks System	16
Oracle Database 11g	1
SME's Session (Policies & Procedure)	12
Knowledge Products	34
Products and Policies - Direct Selling Skills - Phase I	26
Orientations phase 2	15
Credit analysis	23
Customer complaints handling Central bank of Jordan regulations.	1
Leasing System	15
Information security program	15
Islamic Financing	42
Advance Selling Skills	28
Total	228

10. Risks to which the Company is exposed to:

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

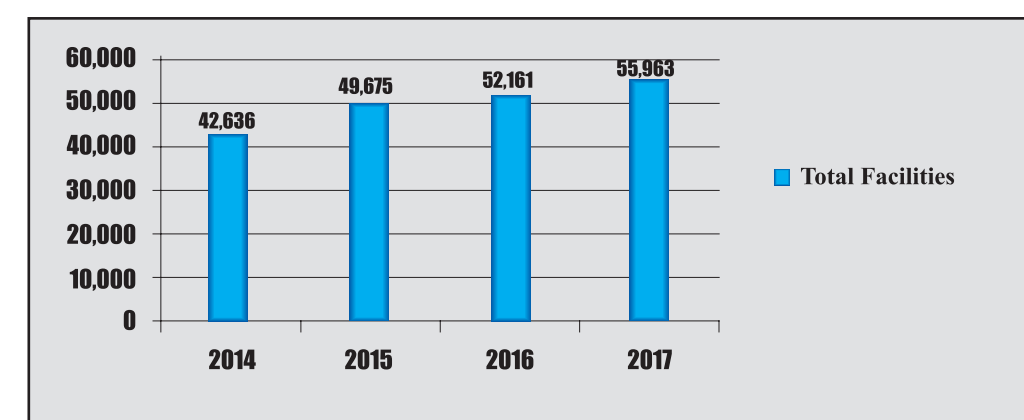
11. Company's achievements and major events during the fiscal year:

-The Board of Directors held seven meetings in 2017.

- Islamic Murabaha products were launched and approved by the Department of Public Prosecution .
- Initiated the process of issuing a 3 million bond.
- Company started suspending interest as of 1/1/2017.

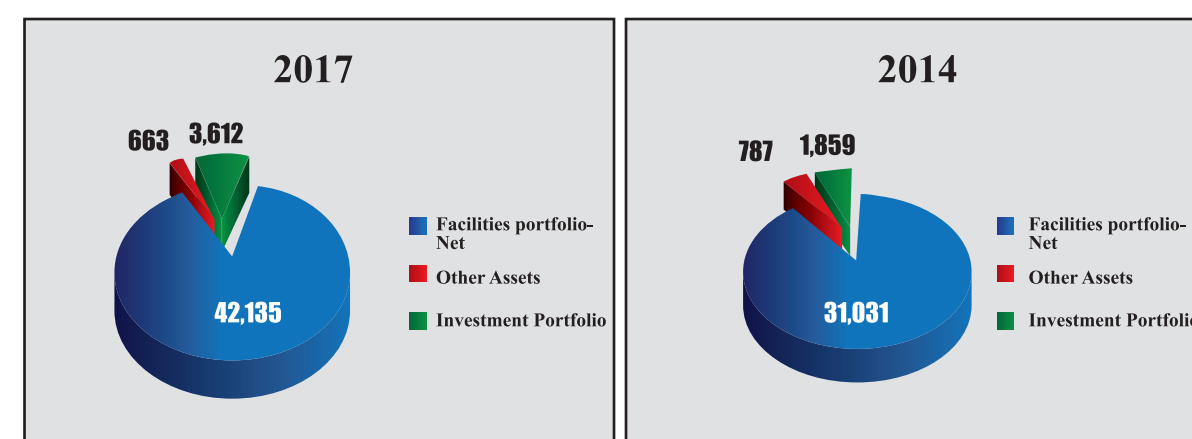
Total facilities portfolio over the last four years (in thousand Dinars):

Year	Total Facilities
2004	42,636
2015	49,657
2016	52,161
2017	55,963



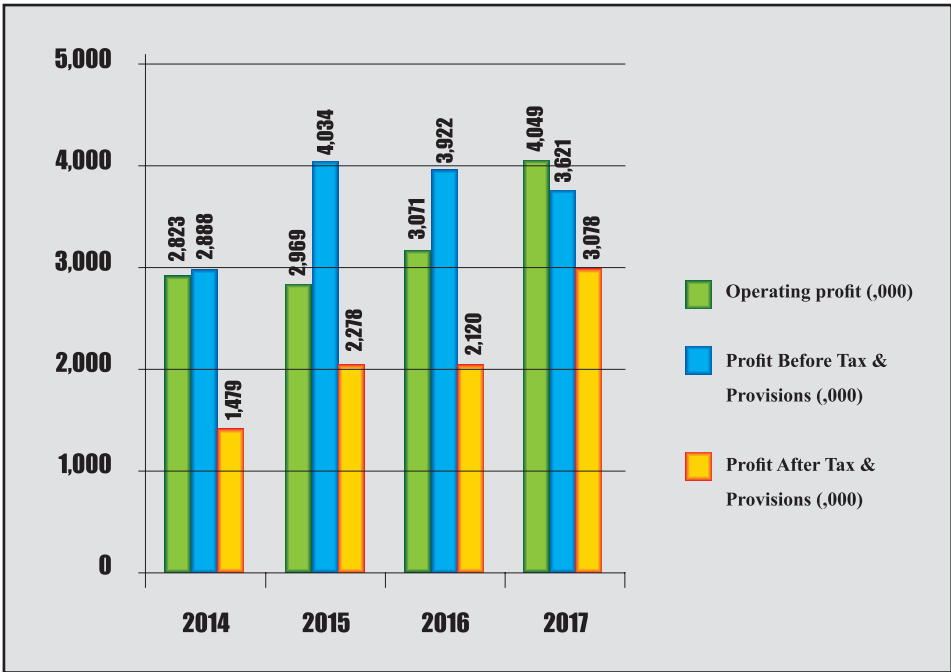
The following is detailed description about the company's assets for the past four years (in thousands JD)

Year	2014	2015	2016	2017
Facilities portfolio –Net	31,031	36,381	37,919	42,135
Investment portfolio	787	749	737	663
Other assets	1,859	2,183	2,373	3,612
Total assets	33,677	39,313	41,052	46,410



Profits during the past four years (in thousand dinars)

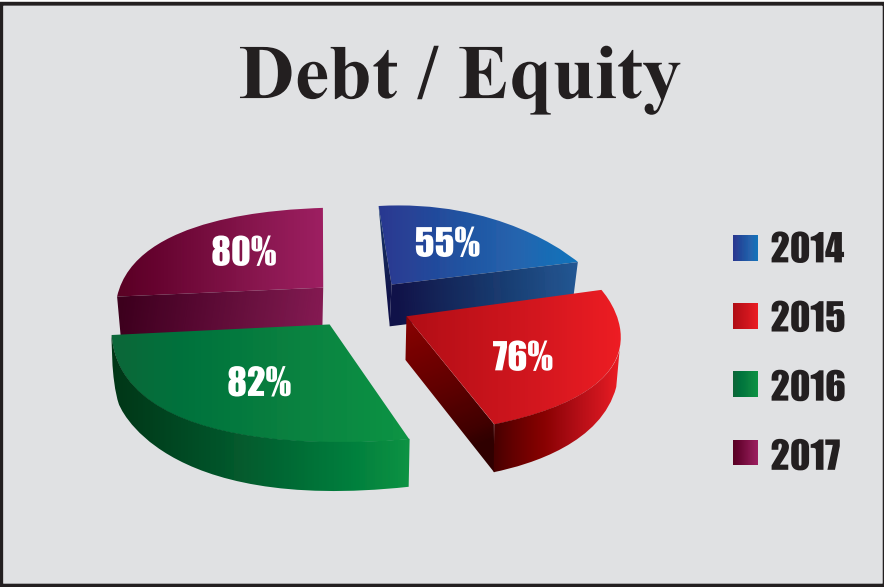
Year	Operating profit	Profit Before Tax & Provisions	Profit After Tax & Provisions
2014	2,823	2,888	1,479
2015	2,969	4,034	2,278
2016	3,071	3,922	2,120
2017	4,049	3,621	3,078



The Company achieved a net profit before income tax and fees of JD 3,621K in 2017 compared to JD 3,922 K in 2016.
The company has allocated JD 864 K for the income tax for the financial year of 2017

Company's leverage details from 2014 to 2017:

Year	Debt (in thousands)	Shareholders' Equity (in thousands)	Debt/Equity
2014	11,188	20,271	55%
2015	16,180	21,392	76%
2016	17,914	21,862	82%
2017	19,829	24,940	80%



Owners' Equity and details on profitability from 2014-2017

Year	Shareholders' Equity (in thousands)	Profit after tax and fees (in thousands)	Return on Equity	EPS
2014	20,271	1,479	7.3%	0.089
2015	21,392	2,278	10.6%	0.138
2016	21,862	2,120	9.7%	0.128
2017	24,940	3,078	12.3%	0.187



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

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

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

Year	2013	2014	2015	2016	2017
Net profit before tax and provisions (in thousand Dinars)	3,235	2,888	4,034	3,922	*3,621
Net profit after tax and provisions (in thousand Dinars)	1,718	1,479	2,278	2,120	3,078
Dividends (in thousand Dinars)	1,072	1,155	1,650	-	-
Net Shareholders' Equity (in thousand Dinars)	19,998	20,271	21,392	21,862	24,940
Price per Share (in Dinar)	1.06	0.950	1.380	1.050	1.10

* The Company started suspending interest as of 1/1/2017 which has affected net profit before tax and provisions.

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

No.	Index	Percentage
1	Stock Turnover	0,004 %
2	Return On Investment	6,6%
3	Return On Equity	12,3%
4	Return On Capital	18,7%

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

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

16. Audit Remunerations

Remuneration for the Company's auditors, PWC was JD 15,080 inclusive of sales tax.

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

Board Members

Name	Nationality	Title	Number of Shares	
			31/12/2016	31/12/2017
Tamkeen Leasing Com. represented by: Mr. Jamal Mohammad Fariz Mr.Nabil George Safadi Mr. Tareq "Mohammad Nazih" Sakkijha Mr. Muhannad Zuhair Boka Mr. Awni Mahmoud Diab A'mar	Jordanian Jordanian Jordanian Jordanian Jordanian	Chairman Vice Chairman Member Member Member	15,390,385 2,200 000 000 000 000	15,430,385 2,200 000 000 000 000
Invest Bank, represented by: Miss. Mais Adnan Alshalabi	Jordanian Jordanian	Member	269,597 000	229,597 000
University of Jordan Investment Fund, represented by: Dr. Imad Khaled Salah	Jordanian Jordanian	Member	77,000 000	77,000 000

Senior Executive Management

No.	Name	Nationality	Title	Number of Shares	
				31/12/2016	31/12/2017
1	Mr. Eyad Mohammad Jarrar	Jordanian	General Manager	-----	-----
2	Mr. Ziad Hussein Husni Saleh	Jordanian	Administration Manager	5,500	5,500
3	Mr. Moath Ahmad Alanasweh	Jordanian	Branches and Sales Manager	-----	-----
4	Mr. Malik Ali AlRadaideh	Jordanian	Credit, Collection & Lega Manager	-----	-----
5	Mr. Khaled Mohammad Abualrob	Jordanian	Assistant Financial Manager	-----	-----
6	Mr. Mohammad lafi	Jordanian	Business Development and Support 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 2017



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

Board Member Name	Title	Travel and Transportation Allowance to Board	Remuneration for 2016	Total
Global MENA Financial Assets Limited, represented by: Mr. Mohammad Zaki Al-Masri upto 22/9/2016	Chairman	-	3,750	3,750
Financial Assets Bahrain, represented by: Mr. Zakir Hussein upto 22/9/2016	Vice Chairman	-	3,750	3,750
Financial Assets Bahrain, represented by: Mr. Talal Sameer Algharaballi Mr. Kaled Al Nafisi upto 22/9/2016	Member Member	-	1,344 2,405	1,344 2,405
Al Oshroon Co, represented by: Mr Abed Alhamid Mhriz. Mohammad upto 22/9/2016	Member	-	3,750	3,750
Financial Assets MENA, represented by: Mr. Dirar Gazi Mohammad upto 22/9/2016	Member	-	3,750	3,750
University of Jordan Investment Fund, represented by: Dr. Mohammad Abou Nasar upto 22/9/2016	Member	-	3,750	3,750
Tamkeen Leasing Com. represented by: Mr. Jamal Mohammad Fariz Mr.Nabil George Safadi Mr. Tareq "Mohammad Nazih" Sakkijha Mr. Muhannad Zuhair Boka Mr. Awni Mahmoud Diab A'mar	Chairman Vice Chairman Member Member Member	3,600 3,600 3,600 3,600 3,600	1,250 1,250 1,250 1,250 1,250	4,850 4,850 4,850 4,850 4,850
Invest Bank, represented by: Miss . Mais Adnan Alshalabi	Member	3,600	1,250	4,850
University of Jordan Investment Fund, represented by: Dr. Mahmoud Abedalhaleem Al Khalaileh up to 21/11/2017 Dr. Imad Khaled Salah from 21/11/2017	Member Member	3,300 300	1,250 0000	4,550 300

* Salaries and remunerations of the Executive Management :

Name	Date of Appointment	Job	Salary	Bonuses	Total
Mr. Eyad M. Jarrar	2/11/2014	General Manager	159,000	76,166	235,166
Mr. Ziad Saleh	21/01/1984	Administration Manager	31,659	2,000	33,659
Mr. Moath Ahmad Ala-nasweh	18/9/2016	Branches and Sales Manager	34,500	000	34,500
Mr. Malik Ali AlRadaideh	1/11/2016	Credit, Collection & Lega Manager	55,248	6,001	61,249
Mr. Khaled Abualrob	17/10/2016	Assistant Financial Manager	27,571	3,000	30,571
Mr. Mohammad Lafi	4/9/2016	Business Development and Support Manager	26,250	000	26,250
Total					421,395

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

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

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

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

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

There is no contribution by the Company to local community service.

22. Corporate Governance Rules

The Company complies with corporate governance codes for the PLC companies listed in Amman Stock Exchange for example:.

The board declared all major issues on time.

The Company declared the number of the board of directors' meetings in the annual report.

The Company prepared corporate governance codes report.

23. corporate governance codes report.

1. Governance Compliance

JOTF seeks guidance from corporate governance principles and reserves no effort in enhancing policies and procedures within Jordan Securities Commission and other regulatory entities regulations, ensuring high level of transparency.

JOTF will apply corporate governance regulations to achieve the highest governance levels and transparency to enhance shareholders' confidence, satisfaction and to safeguard their investments.

The company has prepared all policies related to corporate governance and is committed to fully comply by 30/4/2018 deadline provided by Jordan Securities Commission.



2. The current and resigning members of the Board of Directors during 2017

Board Member Name	Title	Executive / non-executive	Independent / non-independent
Mr. Jamal Mohammad Fariz / Representative of Tamkeen Leasing Com.	Chairman	non-executive	non-independent
Mr. Nabil George Safadi / Representative of Tamkeen Leasing Com	Vice-Chairman	non-executive	non-independent
Mr. Awni Mahmoud A'mar / Representative of Tamkeen Leasing Com.	Member	non-executive	non-independent
Mr. Tareq "Mohammad Nazih" Sakkijha / Representative of Tamkeen Leasing Com.	Member	non-executive	non-independent
Mr. Muhannad Zuhair Boka / Representative of Tamkeen Leasing Com.	Member	non-executive	non-independent
Miss. Mais Adnan Alshalabi / Representative of Invest Bank	Member	non-executive	non-independent
Dr. Mahmoud Abedalhaleem Al Khalaileh / Representative of University of Jordan Investment Fund up to 21/11/2017	Member	non-executive	independent
Dr. Imad Khaled Salah / Representative of University of Jordan Investment Fund From 21/11/2017	Member	non-executive	independent

3- The Executive Management:

Name	Executive / non-executive	Job
Mr. Eyad M. Jarrar	2/11/2014	General Manager
Mr. Ziad Hussein Saleh	21/01/1984	Administration Manager
Mr. Moath Ahmad Alanasweh	18/9/2016	Branches and Sales Manager
Mr. Malik Ali AlRadaideh	1/11/2016	Credit, Collection & Lega Manager
Mr. Khaled Abualrob	17/10/2016	Assistant Financial Manager
Mr. Mohammad Lafi	4/9/2016	Business Development and Support Manager

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

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

5- Corporate Governance Officer : Mr. Ziad Hussein Saleh

6- Committees emanating from the Board of Directors

Audit Committee
Nominations and Compensations Committee
Executive Committee

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

Mr. Jamal Mohammad Fariz / Chairman

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

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

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



Dr. Mahmoud Abedalhaleem Al Khalaileh Member

Educational Qualification	Ph.D. Accounting and Finance
Experience	<p>2016 – 2017: Vice President of the University of Jordan for investment, development and financing</p> <p>2014 - 2016: Dean of Scientific Research and advisor to President for Administrative and Financial Affairs / University Blue.</p> <p>2007-2012: Secretary General of the Court of Audit.</p> <p>2009-2010 expert at the German Financial Supervisory Agency for Development.</p> <p>2005- 2007: Deputy Director General for Financial and Administrative Affairs, the University of Jordan Hospital.</p> <p>1997 - 2001: Director of the Finance Unit - University of Jordan</p> <p>1994 - 1997: Assistant Dean of the Faculty of Economics and Administrative Sciences at the University of Jordan.</p> <p>In addition to his work an assistant professor in several faculties of the University of Jordan</p>

8- Members of other committees

Member Name	Committee Number of meetings of each committee and attendees	Title
Mr. Jamal Mohammad Fariz	Nominations and Compensations Committee	Chairman
Mr. Nabil George Safadi	Nominations and Compensations Committee	Member
Mr. Tareq "Mohammad Nazih" Sakkijha	Nominations and Compensations Committee	Member
Mr. Nabil George Safadi	Executive Committee	Chairman
Mr. Awni Mahmoud A'mar	Executive Committee	Member
Mr. Muhannad Zuhair Boka	Executive Committee	Member

9- Number of meetings of each committee and attendees

committees	Number of meetings	Attendees
Audit Committee	4	All members of the committee attended
Nominations and Compensations Committee	1	All members of the committee attended

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

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

Meeting number	
1/2017	All members
2/2017	All members excluded Mr. Muhannad Zuhair Boka
3/2017	All members
4/2017	All members excluded Mr. Nabil George Safadi
5/2017	All members excluded Mr. Muhannad Zuhair Boka and Mr. Tareq "Mohammad Nazih" Sakkijha
6/2107	All members excluded Miss. Mais Adnan Alshalabi
7/2017	All members

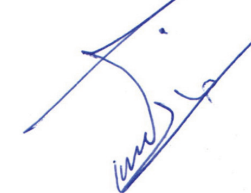
Jamal Mohammad Fariz
Chairman of the Board



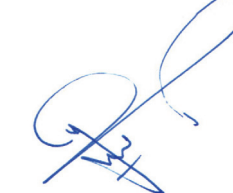
Acknowledgments

1. The Company's Board of Directors acknowledges that there are no material issues that may affect the Company's continuity during the next fiscal year 2018.
2. The Company's Board of Directors acknowledges its liability towards the preparation of the financial statements and the existence of an effective and adequate internal control system in the Company.
3. We, the undersigned, hereby acknowledge the authenticity, precision and comprehensiveness of the information and data included herein.

Khaled Mohammad Abualrob
Assistant Financial Manager



Eyad Mohammad Jarrar
General Manager



Jamal Mohammad Fariz
Chairman of the Board




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

Consolidated Financial Statements

31 December 2017

Jordan Trade Facilities Company.
(Public Shareholding Company)

Financial Statements

31 December 2017

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

Report on the consolidated financial statements

Our opinion

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

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Our audit approach

Overview

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit

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

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

Key audit matter	How our audit addressed the Key audit matter
<p>Provision for impairment of the overdue installments receivable and finance lease contracts</p> <p>As described in the accounting policy (2.10) and note number (4) Critical Accounting Estimates And Judgments, the management calculates the provision for impairment of the overdue installments receivable and finance lease contracts according to the accounting policy described in note (2.10) and in accordance with the Company's internal policy that is approved by the board of directors. The Management reviews each contract individually or in group to assess whether there is objective evidence of impairment such as default in payments of customers. In case evidence exist the management assess the impairment value based on the recoverable amount from the assets mortgaged to the group.</p> <p>Due to the importance of these estimates and judgments, It is considered as significant risk which might lead to material misstatement in the consolidated financial statements when available information and estimates are misused to determine the provision value.</p> <p>As disclosed in Note (7) to the consolidated financial statements, management had recognised a provision for impairment of the overdue installments receivable and finance lease contracts with an amount of JD 4,565,130, while total group investment in loans and finance lease contracts amount of JD 42,135,036 which represents 91% of the group total assets as at 31 December 2017.</p>	<p>We have performed the following procedures to assess the reasonableness of the Provision for impairment of the overdue installments receivables and finance lease contracts instalments:</p> <ul style="list-style-type: none">• Understood the nature of loans and finance lease contracts portfolio• Assessed management's methodology in assessing the required provision as at 31 December 2016.• Assessed the key assumptions used, based on our understanding of the group and the nature of the business.• Assessed management's methodology in classifying loans and the method used in determining the recoverable amount from the mortgaged assets when sold and expected cash flow.• Tested sample of customers classified as non-performing customers to check the reasonableness of their classification• Tested select of relevant procedures and internal controls applied by the management.• Re-calculated the provision for impairment of the overdue receivable and finance lease contracts instalments for a sample of customer according to the company's policy and International financial reporting standards.• Assess the adequacy of disclosures over the Provision for impairment of the overdue installments receivable and finance lease contracts instalments

Other information

The directors are responsible for the other information. The other information comprises all the other information included in the Company's annual report for the year 2017 but does not include the consolidated financial statements and our auditor's report thereon.

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

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

We have read the other information, and we concluded that there is no material misstatement therein, were we need to communicate to those charged with governance.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

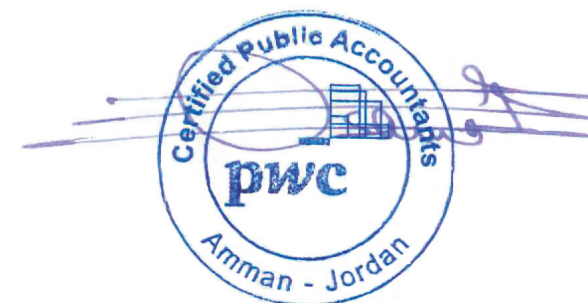
Report on other legal and regulatory requirements

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

On behalf of PricewaterhouseCoopers "Jordan" L.

Osama Marouf
License No. (718)

Amman, Jordan
25 February 2018



STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

	Note	2017 JD	2016 JD
Assets			
Cash on hand and at banks	5	242,082	133,817
Financial assets at fair value through statement of income	6	195,164	228,493
Financial assets at fair value through comprehensive income		-	16,650
Financial assets at amortised cost	7	42,135,036	37,918,861
Other debit balances		414,120	228,515
Investment properties - Net	8	468,000	491,400
Assets seized against non-performing loans		1,415,267	556,573
Property and equipment	9	170,579	230,808
Intangible assets	10	93,268	42,689
Deferred tax assets	14	1,276,330	1,204,074
Total Assets		46,409,846	41,051,880
Liabilities And Shareholders' Equity			
Liabilities			
Overdrafts	11	2,726,100	3,752,744
Loans	12	17,345,342	14,295,189
Other liabilities		463,056	357,270
Other provisions	13	71,220	36,374
Income tax provision	14	864,480	748,298
Total Liabilities		21,470,198	19,189,875
Shareholders' Equity			
Authorized and paid-in capital	1	16,500,000	16,500,000
Statutory reserve	15	2,905,561	2,502,702
General banking risk reserve	15	385,000	285,000
Fair value reserve		-	(78,652)
Retained earnings		5,149,087	2,652,955
Net Shareholders' Equity		24,939,648	21,862,005
Total Liabilities And Shareholders' Equity		46,409,846	41,051,880

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 JD	2016 JD
Revenues and commissions from conventional Murabaha and finance leases		6,203,937	6,242,593
Other operating revenues	16	747,345	1,216,461
Total revenues		6,951,282	7,459,054
Salaries, wages and employees' benefits	17	(1,286,170)	(1,174,015)
Administrative expenses	18	(733,367)	(718,711)
Depreciation and amortization	10,9	(101,502)	(119,450)
Reverse of impairment (Impairment loss) on financial assets at amortised cost	7	446,366	(866,147)
Finance expenses		(1,227,967)	(1,510,185)
Total expenses		(2,902,640)	(4,388,508)
Income from operating activities		4,048,642	3,070,596
Gain from valuation financial assets at fair value through statement of income		18,563	19,186
Other expense		(23)	(33,590)
Other Provisions Expense		(38,593)	(9,482)
Profit for the year before income tax		4,028,589	3,046,660
Income tax expense	14	(950,408)	(926,502)
Profit for the year		3,078,181	2,120,158
Other comprehensive income:			
Net change in the fair value of financial assets at fair value through comprehensive income		(539)	-
Total comprehensive income for the year		3,077,642	2,120,158
Earnings per share for the year (JD/Share)	20	0,187	0.128

The attached notes from 1 to 24 are an integral part of these consolidated financial statements

The attached notes from 1 to 24 are an integral part of these consolidated financial statements



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Authorized and paid-in capital	Statutory reserve	General Banking risk reserve	Net Fair value Reserve**	Retained Earnings**	Total
	JD	JD	JD	JD	JD	JD
2017						
Balance at 1 January 2017	16,500,000	2,502,702	285,000	(78,652)	2,652,956	21,862,006
Profit for the year	-	-	-	-	3,078,181	3,078,181
Change in fair value for the period	-	-	-	78,652	(79,191)	(539)
Transfer to statutory reserve	-	402,859	-	-	(402,859)	-
Transfer to general banking risk reserve	-	-	100,000	-	(100,000)	-
Balance at 31 December 2017	16,500,000	2,905,561	385,000	-	5,149,087	24,939,648
2016						
Balance at 1 January 2016	16,500,000	2,198,036	-	(78,652)	2,772,463	21,391,847
Profit for the year	-	-	-	-	2,120,158	2,120,158
Transfer to statutory reserve	-	304,666	-	-	(304,666)	-
Transfer to general banking risk reserve	-	-	285,000	-	(285,000)	-
Dividends (Note 23)	-	-	-	-	(1,650,000)	(1,650,000)
Balance at 31 December 2016	16,500,000	2,502,702	285,000	(78,652)	2,652,955	21,862,005

* Included in retained earnings an amount of JD 1,276,330 as of 31 December 2017 (2016: 1,204,074) restricted by the instructions of Jordan Security Commission for deferred tax assets,

** The amount of retained earnings distributed to the shareholders of the Company is JD 3,872,757 as at 31 December 2017.

The attached notes from 1 to 24 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 JD	2016 JD
Operating activities		
Profit before income tax	4,028,589	3,046,660
Adjustments for:		
Depreciation and amortization	124,902	142,850
Gain from valuation financial assets at fair value through income statement	(11,371)	(10,528)
Gain (loss) from sale of property and equipment	23	(1,262)
Reverse of impairment (Impairment loss) on financial assets at amortised cost	(446,366)	866,147
Finance expenses	1,227,967	1,510,185
	4,923,744	5,554,052
Working capital changes:		
Financial assets at amortized cost	(3,769,809)	(2,403,826)
Other debit balances	(185,605)	129,252
assets seized against non-performing loans	(858,694)	(382,406)
Financial assets measured at fair value through income statement	44,700	-
Other liabilities	105,786	(279,551)
Income tax government fees provision	34,846	(24,540)
Cash flows from operating activities before paid income tax and finance expense	294,968	2,592,981
Finance expense paid	(1,227,967)	(1,510,185)
Income tax paid	(906,482)	(1,103,330)
Net cash used in from operating activities	(1,839,481)	(20,534)
Investing activities		
Purchases of property and equipment	(18,058)	(38,661)
Proceeds from sale of property and equipment	-	3,795
Purchases of intangible assets	(73,817)	(28,454)
Proceeds from the sale of financial assets at fair value through comprehensive income	16,112	-
Net cash used in investing activities	(75,763)	(63,320)
Financing activities		
Loans	3,050,153	3,563,030
Overdrafts	(1,026,644)	2,522,604
Dividends paid	-	(1,650,000)
Bonds	-	(4,500,000)
Net cash (used in) generated from financing activities	2,023,509	(64,366)
Net change in cash and cash equivalents	108,265	(148,220)
Cash and cash equivalents at 1 January	133,817	282,037
Cash and cash equivalents at 31 December	242,082	133,817

The attached notes from 1 to 24 are an integral part of these consolidated financial statements



(1) General Information

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

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

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

The Company shares are listed on the Amman Stock Exchange,

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

The consolidated financial statements were approved by the Board of Directors on 8 February 2018.

(2) Basis Of Preparation Of The Consolidated Financial Statements

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

2-1 Basis of preparation

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

The consolidated financial statements are presented in Jordanian Dinars,

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

The accounting policies used in the consolidated financial statements are consistent with the accounting policies that have been followed in the financial statements for the year ended December 31, 2017 except for the information presented in note (2-2),

2-2 Changes in accounting policy and disclosures

(A) New standards, amendments and interpretations adopted by the company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017:

- Recognition of Deferred Tax Assets for Unrealized Losses – Amendments to IAS 12,
- Disclosure initiative – amendments to IAS 7.
- Transfers of Investment Property – Amendments to IAS 40.
- Annual Improvements to IFRSs – 2012-2014 Cycle

The adoption of these amendments did not have any impact on the amounts recognized in prior periods. Most of the amendments will also not affect the current or future periods.

(B) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Company:

- IFRS 9 “Financial Instruments”

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

The company has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018.

Financial assets

Financial assets at fair value through income statement, which would likely continue to be measured on the same basis under IFRS 9 “Financial Instrument”. Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

Investment on installments receivable and finance lease contracts instalments, The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. According to the assessment made by the Company's management up to date, the Company expect increase in the provision of financial assets at amortised cost amounting to 1.6 Million Dinar.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.



There will also be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

This Standards Must be applied for financial years commencing on or after 1 January 2018. The group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

- IFRS 15 "Revenue from Contracts with Customers"

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The standard permits a modified retrospective approach for the adoption.

Management has assessed the effects of applying the new standard on the company's financial statements and has identified insignificant impact from the adoption of the new standard as most of the Company revenue not subject to this standard.

- IFRS 16 "Leases"

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, most of the group operating leases are short-term and low-value leases. Therefore, the standard is not expected to have any financial impact.

This standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the group does not intend to adopt the standard before its effective date. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

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

2-3 Basis of consolidation financial statements

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

The following are the details of its subsidiary as of December 31, 2017:

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

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

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

2-4 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), The consolidated financial statements are presented in 'Jordanian Dinar', which is the company's functional and presentation currency,

(b) Transactions and balances

Foreign currency transactions are translated into the Jordanian dinar using the exchange rates prevailing at the dates of the transactions, Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income,

2-5 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as an asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, The carrying amount of the replaced part is derecognised, All other repairs and maintenance are charged to profit or loss during the period in which they are incurred,

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



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

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

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

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

2-6 Intangible assets

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

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

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

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

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

2-7 Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, The recoverable amount is the higher of an asset's fair value less costs to sell and value in use,

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units),

Non-financial assets is reviewed excluding goodwill that is subject to impairment for possible reversal

of the impairment at each reporting.

2-8 Financial assets at fair value through income statement

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

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

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

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

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

2-9 Financial assets at amortized cost

Financial assets at amortized cost are the financial assets which the company's management intends according to its business model to hold for the purpose of collecting the contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding,

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

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

2-10 Impairment of financial assets

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

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

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



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

2-11 Cash and cash equivalents

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

2-12 Trade payables

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

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

2-13 Finance lease contracts investment

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

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

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

2-14 Revenue and expenses recognition

- Interest income is recognized in the consolidated statement of income using the effective interest method,

- Interest expense are recognized on accrual basis

2-15 Income Tax

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

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit

will be available against which the temporary differences can be utilised,

2-16 Provisions

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

2-17 Employee benefits

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

2-18 Assets Seized by the company

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

2-19 Investment properties

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

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

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

2-20 Fair Value

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

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

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

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



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

2-21 Financial instruments by category

	2017 JD	2016 JD
Assets as per statement of financial position		
Loans and receivables		
Financial assets at amortized cost	42,135,036	37,918,861
Financial assets measured at fair value through consolidated income statement	195,164	228,493
Financial assets measured at fair value through other comprehensive income	-	16,650
Other debit balances	414,120	228,515
Cash on hand and at banks	242,082	133,817
	<u>42,986,402</u>	<u>38,526,336</u>
	2017 JD	2016 JD
Liabilities as per statement of financial position		
Financial liabilities at amortized cost		
Bank overdrafts	2,726,100	3,752,744
Loans	17,345,342	14,295,189
Other liabilities	463,056	357,270
Other provisions	71,220	36,374
	<u>20,605,718</u>	<u>18,441,577</u>

(3) Financial Risk Management

3-1 Financial risks factors

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

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

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

The policies and risk management regulations are periodically reviewed to reflect the changes in the market circumstances and company's activities. The management aims through trainings, standards,

and procedures that the management set to improve constructive control environment that clarify the role of each person in the company.

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

(a) Market risk

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

- Foreign exchange risk

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

- Cash flow and fair value interest rate risk

The Company's interest rate risk arises from long-term borrowings, Borrowings issued at variable rates expose the Company to cash flow interest rate risk Borrowings issued at fixed rates expose the company to fair value interest rate risk, The Company's loans issued at fixed rates; (Note 12).

(b) Liquidity risk

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

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December 2017, based on contractual payment dates and current market interest rates

	Less than year 1 JD	Over year 1 JD
At 31 December 2017		
Bank overdrafts	2,914,200	-
Loans	8,038,448	10,389,244
Other Provisions Expense	148,645	-
Deposits	314,411	-
Other provisions	71,220	-
At 31 December 2016		
Bank overdrafts	3,785,061	-
Loans	6,211,388	9,164,702
Other Provisions Expense	107,750	-
Deposits	249,520	-
Other provisions	36,374	-



(c) Credit risk

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

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

3-2 Capital risk management

The Company monitors capital by monitoring the gearing ratio, This ratio is calculated as net debt divided by total capital, Net debt is calculated as total borrowings less cash and cash equivalents as shown in the separate statement of financial position, Total capital is calculated as equity plus net debt as shown in the consolidated statement of financial position,

Gearing ratios were as follows:

	2017 JD	2016 JD
Total borrowings	20,066,222	18,047,933
Less Cash on hand and at banks	(242,082)	(133,817)
Net debt	19,824,140	17,914,116
Total equity	24,939,649	21,862,005
Total capital	44,763,789	39,776,121
Gearing ratio	44%	45%

3-3 Fair value estimation

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

(4) Critical Accounting Estimates And Judgments

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

(a), Lawsuits Provision

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

(b), Provision for impairment of financial assets at amortised cost

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

(c), Provision for impairment of seized assets

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

(d), Useful life of tangible and intangible assets

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

(e), impairment of financial assets

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

Management estimates the impairment in fair value when the market value reaches a certain limit indicative of the amount of impairment loss, which does not conflict with the International Financial Reporting Standards and the instructions of the Regulatory authorities,

(5) Cash On Hand And At Banks

	2017 JD	2016 JD
Cash on hand	40,066	21,312
Current account at banks	202,016	112,505
Net cash and cash equivalent	242,082	133,817



(6) Financial Assets At Fair Value Through Income Statement

	2017 JD	2016 JD
Inside the kingdom		
Shares of listed companies	-	44,700
Outside the kingdom		
Shares of unlisted companies	195,164	183,793
	195,164	228,493

(7) Financial assets at amortized cost

	2017 JD	2016 JD
Installments receivables (a)	33,435,991	31,455,127
Finance lease contracts installments (b)	8,526,111	6,253,151
Customers loans – Credit cards	172,934	210,583
	42,135,036	37,918,861

(a) Installment receivable

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

	2017 JD	2016 JD
Due and past due instalments receivables	3,927,296	4,330,679
Mature within less than a year	16,458,603	15,574,143
Mature within more than a year and less than five years	24,724,161	23,985,491
	45,110,060	43,890,313
Less: Provision for impairment on the overdue installments receivable	(4,336,871)	(4,782,916)
Less: Deferred revenue related to unmeasured installments	(6,682,514)	(7,652,270)
Less: Finance revenue in suspense	(654,684)	-
	33,435,991	31,455,127

The sectorial distribution of installment receivables is as follows:

Investment in facilities contracts-Net:

	2017 JD	2016 JD
Real-estate	7,624,975	6,295,025
Corporations	26,266,289	23,438,432
Loans and trade bills	11,218,796	14,156,856
Total installment receivable	45,110,060	43,890,313
Deferred revenue related to unmeasured installments	(4,336,871)	(4,782,916)
Provision for impairment on the overdue installments receivable	(6,682,514)	(7,652,270)
Finance revenue in suspense	(654,684)	-
Net installment receivable	33,435,991	31,455,127

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

	2017 JD	2016 JD
Balance at the beginning of the year	4,782,916	4,095,966
release during the year	(440,566)	845,218
Write off *	(5,479)	(158,268)
Balance at the end of the year	4,336,871	4,782,916

* Based on the Board of Directors' decision, an amount of 5,479 dinars was written off in 2017, compared to 158,268 dinars in 2016,

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

	2017		2016	
	Overdue installments receivable JD	Total installmnets receivable JD	Overdue installments receivable JD	Total installmnets receivable JD
Not accrued installments receivable	-	27,872,330	-	23,131,471
1-3 months	399,565	4,370,425	640,205	6,354,812
4-6 months	280,324	697,930	209,122	738,922
7-9 months	103,865	327,525	278,070	824,303
10-12 months	102,443	228,066	155,249	340,747
More than 12 months	3,045,074	4,931,270	3,119,827	4,847,789
	3,931,271	38,427,546	4,402,473	36,238,044

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:



	2017		2016	
	Overdue installments receivable	Total installments receivable	Overdue installments receivable	Total installments receivable
	JD	JD	JD	JD
Clients balances – Legal cases	4,993,475	3,047,300	7,170,497	3,635,554

(b) Finance lease contract receivables

	2017	2016
	JD	JD
Finance lease contracts receivable – mature within a year	3,949,008	3,067,881
Finance lease contracts receivables – mature after more than a year	4,577,103	3,185,270
	8,526,111	6,253,151

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

Investment in finance lease contracts – Net

	2017	2016
	JD	JD
Real-estate	6,333,399	5,515,650
Corporations	181,081	24,236
Loans	4,165,727	2,520,190
Total investment in finance lease contracts	10,680,207	8,060,076
Deferred revenue related to finance lease contracts	(228,259)	(234,059)
Provision for impairment on the overdue finance lease contracts	(1,857,106)	(1,572,866)
Finance revenue in suspense within accrued installments	(68,731)	-
Net investment in finance lease contracts	8,526,111	6,253,151

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

	2017	2016
	JD	JD
Mature during less than a year	4,933,941	3,823,159
Mature during more than a year and less than five years	5,179,033	3,574,626
Mature during more than five years	527,233	662,290
	10,680,207	8,060,075
*Impairment provision of finance lease contract	(228,259)	(234,059)
Deferred revenue	(1,857,106)	(1,572,865)
Finance revenue in suspense within accrued installments	(68,731)	-
	8,526,111	6,253,151

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

	2017	2016
	JD	JD
Balance at the beginning of the year	234,059	213,130
Release during the year	(5,800)	20,929
	228,259	234,059

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

	2017		2016	
	Receivables finance lease overdue	Total debt balance	Receivables finance lease overdue	Total debt balance
	JD	JD	JD	JD
Not accrued installments receivable	-	7,651,283	-	5,442,371
1-3 months	51,797	711,409	40,895	663,078
4-6 months	2,208	13,606	6,016	46,755
7-9 months	18,602	68,225	15,290	71,548
10-12 months	23,138	109,817	22,220	108,335
More than 12 months	49,545	268,761	10,793	155,123
	145,290	8,823,101	95,215	6,487,210

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:

	2017		2016	
	Receivables finance lease overdue	Total debt balance	Receivables finance lease overdue	Total debt balance
	JD	JD	JD	JD
Clients balances – Legal cases	1,396,461	145,290	640,169	69,243

** Part of the collaterals of the due instalments and finance lease contract related to Jordan Tarde Facilities Company with an amount of JD 9,692,559 (promissory notes) as of 31 December 2017 against JD16,973,500 in 2016 (Cheques and promissory notes) were deposited as collaterals against the loans and overdraft of the company,



(8) Investment property- Net

	2017	2016
	JD	JD
Buildings*	585,000	585,000
Accumulated depreciations	(117,000)	(93,600)
	468,000	491,400

* This item represents the allocation of 24 residential units of Al Majd residential project for the benefit of the company, based on the agreement signed with the developer Tameer International Real Estate Company, noting that the company acquired the apartments and issued registration bonds in its name, The fair value of the real estate investments is estimated at JD 591,010 under the latest real estate valuation available to the Company on 8 January 2017.

(9) Property And Equipment

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

	Furniture and fixture	Tools, Office machine and Computer	Decorations	Vehicles	Total
2016					
Cost					
At 1 January 2016	101,552	214,975	488,739	84,500	889,766
Additions	12,879	12,473	13,309	-	38,661
Disposals	(16,147)	(19,946)	-	-	(36,093)
At 31 December 2016	98,284	207,502	502,048	84,500	892,334
Accumulated Depreciation					
At 1 January 2016	69,707	144,414	357,221	21,260	592,602
Charged during the year	10,180	34,058	45,572	12,675	102,485
Related to disposals	(16,014)	(17,547)	-	-	(33,561)
At 31 December 2016	63,873	160,925	402,793	33,935	661,526
Net book value as at 31 December 2016	34,411	46,577	99,255	50,565	230,808

The gross carrying amount of fully depreciated assets at 31 December 2017 amounted to JD 537,716 (2016: JD 535,140).

(10) Intangible Assets

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

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



	Computer Programs And the website	Projects under construction	Total
2016			
Cost			
Balance at 1 January 2016	227,891	-	227,891
Additions	5,393	23,061	28,454
Balance at 31 December 2016	233,284	23,061	256,345
Accumulated Amortization			
Balance at 1 January 2016	196,691	-	196,691
Amortization charge	16,965	-	16,965
Balance at 31 December 2016	213,656	-	213,656
Net book value At 31 December 2016	19,628	23,061	42,689

(11) Bank Overdrafts

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 6% - 8,5%, The main purpose of these facilities is to finance the Company's activities within a year,

(12) Loans

	2017 JD	2016 JD
Bank loans due within a year	7,566,310	8,668,005
Bank loans due after a year	9,779,032	5,627,184
	17,345,342	14,295,189

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

Facilities type	Renewal date	Facilities limit	2017 JD	2016 JD
Revolving loan	Nov-2019	3,200,000	2,944,011	850,868
Revolving loan	Nov-2020	4,000,000	3,788,127	4,019,805
Revolving loan	Oct-2021	3,000,000	2,812,406	-
Reducing loan	Sep-2018	200,000	102,985	189,335
Revolving loan	Nov-2020	3,000,000	2,790,443	972,223
Reducing loan	Mar-2018	-	-	1,244,000
Reducing loan	Apr-2017	-	-	125,000
Revolving loan	Dec-2021	1,000,000	980,800	-

Revolving loan	Dec-2020	2,000,000	2,000,000	-
Revolving loan	Oct-2021	2,000,000	1,926,570	-
Reducing loan	Sep-2020	3,116,180	-	3,116,180
Revolving loan	Oct-2018	4,000,000	-	3,777,778
			17,345,342	14,295,189

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

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

(13) Other Provision

	2017 JD	2016 JD
Lawsuits provision	29,500	-
Vacations provision	41,720	36,374
	71,220	36,374

(14) 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 JD	Additions JD	Released amounts JD	Balance at the end of the year JD	Deferred tax assets as at 31 December 2016 JD
Provision for impairment in overdue installments receivable	5,016,975	724,292	1,176,137	4,565,130	1,095,630
Finance revenue in suspense	-	723,415	-	723,415	173,620
Legal provision	-	29,500	-	29,500	7,080
	5,016,975	1,477,207	1,176,137	5,318,045	1,276,330
Items include	Balance at the beginning of the year JD	Additions JD	Released amounts JD	Balance at the end of the year JD	Deferred tax assets as at 31 December 2016 JD
Provision for impairment in overdue installments receivable	4,309,096	1,305,527	597,648	5,016,975	1,204,074
Legal provision	22,956	-	22,956	-	-
	4,332,052	1,305,527	620,604	5,016,975	1,204,074



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

	2017	2016
	JD	JD
Balance at the 1 January	1,204,074	1,039,692
Additions during the year	354,529	313,326
Released during the year	(282,273)	(148,944)
Balance at 31 December	1,276,330	1,204,074

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

	2017	2016
	JD	JD
Balance at the beginning of the year	748,298	760,744
Income tax paid	(906,482)	(1,103,330)
Income tax expense on current year profit	1,022,664	944,070
Income tax expense related to previous years	-	146,814
Balance at 31 December	864,480	748,298

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

	2017	2016
	JD	JD
Income tax expense on current year profit	1,022,664	944,070
Income tax expense related to previous years	-	192,766
Return from income tax department	-	(45,952)
Changes on deferred tax assets	(72,256)	(164,382)
	950,408	926,502

Reconciliation between taxable income and accounting income is as follows:

	2017	2016
	JD	JD
Profit before tax for the year	4,028,589	3,046,660
Non taxable income	(543,805)	(17,022)
Non-deductible expenses	776,315	903,987
Taxable income	4,261,099	3,933,625
Effective tax ratio	24%	24%
Declared tax rate	24%	24%

- A final clearance was made with the Income and Sales Tax Department until the end of 2011 excluding 2009 and 2010,
- With regard to the 2009 tax, the case is still pending before the Court of Cassation and the Constitutional Court has challenged the provision of Article 66 / C of the Income Tax Law,
- With regard to the 2010 tax, in the opinion of the company's lawyer and the tax advisor of the company there is no financial obligations on the company,
- Final clearance with the Income and Sales Tax Department has been finalized for fiscal years (2011, 2012, 2013, 2014),
- The Company submitted the self-assessment for 2015 and 2016 on the due date, The Income and Sales Tax Department did not review the Company's records until the date of preparation of these financial statements,
- The company submitted the general sales tax returns on the date specified by law, and the income and sales tax department audited the statements submitted for the years 2009 to 2013,
- The subsidiary (Commercial Leasing Company) submitted the self-assessment statements until the end of 2014 and was accepted by the Income and Sales Tax Department without sampling, The self-assessment report for 2015 and 2016 was also submitted by the Income and Sales Tax Department, Date of preparation of these financial statements,
- The subsidiary (Commercial Leasing Company) has submitted the general sales tax returns on the date specified by law, The Income and Sales Tax Department has audited the statements submitted up to 2014,
- In the opinion of the company' management and its tax consultant, the company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 31 December 2017.

(15) Reserves

Statutory reserve

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

General banking risk reserve

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

(16) Other Operating Revenues

	2017	2016
	JD	JD
Collection fees, delay penalties and returned cheques other	499,849	844,396
Filing administrative fees	136,292	224,458
Credit cards revenues	106,069	143,011
Re-scheduling commission	5,135	4,596
	747,345	1,216,461



(17) Salaries, Wages And Employee Benifits

	2017	2016
	JD	JD
Salaries and wages	923,469	821,914
Social Security contribution	113,809	97,882
Bonus	161,809	189,946
Medical Insurance	73,444	55,283
Miscellaneous	13,639	8,990
	<u>1,286,170</u>	<u>1,174,015</u>

(18) Administrative Expenses

	2017	2016
	JD	JD
Rents	168,144	138,672
Maintenance	46,855	48,824
Telephone, internet and post	41,362	38,041
Directors' transportation	60,200	73,021
Directors' remuneration	44,678	45,079
Trading commissions	53,696	54,421
Professional fees	26,112	26,286
Water and electricity	3,964	10,021
Transportation and Travel	29,393	28,927
Subscriptions and fees	70,237	57,403
Sales Tax	9,260	9,952
Hospitality	11,971	10,053
Printing and stationary	12,469	16,439
Lawsuits expenses	7,012	10,064
General assembly meeting expenses	33,642	14,283
Advertising and promotion	23,400	23,400
Miscellaneous	90,972	113,825
	<u>733,367</u>	<u>718,711</u>

(19) Balances and Transactions With Related Parties

19-1 Consolidated Statement of Financial Position

	Related Party				Balance			
	Parent company	Subsidiary company	Major shareholders	Executive officers	2017		2016	
					Less than a year	More than a year	Less than a year	More than a year
	JD	JD	JD	JD	JD		JD	
Financial assets at amortized cost	-	1,808,900	-	51,587	1,546,213	314,274	2,004,503	792,514
Loans	2,601,248	-	-	-	1,174,669	1,426,579	1,137,564	1,978,616
Current account	93,550	-	-	-	93,550	-	60,262	-

19-2 Consolidated Statement of Comprehensive Income

	Related Party				Balance	
	Parent company	Subsidiary company	Major shareholders	Executive officers	2016	2015
					JD	JD
Installment revenue	-	224,798	2,001	6,908	233,707	205,878
Finance expenses-Loans	157,151	-	-	-	157,151	196,210

Credit guarantees balance with the parent company was 37,000 dinars as of December 31, 2017 (2016: 42,000 dinars),

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

19-3 Executive Management Salaries And Remunerations For Administration

Salaries and remunerations paid to the Group's executive management amounted to JOD 454,610 for the year ended December 31, 2017 (2016: JOD 374,026),

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

	2017	2016
	JD	JD
Profit for the year belong to the shareholder (JOD)	3,078,181	2,120,158
The weighted average for outstanding shares (share)	16,500,000	16,500,000
	<u>0,187</u>	<u>0,128</u>



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

(21) 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
	JD	JD	JD	JD
31 December 2017				
Financial assets measured at fair value through profit or loss	-	-	195,164	195,164
Financial assets measured at fair value through other comprehensive income	-	-	-	-
	-	-	195,164	195,164
31 December 2016				
Financial assets measured at fair value through profit or loss	44,700	-	183,793	228,493
Financial assets measured at fair value through other comprehensive income	16,650	-	-	16,650
	61,350	-	183,793	245,143

(22) Contingent Liabilities

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

	2017	2016
	JD	JD
Bank Guarantees	139,500	86,000

Against cash margin as follows:

	2017	2016
	JD	JD
Cash margin	1,000	4,400

(23) Lawsuits raised against the Company and its subsidiary

The Company is defendant in a lawsuit in the Jordanian court amounting to JD 39,200 as at 31 December 2017 compare to JD 39,200 as at 31 December 2016. Balance of provision booked against these legal cases amount of JD 29,500 as at 31 December 2017 compare to JD zero as at 31 December 2016. Management of the Company and legal consultant believes that no extra liabilities will result from these legal cases.

The Subsidiary "Jordan Facilities for Finance Lease " is defendant in a lawsuit in the Jordanian court amounting to JD 300 as at 31 December 2017. Balance of provision booked against these legal cases amount of JD zero as at 31 December 2017. No legal cases were against the Company as at 31 December 2016.

(24) Comparative figures

Certain comparative figures for the year ended 31 December 2016 have been reclassified to conform with the presentation of the consolidated financial statements figures for the year ended 31 December 2017.

