

To: Jordan Securities Commission
Amman Stock Exchange

Date: 31/7/2019

السادة هيئة الأوراق المالية المحترمين
السادة بورصة عمان المحترمين

التاريخ: ٣١ / ٧ / ٢٠١٩

Subject: Semi-Annual Report as of June 30, 2019

الموضوع : التقرير نصف السنوي كما هو في 2019/06/30

- Attached the company's Semi- Annual Report of (Jordan Investment Trust) as of June 30, 2019 in English.

- مرفق طيه نسخة من التقرير نصف السنوي لشركة الثقة للاستثمارات الأردنية كما هو بتاريخ 2019/06/30 باللغة الإنجليزية.

Regards

Ahmad H. Tantash
CEO


Jordinvest

Jordan Investment Trust P.L.C
Amman Jordan

- To Securities depository center

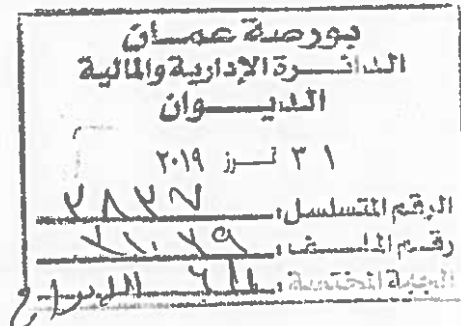
وتفضلوا بقبول فائق الاحترام،،،

شركة الثقة للاستثمارات الأردنية
الرئيس التنفيذي
أحمد طنطش

جورديفست

شركة الثقة للاستثمارات الأردنية م.ع.م
عمان - الأردن

- نسخة السادة مركز إيداع الأوراق المالية



JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

30 JUNE 2019

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE
BOARD OF DIRECTORS OF JORDAN INVESTMENT TRUST COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Jordan Investment Trust Company (Public shareholding Company) ("the Company") and its subsidiaries ("the Group") as of 30 June 2019 comprising of interim condensed consolidated statement of financial position as of 30 June 2019 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim consolidated statement of changes in equity, and the interim condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. Board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
28 July 2019



JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2019

	<u>Notes</u>	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<u>ASSETS</u>			
Cash on hand and at banks		884,337	285,876
Financial assets at fair value through profit or loss		1,930,339	1,894,156
Financial assets at fair value through other comprehensive income		4,104,849	4,256,007
Accounts receivable - net		101,787	102,497
Investment in associate	4	12,992,210	13,313,523
Other debit balances		450,291	410,633
Property and equipment		2,224,747	2,255,169
Investment properties		9,197,336	9,253,622
Total Assets		31,885,896	31,771,483
<u>LIABILITIES AND EQUITY</u>			
Liabilities -			
Loans	7	632,257	681,955
Brokerage customers payables		91,671	51,087
Other credit balances		856,754	883,335
Total Liabilities		1,580,682	1,616,377
Equity -			
Shareholders equity			
Paid in capital		26,383,725	26,383,725
Share premium		746,349	746,349
Statutory reserve	10	1,342,748	2,627,073
Voluntary reserve	10	-	154,602
Fair value reserve		(407,183)	(252,131)
Retained earnings (accumulated losses)		312,388	(1,438,927)
Shareholders equity		28,378,027	28,220,691
Non-controlling interests		1,927,187	1,934,415
Net Equity		30,305,214	30,155,106
Total Liabilities and Equity		31,885,896	31,771,483

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2019	2018	2019	2018
		JD	JD	JD	JD
Revenues -					
Interest income		8,665	4,287	11,958	13,598
Profit (Loss) from financial assets at fair value through profit or loss	5	204,379	134,878	234,558	(10,324)
Brokerage commissions		2,049	7,399	4,481	13,958
Share of profit from associate	4	410,174	204,640	573,393	426,074
Other income		33,531	46,083	66,081	91,223
Net revenue		658,798	397,287	890,471	534,529
Expenses -					
Interest and commission		(17,724)	(6,104)	(35,587)	(12,684)
Administrative expenses		(257,778)	(202,112)	(450,215)	(386,489)
Depreciation and amortization		(32,245)	(129,280)	(65,375)	(189,028)
Other expenses		-	(2,923)	-	(11,006)
Profit (loss) for the period before income tax		351,051	56,868	339,294	(64,678)
Income tax expense	9	(34,062)	(31,406)	(38,028)	(36,820)
Profit (loss) for the period		316,989	25,462	301,266	(101,498)
Attributable to:					
Shareholders of the company		321,102	21,228	312,388	(85,963)
Non-controlling interests		(4,113)	4,234	(11,122)	(15,535)
		316,989	25,462	301,266	(101,498)
		JD/ Fils	JD/ Fils	JD/ Fils	JD/ Fils
Basic and diluted earnings from profit (loss) per share for the period		0/012	0/001	0/011	(0/003)

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 (UNAUDITED)

	For the three months ended 30 June		For the six months ended 30 June	
	2019	2018	2019	2018
	JD	JD	JD	JD
Profit (loss) for the period	316,989	25,462	301,266	(101,498)
Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Change in fair value of financial assets at fair value through other comprehensive income	(87,045)	(302,566)	(151,158)	(421,120)
Total comprehensive income for the period	229,944	(277,104)	150,108	(522,618)
Attributable to:				
Shareholders of the company	229,250	(245,513)	157,336	(480,120)
Non-controlling interests	694	(31,591)	(7,228)	(42,498)
	229,944	(277,104)	150,108	(522,618)

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (UNAUDITED)

	Share holders' equity									
	Reserves					Retained earnings (accumulated losses)*	Fair value reserve	Total	Non-controlling interest	Total equity
	Paid in capital	Share premium	Statutory	Voluntary						
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the six months period ended 30 June 2019-										
Balance as of 1 January 2019	26,383,725	746,349	2,627,073	154,602	(252,131)	(1,438,927)	28,220,691	1,934,415	30,155,106	
Accumulated losses written off (Note 10)	-	-	(1,284,325)	(154,602)	-	1,438,927	-	-	-	
Total comprehensive income for the period	-	-	-	-	(155,052)	312,388	157,336	(7,228)	150,108	
Balance as of 30 June 2019	26,383,725	746,349	1,342,748	-	(407,183)	312,388	28,378,027	1,927,187	30,305,214	

For the six months period ended 30 June 2018 -

Balance as of 1 January 2018	26,383,725	746,349	2,627,073	154,602	(153,675)	(108,401)	29,649,673	1,977,918	31,627,591	
Effect of adopting IFRS 9	-	-	-	-	766,818	(916,818)	(150,000)	-	(150,000)	
balance as of 1 January 2018 - Restated	26,383,725	746,349	2,627,073	154,602	613,143	(1,025,219)	29,499,673	1,977,918	31,477,591	
Total comprehensive income for the period	-	-	-	-	(394,157)	(85,963)	(480,120)	(42,498)	(522,618)	
Balance as of 30 June 2018	26,383,725	746,349	2,627,073	154,602	218,986	(1,111,182)	29,019,553	1,935,420	30,954,973	

- There is a restricted amount of JD 312,388 as at 30 June 2019 from the retained earnings which represents the negative fair value reserve.

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)

	<u>Notes</u>	<u>30 June 2019 JD</u>	<u>30 June 2018 JD</u>
<u>OPERATING ACTIVITIES</u>			
Profit (loss) for the period before income tax		339,294	(64,678)
Adjustments			
Depreciation and amortization		65,375	189,028
Interest income		(11,958)	(13,598)
Contingent losses provision		60,000	-
Change in fair value of financial assets at fair value through profit or loss	5	(16,883)	200,637
Share of profit from associate		(573,393)	(426,074)
Changes in working capital			
Financial assets at fair value through profit or loss		(19,300)	(93,852)
Accounts receivable and other debit balances		(38,948)	(151,417)
Accounts payable and other credit balances		16,080	27,850
Income tax paid	9	(40,105)	(35,834)
Net cash flows used in operating activities		<u>(219,838)</u>	<u>(367,938)</u>
<u>INVESTING ACTIVITIES</u>			
Purchase of property and equipment		(5,010)	(11,566)
Received interest income		11,958	13,598
Purchase of investment properties		(33,657)	(49,967)
Dividends received from associate		894,706	-
Net cash flows from (used in) investing activities		<u>867,997</u>	<u>(47,935)</u>
<u>FINANCING ACTIVITY</u>			
Loans		(49,698)	(47,627)
Net cash flows used in financing activity		<u>(49,698)</u>	<u>(47,627)</u>
Net increase (decrease) in cash and cash equivalents		598,461	(463,500)
Cash and cash equivalents at beginning of the period		285,876	1,016,777
Cash and cash equivalents at end of the period		<u>884,337</u>	<u>553,277</u>

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(1) GENERAL

Jordan Investment Trust was incorporated in Jordan as a public shareholding company and registered on April 23, 1998 with an authorized capital of JD 20,000,000 divided into 20,000,000 shares, at a par value of 1 JD each. The authorized and paid up capital was increased several times during previous years to reach JD 29,513,889.

The main objectives of the Company are to invest in all available fields of investment in industrial, agricultural, financial, real estate, tourism and service sectors, and in particular to purchase and hold shares, allotments, real estate, bonds and manage investment portfolios. Other activities include, providing consulting services and capital market operations services which support and foster investment, acting as a broker in organizing the capital financing operations required for establishment, expansion and development of the companies including the undertakings of issuance of shares and bond or participate with the gatherings that aim to such undertakings.

The Company's registered office is located in Jabal Amman, Amman – The Hashemite Kingdom of Jordan.

The main objectives of the subsidiaries are to invest in all available fields of investment.

These financial statements were authorized for issuance by the Board of Directors on 29 July 2019.

The company's shares are listed on the Amman Stock Exchange.

(2) BASIS OF PREPARATION

BASIS OF PREPARATION

The interim condensed consolidated financial statements for the Group as of 30 June 2019 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Jordanian Dinars "JD" which is the functional currency of the Group.

The financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value at the financial statements date.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual financial statements as of 31 December 2018. In addition, the results for the six months ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of Jordan Investment Trust Company and its wholly owned subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, profits and losses relating to transactions between members of the Group are eliminated.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the translation reserve of the foreign currencies
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the subsidiary;
- Recognises profit or loss resulting from controlling loss ; and
- Reclassifies the company's share of components previously recognised in other comprehensive income to profit or loss.

CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The adoption of IFRS 16 did not have material impact on the Group's consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Group's consolidated financial statements.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(3) SEGMENT INFORMATION

Segment information for the basic sectors

For management purposes, the Group is organized into two major business segments:

Financial investments - Principally trading in equities and bonds, in addition to investment in associates and deposits at banks and act as a custodian.

Investment properties - Principally trading and renting properties and land owned by the Group.

These segments are the basis on which the Group reports its primary segment information.

Below are the segments information:

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
				(Unaudited)
For the six months ended 30				
June 2019 -				
Segment revenues	824	62	4	890
Allocated expenses	(373)	(45)	(133)	(551)
Profit (loss) before income tax	451	17	(129)	339
Income tax expense				(38)
Profit for the period				301
For the six months ended 30				
June 2018 -				
Segment revenues	447	62	26	535
Allocated expenses	(330)	(50)	(219)	(599)
Profit (loss) before income tax	117	12	(193)	(64)
Income tax expense				(37)
Loss for the period				(101)

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

	Financial Investments JD'000	Investment properties JD'000	Others JD'000	Total JD'000 (Unaudited)
30 June 2019				
Assets and Liabilities				
Segment assets	22,136	9,187	552	31,885
Segment liabilities	1,351	57	172	1,580
Other segment information for the six months ended 30 June 2019 -				(Unaudited)
Depreciation and amortization				65

	Financial Investments JD'000	Investment properties JD'000	Others JD'000	Total JD'000 (Audited)
31 December 2018				
Assets and Liabilities				
Segment assets	22,004	9,254	513	31,771
Segment liabilities	1,267	63	286	1,616
Other segment information for the six months ended 30 June 2018 -				(Unaudited)
Depreciation and amortization				189

(4) INVESTMENT IN ASSOCIATE

This item represents the following:

	Ownership percentage %	Country of incorporation	Nature of activity	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	12,992,210	13,313,523

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

The following table illustrates the movement on the investments in associate:

	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Balance at the beginning of the period/ year	13,313,523	12,489,814
Group share from associates' profit	573,393	823,709
Dividends received from associate	(894,706)	-
Balance at the end of the period/ year	<u>12,992,210</u>	<u>13,313,523</u>

(5) PROFIT FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2019 JD (Unaudited)	30 June 2018 JD (Unaudited)
Realized Gains	-	3,153
Change in fair value of financial assets at fair value through profit or loss	16,883	(200,637)
Dividends income	<u>217,675</u>	<u>187,160</u>
	<u>234,558</u>	<u>(10,324)</u>

(6) CONTINGENT LIABILITIES

As of the date of the financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,440,000 as of 30 June 2019 (31 December 2018: JD 1,440,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law No. 76 of 2007, in addition to other bank letters of guarantee for the benefit of the Securities Depository Center amounted to JD 150,000 as of 30 June 2019 (31 December 2018: JD 300,000)

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(7) LOANS

	Loan installments		30 June	31 December
	Short term	Long term	2019	2018
	JD	JD	JD (Unaudited)	JD (Audited)
The Bank of Jordan (1)	33,000	42,847	75,847	92,347
The Bank of Jordan (2)	12,396	31,014	43,410	49,608
The Bank of Jordan (3)	108,000	405,000	513,000	540,000
			<u>632,257</u>	<u>681,955</u>

The Bank of Jordan Loan (1)

On 2 September 2010, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 1,650,000 with an annual interest rate of 8.5%. the loan is repayable after a grace period of 2 years in 60 equal monthly installment of JD 32,616 each, starting 19 September 2012, the loan is secured by the mortgage of the property owned by Al Tawon Real Estate Management Company by JD 900,000, During 2018 the loan was rescheduled and the monthly installment was JD 2,750 instead of JD 32,616 starting from 14 November 2018, in addition to an increase in the interest rate to 9%.

The Bank of Jordan Loan (2)

On 11 January 2017, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 74,400 with an annual interest rate of 8.75%. the loan is repayable in 60 equal monthly installment of JD 1,033 each, the first due on 31 December 2017 until the final settlement. The loan is used to finance the purchase of a car.

The Bank of Jordan Loan (3)

On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 9%. the loan is repayable in 60 equal monthly installment of JD 9,000 each, the first installment due on 21 April 2019 until the final settlement. The loan is secured by the mortgage of the property owned by AlTawon Real Estate Management Company by JD 900,000.

(8) OFF-BALANCE SHEET ITEMS

The Group holds investments for others amounting to JD 691,411 as at 30 June 2019 (31 December 2018: JD 544,940).

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(9) INCOME TAX

Movement on income tax provision is as follows:

	30 June 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Balance as at the beginning of the period/year	40,251	35,834
Income tax provision for the period/year	38,028	39,920
Subsidiaries income tax	-	40,000
Paid income tax	(40,105)	(75,503)
Balance at the end of the period/year	38,174	40,251

Jordan Investment Trust Company submitted its tax declaration for the years 2016, 2017 and 2018. The Income and Sales Tax Department did not review the records up to the date of preparing these financial statements. The Company has won two lawsuits against income tax department and the final decision was issued by the court, states that the income generated during the years 2014 and 2015 will not be subject to income tax.

Jordan Investment Trust Company has reached a final settlement with the Income and sale Tax department up to the year 2015.

Imcan For Financial Services (subsidiary) submitted its tax declaration for the years from 2015 to 2018, however the Income and sale Tax department did not review the records up to the date of preparing these financial statements. A final settlement was reached with the Income and sale Tax department up to the year 2014.

(10) STATUTORY RESERVE

The Group's General Assembly approved in its extraordinary meeting on 25 April 2019 to write off the Group's accumulated losses amounting to JD 1,438,927 as of 31 December 2018 in the voluntary reserve by JD 154,602 and the statutory reserve by JD 1,284,325. The balance of accumulated losses and statutory reserve after the write off will become zero and the voluntary reserve will become JD 1,342,748. The legal procedures were completed on 20 June 2019.

The Group did not deduct statutory reserve according to the Companies law since these are interim condensed financial statement.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(11) SHARE CAPITAL

Paid in capital -

The authorized capital amounted to JD 29,513,889 at a par value JD 1 per share.

The details of the share capital are as follows:

	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Issued and paid in capital	29,513,889	29,513,889
Treasury shares owned by the company	(292,609)	(292,609)
Treasury shares owned by subsidiaries	<u>(2,837,555)</u>	<u>(2,837,555)</u>
	<u>26,383,725</u>	<u>26,383,725</u>

The Group's general assembly approved in its extraordinary meeting on 25 April 2019 the transfer of 2,053,806 treasury shares owned by the subsidiary (Trust and Dubai Investment) to Jordan Investment Trust Company at JD 1.382/share. This will result in a discount of JD 783,749 that will be accounted for in the share premium and accumulated losses, so that the balance of the share premium will be zero after the amortization of the share discount. The legal procedures of transferring the shares from Trust and Dubai Investment Company to Jordan Investment Trust Company were completed on 10 July 2019.

In addition, the General Assembly approved the reduction of the Company's share capital by 2,243,811 shares so that the authorized, issued and paid up capital will become 27,270,078 shares instead of 29,513,889 shares through the write off of the 2,053,806 treasury shares of (Trust and Dubai Investments) that will be transferred to Jordan Investment Trust Company, and the 190,005 treasury shares owned by Jordan Investment Trust Company. The legal procedures for capital decrease are not complete yet.

(12) RELATED PARTIES TRANSACTIONS

Related parties Transactions represent the transactions made with associated companies, major shareholders, directors, and key management personnel of the Group, and entities which have main controlling shareholders.

Pricing policies and terms of the transactions with related parties are approved by the Group's management.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
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Executive management's Compensations and remunerations

The remuneration of executive management was as follows:

	30 June 2019	30 June 2018
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and compensations	116,524	119,695

Subsidiaries

The consolidated financial statements include the financial statements of Jordan Investment Trust Company and the subsidiaries listed in the following table:

Company's name	Country of incorporation	Ownership percentage	Company's capital	
			30 June 2019	31 December 2018
			JD	JD
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	73	1,300,000	1,300,000
Akar Limited Company	British Virgin Islands	100	300,000	300,000
Amwaj Financial Investments	Jordan	100	60,000	60,000
Mazaya Financial Investments	Jordan	100	60,000	60,000
Burhan Al-Thiqa Financial Investments	Jordan	100	60,000	60,000
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham Financial Investments	Jordan	100	81,000	81,000
Trust and Hospitality Financial Investments	Jordan	100	2,000,000	2,000,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
The Arabian Coffee	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al Olbah Real Estate	Jordan	100	50,000	50,000
Al Tawon for Real Estate Management	Jordan	100	10,000	10,000
Al-Ihdathiat Real Estate Company	Jordan	58	4,486,627	4,486,627
Trust and Dubai Investment	Jordan	100	2,334,842	2,334,842