

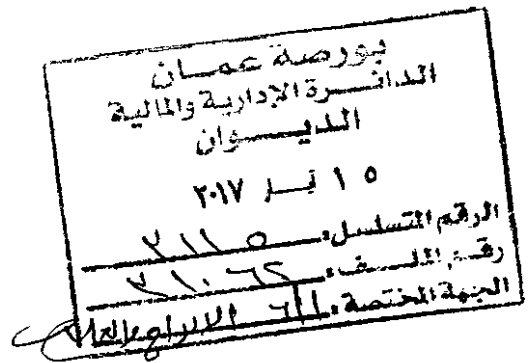


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Date:-15/5/2017 Ref: jtf1/27/1080 To: Amman Stock Exchange <u>Subject: Financial Statements 31/3/2017</u>	التاريخ:-2017/5/15 الرقم : ت ج 1080/27/1 السادة بورصة عمان المحترمين <u>الموضوع البيانات المالية الموحدة كما هي في 2017/3/31</u>
Attached the Financial Statements of Jordan Trade Facilities Company for the 31/3/2017 (English version).	مرفق طيه نسخة من البيانات المالية الموحدة لشركة التسهيلات التجارية الاردنية كما هي في 2017/3/31 (النسخة الانكليزي).
Kindly accept our high appreciation and respect Jordan Trade Facilities Company Ziad Husain Saleh Administration Manager	وتفضلوا بقبول فائق الاحترام،،، شركة التسهيلات التجارية الاردنية زياد حسين صالح المدير الاداري



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**JORDAN TRADE FACILITIES
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

31 MARCH 2017

**JORDAN TRADE FACILITIES
(PUBLIC SHAREHOLDING COMPANY)**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2017

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**REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND BOARD OF DIRECTORS OF JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Jordan Trade Facilities (Public Shareholding Company) as of 31 March 2017 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (34) "interim financial reporting". Our responsibility is to express a conclusion on this interim financial information 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 assurances that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

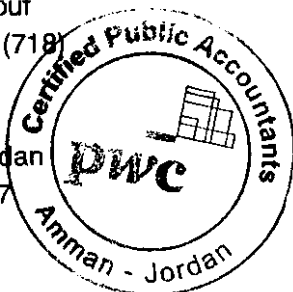
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial Statements are not properly prepared, in all material respects, in accordance with IAS (34).

For and on behalf of PricewaterhouseCoopers "Jordan" L.L.C.


Osama Marouf
License No. (718)

Amman, Jordan
27 April 2017



JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2017

	Note	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
ASSETS			
Cash on hand and at banks	5	149,115	133,817
Financial assets at fair value through statement of income	6	233,524	228,493
Financial assets at fair value through statement of comprehensive income		16,200	16,650
Financial assets at amortized cost	7	38,482,841	37,918,861
Other debit balances		201,597	228,515
Investment properties - Net	8	485,550	491,400
Land plots seized against non-performing loans		556,573	556,573
Property and equipment		216,845	230,808
Intangible assets		44,280	42,689
Deferred tax assets		1,278,735	1,204,074
TOTAL ASSETS		41,665,260	41,051,880
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Overdrafts	9	2,467,438	3,752,744
Borrowing	10	15,557,387	14,295,189
Payables		59,490	71,896
Deposits		203,904	249,520
Un-paid accrued expenses		70,745	35,854
Other provisions		36,416	36,374
Income tax provisions	11	824,923	748,298
TOTAL LIABILITIES		19,220,303	19,189,875
SHAREHOLDERS' EQUITY			
Authorized and paid-in capital		16,500,000	16,500,000
Statutory reserve		2,502,702	2,502,702
General banking risk reserve		343,415	285,000
Fair value reserve – net		(79,102)	(78,652)
Profit for the period		583,402	-
Retained earnings		2,594,540	2,652,955
NET SHAREHOLDERS' EQUITY		22,444,957	21,862,005
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		41,665,260	41,051,880

Notes from 1 to 15 are an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017

	Note	31 March 2017 JD (Unaudited) 1,444,503	31 March 2016 JD (Unaudited) 1,561,917
Revenues and commissions from conventional Murabaha and finance leases			
Other operating revenues		133,227	246,845
Total revenues		1,577,730	1,808,761
Salaries, wages and employees' benefits		(278,098)	(383,105)
Administrative Expenses		(162,462)	(176,175)
Depreciation and amortization		(31,051)	(54,157)
Impairment losses on financial assets at amortised cost		(63,065)	(181,529)
Finance expenses		(280,348)	(408,700)
Total expenses		(815,024)	(1,203,666)
Income from operating activities		762,706	605,095
Gain from valuation of financial assets at fair value through statement of income		5,031	(2,376)
Other (losses) income		(9)	1,381
Profit for the period before income tax		767,728	604,100
Income tax expense	11	(184,326)	(147,014)
Profit for the period		583,402	457,086
Other comprehensive income:			
Net change in the fair value of financial assets at fair value through statement of comprehensive income		(450)	(1,350)
Total comprehensive income for the period		582,952	455,736
Earnings per share for the period (JD/Share)	14	0.035	0.028

Notes from 1 to 15 are an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

**JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2017**

	Authorized and paid-in capital	Statutory Reserve	General Banking risk reserve	Net Fair value Reserve**	Profit for the period	Retained Earnings*	Total
	JD	JD	JD	JD	JD	JD	JD
2017							
(Unaudited)							
Balance as at 1 January 2017	16,500,000	2,502,702	285,000	(78,652)	-	2,652,955	21,862,005
Total comprehensive income for the period	-	-	-	(450)	583,402	-	582,952
Transfer to general banking risk reserve	-	-	58,415	-	-	(58,415)	-
Balance as at 31 March 2017	<u>16,500,000</u>	<u>2,502,702</u>	<u>343,415</u>	<u>(79,102)</u>	<u>583,402</u>	<u>2,594,540</u>	<u>22,444,957</u>
2016							
(Unaudited)							
Balance as at January 1, 2016	16,500,000	2,198,036	-	(78,652)	-	2,772,463	21,391,847
Total comprehensive income for the period	-	-	-	(1,350)	457,086	-	455,736
Balance as at 31 March 2016	<u>16,500,000</u>	<u>2,198,036</u>	<u>-</u>	<u>(80,002)</u>	<u>457,086</u>	<u>2,772,463</u>	<u>21,847,583</u>

* Included in retained earnings an amount of JD 1,278,735 as of 31 March 2017 (2016: 1,204,074) restricted by the instructions of Jordan Security Commission for deferred tax assets.

** According to the Jordanian Securities Commission instructions the negative value of the fair value reserve amount of JD 79,102 is restricted from distribution to the shareholders as of March 31, 2017 (2016: 78,652).

The accompanying notes from 1 to 15 form an integral part of these interim condensed consolidated financial statement and should be read with them and with the accompanying review report

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

	Note	2017 JD (Unaudited)	2016 JD (Unaudited)
Cash flows from operating activities:			
Profit for the period before tax		767,728	604,100
Adjustments for:			
Depreciation and amortization		31,051	54,157
Finance Expenses		280,348	408,700
Impairment losses on financial assets at amortized cost		63,065	181,529
(Gain) loss on valuation financial assets at fair value through income statement		(5,031)	2,376
Gain on sale of property and equipment		9	-
Changes in working capital:			
Financial assets at amortized cost		(627,045)	(780,985)
Other debit balances		26,918	31,842
Assets seized against non-performing loans		-	92,692
Payables		(12,406)	(46,597)
Accrued expenses		34,891	150,839
Deposits		(45,616)	107,334
Other provisions		42	(2,092)
Cash flows from operating activities before income tax and finance expenses		513,954	803,895
Finance expense paid		(280,348)	(408,700)
Income tax paid		(182,362)	(322,662)
Net cash from operating activities		51,244	72,533
Cash flows from investing activities:			
Purchases of property and equipment		(12,838)	(28,579)
Net cash used in investing activities		(12,838)	(28,579)
Cash flows from financing activities:			
Loans		1,262,198	1,029,345
Net cash from financing activities		1,262,198	1,029,345
Net change in cash and cash equivalents		1,300,604	1,073,299
Cash and cash equivalents at the beginning of the period	5	(3,618,927)	(948,103)
Cash and cash equivalents at the end of the period	5	(2,318,323)	125,196

The accompanying notes from 1 to 15 form an integral part of these interim condensed consolidated financial statements and should be read with them and with the accompanying review report

**JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017**

(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 interim condensed consolidated financial statements for the period ending 31 March 2017 includes Jordan Trade Facilities and its subsidiary Jordan Facilities for Finance Leasing. 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 the 26 April 2017.

**JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017**

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following are the significant accounting policies used by the Group in the preparation of these interim condensed consolidated financial statements.

2.1 Basis of preparation

The interim condensed consolidated financial statements for the period ending 31 March 2017 for the Group have been prepared in accordance with International Accounting Standards No. (34) ("interim financial reporting").

The reporting currency of these interim condensed consolidated financial statements is the Jordanian Dinar Which is the functional currency of the Group.

The interim condensed consolidated financial statements are prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income that have been measured at fair value at the date of the interim condensed consolidated financial statements.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the consolidated financial statements of the Group prepared in accordance with International Financial reporting Standards for the year ended 31 December 2016

Furthermore, the results of operations for the three months ended 31 March 2017 do not necessarily reflect the expected results for the year ending 31 December 2017. There was no appropriation of the profit of the three months ended on 31 March 2017 which is usually performed at year end.

2.2 Changes in accounting policies and disclosures

The accounting policies agree with those used in preparing the consolidated financial statements for year ending 31 December 2016.

(a) The Group applied the following standards and amendments for their annual reporting period commencing 1 January 2017, these standards do not apply significant effect on the Group's interim condensed consolidated financial statements as of 31 March 2017:

- Amendments to IAS 12 - 'Income tax' which explains measurement and accounting for deferred tax assets.
- Amendments to IAS 7, 'Statement of cash flows'. The amendment requires additional disclosures about changes in liabilities arising from financing activities. The standard is effective for annual periods beginning on or after 1 January 2017 and early adoption is permitted.

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

(b) New standards and interpretations not yet adopted for the period commencing 1 January 2017, and had not been early adopted by the Group:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful statements to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.
- IFRS 16, 'Leases' which will replace IAS 17 'Leases'. The standard requires the lessee to book future lease commitments for all lease contracts including "rights to use assets". The standard is effective for annual periods beginning on or after 1 January 2019 and Early adoption is permitted if IFRS 15 is also adopted.

There are no other standards or amendments that are effective and have material impact on the financial statements of the bank.

(3) BASIS OF CONSOLIDATION

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

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

Company Name	Authorized Capital	Paid-up Capital	Acquisition Percentage	Nature of Operation Activity	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.

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

(4) ACCOUNTING ESTIMATES

Preparation of the interim condensed 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 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 mentioned 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 changes resulting from the conditions and circumstance of those assessments in the future.

The significant estimates used by management in the preparation of these interim condensed consolidated financial statements applied in the accounting policies as well as the sources of estimates in cases of uncertainty are consistent with those used in the preparation of the consolidated financial statements as of and for the year ended on 31 December 2016.

(5) CASH ON HAND AND AT BANKS

	31 March 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	34,316	21,312
Cash at banks – current accounts	114,799	112,505
	<u>149,115</u>	<u>133,817</u>

For the purpose of the statement of cash flows, cash and cash equivalents consist of:

	31 March 2017	31 December 2016
	JD	JD
	(Unaudited)	(audited)
Cash on hand and at banks	149,115	505,102
Bank overdraft	(2,467,438)	(379,906)
	<u>(2,318,323)</u>	<u>125,196</u>

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

(6) FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT

	31 March 2017 JD (Unaudited)	31 December 2016 JD (audited)
Inside the Kingdom		
Shares of listed companies	49,731	44,700
Outside the kingdom		
Shares of unlisted companies	183,793	183,793
	<u>233,524</u>	<u>228,493</u>

(7) FINANCIAL ASSETS AT AMORTIZED COST

Financial assets at amortized cost contains the following items:

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Installments receivable (A)	31,851,132	31,455,127
Finance lease contracts receivable (B)	6,446,707	6,253,151
Customers loans- credit cards	185,002	210,583
	<u>38,482,841</u>	<u>37,918,861</u>

(A) Installments receivable

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

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Due and past due installments receivable	4,268,679	4,330,679
Mature within less than a year	15,262,372	15,574,143
Mature within more than a year and less than five years	24,454,437	23,985,491
	<u>43,985,488</u>	<u>43,890,313</u>
Less: Provision for impairment on the overdue installments receivable	(4,835,543)	(4,782,916)
Less: Deferred revenue related to unmeasured installments	(7,072,466)	(7,652,270)
Finance revenue in suspense within accrued installment	(226,347)	-
	<u>31,851,132</u>	<u>31,455,127</u>

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

Part of the collaterals of the due instalments and finance lease contract related to Jordan Trade Facilities Company with an amount of JD 14,809,668 (promissory notes) as of 31 March 2017 (2016: JD 16,937,500), were deposited as collaterals against the loans and overdraft of the company.

The sectorial distribution of installment receivables is as follows:

	31 March 2017 JD	31 December 2016 JD
Real Estate	2,812,656	2,634,663
Corporate	6,315,284	5,783,962
Loans and discounted bills	34,857,548	35,471,688
Total installments receivable	43,985,488	43,890,313
Deferred revenue related to unmeasured installments	(4,835,543)	(4,782,916)
Provision for impairment on the overdue installments receivable	(7,072,466)	(7,652,270)
Finance revenue in suspense	(226,347)	-
Net investment in installments receivable	31,851,132	31,455,127

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

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Balance at the beginning of the period / year	4,782,916	4,095,966
Addition during the period/year	52,627	845,218
Loans written off during the period/year *	-	(158,268)
Balance at the end of the year	4,835,543	4,782,916

- * According to the executive management decision, an amount of JD 158,268 was written off during the year 2016.

(B) Finance lease contract receivables

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Finance lease contracts receivable – mature within a year	3,306,297	3,067,881
Finance lease contracts receivables – mature after more than a year	3,140,410	3,185,270
	6,446,707	6,253,151

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

The Company is leasing out real estate with an average term period of 5 years.

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Real Estate	5,828,024	5,505,303
Vehicles	2,480,122	2,554,773
Total investment in finance lease contracts	8,308,146	8,060,076
Deferred revenue related to finance lease contracts	(1,595,266)	(1,572,866)
Finance revenue in suspense	(21,676)	-
Provision for impairment on the overdue finance lease contracts	(244,497)	(234,059)
Net investment in finance lease contracts	6,446,707	6,253,151

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

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Mature during less than a year	4,185,797	3,823,159
Mature during more than a year and less than five year	3,507,489	3,574,626
Mature during more than five year	614,860	662,290
	8,308,146	8,060,075
Less: Impairment provision of finance lease contract	(244,497)	(234,059)
Deferred revenue	(1,595,266)	(1,572,865)
Finance revenue in suspense within accrued installments	(21,676)	-
	6,446,707	6,253,151

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

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Balance at the beginning of the period / year	234,059	213,130
Addition during the period/ year	10,438	20,929
Balance at the end of the period / year	244,497	234,059

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

(8) INVESTMENT PROPERTIES

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Buildings*	585,000	585,000
Accumulated Depreciation	(99,450)	(93,600)
	<u>485,550</u>	<u>491,400</u>

- * This item represents payments on acquiring investment property based on the agreements signed between the Company and Tameer International Company during 2009, by which 24 residential units in Al-Majd City Housing Project has been allocated to the Company. The fair value of the investment property as assessed by an independent expert on 8 January 2017 was JD 591,010.

(9) DUE TO BANKS

The facilities granted to the Company in the form of an overdraft have been secured by endorsed bills, bearing an interest rate ranging between 5,75% - 8,25%. The main purpose of these facilities is to finance the Group's activities within a year.

(10) LOANS

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Bank loans due within a year	7,297,438	8,668,005
Bank loans due after a year	8,259,949	5,627,184
	<u>15,557,387</u>	<u>14,295,189</u>

The Company was granted credit facilities from local banks with total ceiling of JD 19,658,945, the utilised amount of these facilities as of 31 March 2017 amounted to JD 15,557,387 (2016: JD 14,295,189)

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

These loans bear interest rates between 5.3% - 8.25%

JORDAN TRADE FACILITIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

(11) INCOME TAX

A. Income tax provisions

The movement on the provisions during the year is as follows:

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Balance at 1 January	748,298	760,744
Income Tax paid	(182,362)	(1,103,330)
Income tax due on current period/year profits	258,987	944,070
Income tax due on prior years	-	146,814
Balance at the end of the period/year	824,923	748,298

B. Income tax expense presented in the consolidated interim statement of comprehensive income consists of the following:

	31 March 2017 JD (Unaudited)	31 March 2016 JD (Unaudited)
Income Tax due	258,987	190,580
Deferred tax assets	(74,661)	(43,566)
	184,326	147,014

The Income and Sales Tax department had finalised its review and issued a final clearance up to the year ended 31 December 2011. The Company raised a law suit against the income tax department claiming back amount of JD419,000 for 2009. Also the Company raised a legal case in the specialized court for the tax imposed in 2010. The appeal decision has been declared on 19 December 2016 approving the amount recorded in the corporate income tax return noting that the amount is paid in full. The company will appeal this decision in the court. The management and the tax advisor expect tax surplus amount of JD 140,000.

The Company filed corporate income tax return for the years 2012, 2013 and 2014 on the due dates. The Income and Sales Tax department had finalized its review and issued a final clearance for 2012 and 2013. For 2014 it was accepted under the sample basis.

The Company filed corporate income tax return for the year ended 31 December 2015 on the due date. The Income and Sales Tax department did not review the income tax for the year 2015 up to date of issuing the financial statements.

The Subsidiary "Jordan Facilities for Finance Lease L.L.C" submitted corporate income tax return up to the year ended 31 December 2014 and it was accepted under the sample basis.

As per the opinion of the company's management and its tax consultant, the company and its subsidiary will not have any tax liabilities exceeding the booked provision as of 31 March 2017.

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(12) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

(12-1) Consolidated Statement of Financial Position:

	Related Parties				Balance as at	
	Parent company	Subsidiaries	Board of directors and executive management	Employees and their relatives and executive management and their relatives	31 March 2017 (Unaudited)	31 December 2016 (audited)
	JD	JD	JD	JD	JD	JD
Financial Assets at amortized costs	-	2,575,655	47,060	67,438	2,690,153	2,797,017
Loans	2,831,211	-	-	-	2,831,211	3,116,180
Current accounts	43,456	-	-	-	43,456	60,262

(12-2) Consolidated Statement of Income:

	Related Parties				Balance for the three months ended 31 March	
	Parent company	Subsidiaries	Board of directors and executive management	Employees and their relatives and executive management and their relatives	2017 (Unaudited)	2016 (Unaudited)
	JD	JD	JD	JD	JD	JD
Installment revenue	-	68,028	890	2,688	71,606	33,808
Finance expenses- Bonds	-	-	-	-	-	10,939
Finance expenses- Loans	39,724	-	-	-	39,724	31,445

Balances and transactions with the subsidiary were eliminated in the consolidated financial statements and appear for clarification only

(12-3) Executive management salaries and remunerations for administration:

Salaries and remunerations short term paid to the Group's higher executive management amounted to JD 75,102 for the period ended March 31 2017 against JD 132,456 for the period ended 31 March 2016.

(13) 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).

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	Level 1 JD	Level 2 JD	Level 3 JD	Total JD
(Unaudited)				
31 March 2017				
Financial Assets measured at Fair Value through profit or loss	49,731	-	183,793	233,524
Financial Assets measured at fair value through other comprehensive income	16,200	-	-	16,200
	<u>65,931</u>	<u>-</u>	<u>183,793</u>	<u>249,724</u>
(Audited)				
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
	<u>61,350</u>	<u>-</u>	<u>183,793</u>	<u>245,143</u>

(14) EARNINGS PER SHARE

	Three Months for the period ended 31 March	
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
Profit for the period	583,402	457,086
	<u>Share</u>	<u>Share</u>
The weighted average outstanding shares	16,500,000	16,500,000
	<u>JD/Share</u>	<u>JD/Share</u>
Basic and diluted earnings per share for the period (JD/Share)	<u>0.035</u>	<u>0.028</u>

(15) CONTINGENT LIABILITIES

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

	31 March 2017	31 December 2016
	JD	JD
Bank Guarantees	<u>76,000</u>	<u>86,000</u>
Cash margin was as follows:		
Cash margin	<u>4,400</u>	<u>4,400</u>