

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

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

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

Report on the Audit of 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 (the "Company") and its subsidiary (together the "Group") as at 31 December 2024, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as modified by the Central Bank of Jordan.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in shareholders' 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, comprising material accounting policy information and other explanatory information.

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 Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Hashemite Kingdom of Jordan. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



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

As at 31 December 2024

Our audit approach

Overview

Key Audit Matter	Measurement of Expected Credit Losses
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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 management 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.

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

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.

Key audit matter	How our audit addressed the key audit matter
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Measurement of Expected Credit Losses

The Group applies the Expected Credit Loss model (ECL) on all its financial instruments measured at amortised cost in accordance with IFRS 9 "Financial Instruments" as modified by the Central Bank of Jordan.

The Group exercises significant judgement and makes a number of assumptions in developing its ECL models, which includes probability of default computation separately for retail and corporate portfolios, determining loss given default and exposure at default for both funded and unfunded exposures, forward looking adjustments, staging criteria and movement between stages.

We performed the following audit procedures on the computation of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2024:

- We assessed and tested the design and operating effectiveness of the controls over the calculation of the expected credit losses model.
- We tested the completeness and accuracy of the data used in the calculation of ECL.
- For a sample of exposures, we checked the appropriateness of the Group's application of the staging criteria.



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

As at 31 December 2024

Key audit matter	How our audit addressed the key audit matter
<p>For defaulted exposures, the Group exercises judgements to estimate the expected future cash flows related to individual exposures, including the value of collateral.</p> <p>The Group's impairment policy under IFRS 9 as modified by the Central Bank of Jordan is presented in notes (2 and 4) to the consolidated financial statements, and which is related to the differences between IFRS 9 as should be implemented and what was implemented based on the Central Bank of Jordan instructions, and the material accounting policies implemented when calculating the expected credit loss.</p> <p>Measurement of ECL is considered as a key audit matter as the Group applies significant judgments and makes a number of assumptions in the staging criteria applied to the financial instruments as well as in developing ECL models for calculating its impairment provisions.</p>	<ul style="list-style-type: none"> ➤ We involved our internal specialists to assess the following areas: <ul style="list-style-type: none"> • Conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of IFRS 9 as modified by the Central Bank of Jordan. • ECL modelling methodology and calculations used to compute the probability of default (PD), loss given default (LGD), and exposure at default (EAD) for the Group's classes of financial instruments. • Reasonableness of the assumptions made in developing the modelling framework including assumptions used for estimating forward looking scenarios and significant increase in credit risk. • Recalculation of the expected credit losses for a sample of the impaired financial assets at each stage. ➤ In addition, for the Stage 3 corporate portfolio, the appropriateness of provisioning assumptions were independently assessed for a sample of exposures selected on the basis of risk and the significance of individual exposures. An independent view was formed on the levels of provisions recognised, based on the detailed loan and counterparty information available in the credit file. For the Stage 3 retail portfolio, assumptions were independently assessed for each product category and an independent view was formed on the levels of provisions recognised at each category level. ➤ We recalculated the provision for non-performing loans in accordance with the Central Bank of Jordan Instructions Number (47/2009).



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

As at 31 December 2024

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none">➤ We compared the expected credit loss calculated in accordance with IFRS 9 as modified by the Central Bank of Jordan with the provision for expected credit losses calculated in accordance with the instructions of the Central Bank of Jordan No. (47/2009) and ensured that the Group has recorded whichever is higher.➤ We assessed the consolidated financial statement disclosures to ensure compliance with IFRS 7 and IFRS 9 as modified by the Central Bank of Jordan. We have also ensured completeness and accuracy of the disclosures by verifying the information to accounting records.

Other information

Management is responsible for the other information. The other information comprises all the other information included in the Group's annual report (but does not include the consolidated financial statements and our auditor's report therein), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we 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 when it becomes available 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.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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

As at 31 December 2024

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 IFRS Accounting Standards as modified by the Central Bank of Jordan instructions, 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 consolidated 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 skepticism 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.



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

As at 31 December 2024

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

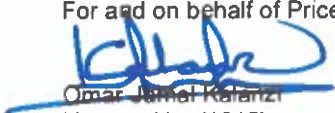
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Group maintains proper accounting records which are consistent, in all material aspects, with the accompanying consolidated financial statements. We recommend the General Assembly to approve them.

For and on behalf of PricewaterhouseCoopers "Jordan"


Omar Jamal Kharazi
License No. (1015)

Amman, Hashemite Kingdom of Jordan
30 January 2025



JORDAN TRADE FACILITIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

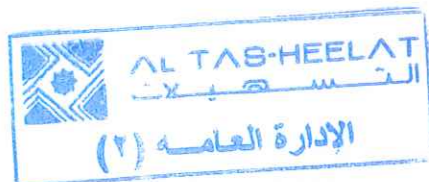
	Note	2024 JD	2023 JD
Assets			
Cash on hand and at banks	5	2,649,387	2,283,955
Financial assets at fair value through other comprehensive income	6	227,323	219,590
Financial assets at amortised cost	7	137,363,339	109,130,502
Other debit balances		382,277	366,812
Right of use of leased assets	8	277,320	362,072
Investment properties	9	-	218,966
Assets foreclosed against defaulted loans	10	2,773,776	2,720,158
Property and equipment	11	173,589	79,108
Intangible assets	12	38,151	51,844
Deferred tax assets	18	4,136,371	3,571,511
Total Assets		148,021,533	119,004,518
Liabilities and Shareholders' Equity			
Liabilities			
Bank overdrafts	13	6,991,751	9,210,050
Loans	14	77,105,919	58,585,957
Bonds	15	4,160,000	-
Lease liabilities	8	280,966	364,628
Other liabilities	16	1,606,266	1,083,509
Other provisions	17	319,486	360,514
Income tax provision	18	2,973,801	2,400,300
Total Liabilities		93,438,189	72,004,958
Shareholders' Equity			
Authorised, subscribed, and paid in capital	19	16,500,000	16,500,000
Statutory reserve	19	4,125,000	4,125,000
Financial assets valuation reserve		32,159	24,426
Retained earnings		33,926,185	26,350,134
Total Shareholders' Equity		54,583,344	46,999,560
Total Liabilities and Shareholders' Equity		148,021,533	119,004,518



The attached notes from 1 to 28 are an integral part of these consolidated financial statements

JORDAN TRADE FACILITIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 JD	2023 JD
Revenues and commissions from commercial financing, Murabaha and finance lease	20	19,978,976	16,304,737
Other revenues	21	1,341,249	1,111,286
Deposit income		130,644	84,247
Total Revenues		21,450,869	17,500,270
Salaries, wages, and employees' benefits	22	(2,009,774)	(1,724,278)
Other expenses	23	(1,198,321)	(971,347)
Other provisions	17	(33,572)	(64,536)
Provision for impairment of acquired assets	10	(2,997)	-
Depreciation of investment properties	9	(3,171)	(22,753)
Depreciation of right of use leased assets	8	(98,134)	(96,805)
Depreciation of property and equipment	11	(45,684)	(50,397)
Amortization of intangible assets	12	(15,063)	(19,551)
Provision of expected credit losses of financial assets at amortised cost	7	(848,966)	(809,691)
Finance expenses	24	(6,558,754)	(5,076,908)
Total Expenses		(10,814,436)	(8,836,266)
Profit for the Year Before Income Tax		10,636,433	8,664,004
Income tax expense	18	(3,060,382)	(2,491,155)
Profit for the year		7,576,051	6,172,849
Other Comprehensive Income that will not be Subsequently Reclassified to Consolidated Statement of Profit or Loss:			
Net change in fair value of financial assets at fair value through other comprehensive income		7,733	5,432
Total Comprehensive Income for the Year		7,583,784	6,178,281
Basic and diluted earnings per share from profit of the period attributable to shareholders of the Company (JD/Share)			
	26	0.459	0.374



The attached notes from 1 to 28 are an integral part of these consolidated financial statements

JORDAN TRADE FACILITIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Authorised, subscribed, and paid in capital JD	Statutory Reserve JD	Financial Assets Valuation Reserve* JD	Retained Earnings** JD	Total JD
2024					
Balance as at 1 January	16,500,000	4,125,000	24,426	26,350,134	46,999,560
Profit for the year	-	-	-	7,576,051	7,576,051
Net change in financial assets valuation reserve	-	-	7,733	-	7,733
Total comprehensive income for the year	-	-	7,733	7,576,051	7,583,784
Balance as at 31 December	16,500,000	4,125,000	32,159	33,926,185	54,583,344
2023					
Balance as at 1 January	16,500,000	4,125,000	18,994	20,177,285	40,821,279
Profit for the year	-	-	-	6,172,849	6,172,849
Net change in financial assets valuation reserve	-	-	5,432	-	5,432
Total comprehensive income for the year	-	-	5,432	6,172,849	6,178,281
Balance as at 31 December	16,500,000	4,125,000	24,426	26,350,134	46,999,560

* Use of the credit balance of the valuation reserve of financial assets through other comprehensive income is restricted in accordance with the instructions of Jordan Securities Commission.

** The retained earnings as at 31 December 2024 include deferred tax assets amounted to JD 4,136,371 (JD 3,571,511 as at 31 December 2023) is restricted in accordance with the instructions of Jordan Securities Commission (Note 18).

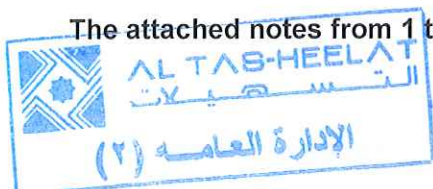


The attached notes from 1 to 28 are an integral part of these consolidated financial statements

JORDAN TRADE FACILITIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 JD	2023 JD
Operating activities			
Profit for the year before income tax		10,636,433	8,664,004
Adjustments for:			
Depreciation of investment properties	9	3,171	22,753
Depreciation of right of use leased assets	8	98,134	96,805
Depreciation of property and equipment	11	45,684	50,397
Amortization of intangible assets	12	15,063	19,551
Gain on sale of property and equipment	21	(9,196)	(685)
Gain on sale of assets foreclosed against defaulted loans	21	(20,272)	(4,841)
Gain on sale of investment properties	21	(90,705)	(31,719)
Expected credit losses provision of financial assets at amortised cost	7	848,966	809,691
Provision for impairment of assets acquired against outstanding debts	10	2,997	-
Other provisions		33,572	64,536
Deposit income		(130,644)	(84,247)
Finance expenses		6,558,754	5,076,908
Changes in working capital items:			
Financial assets at amortised cost		(29,302,147)	(23,424,905)
Other debit balances		(15,465)	(70,571)
Other liabilities		440,781	281,245
Cash flows used in operating activities before income tax and other provisions paid		(10,884,874)	(8,531,078)
Income tax paid	18	(3,051,740)	(2,329,853)
Other provisions paid	17	(74,600)	(5,379)
Net cash flows used in operating activities		<u>(14,011,214)</u>	<u>(10,866,310)</u>
Investing activities			
Purchases of property and equipment	11	(140,491)	(42,917)
Purchases of intangible assets	12	(1,370)	(21,650)
Proceeds from sale of assets foreclosed against defaulted loans		184,000	333,980
Proceeds from sale of investment properties		306,500	141,000
Proceeds from sale of property and equipment		9,522	746
Deposit income received		130,644	84,247
Net cash flows generated from investing activities		<u>488,805</u>	<u>495,406</u>
Financing activities			
Bank overdrafts		(2,218,299)	4,304,753
Net movement on loans		18,519,962	17,669,335
Bonds		4,160,000	(6,460,000)
Dividends paid		(60)	(1,396)
Lease liabilities paid	8	(119,507)	(119,509)
Finance expenses paid		(6,454,255)	(5,026,788)
Net cash flows generated from financing activities		<u>13,887,841</u>	<u>10,366,395</u>
Net change in cash and cash equivalents		<u>365,432</u>	<u>(4,509)</u>
Cash and cash equivalents as at 1 January		2,283,955	2,288,464
Cash and cash equivalents as at 31 December	5	<u>2,649,387</u>	<u>2,283,955</u>
Non-cash transactions:			
Right of use leased assets/lease liabilities	8	13,382	181,466
Transferred from financial assets at amortised cost to assets foreclosed against defaulted loans	10	<u>463,353</u>	<u>357,069</u>

The attached notes from 1 to 28 are an integral part of these consolidated financial statements



(1) GENERAL INFORMATION

Jordan Trade Facilities Company was incorporated on 13 March 1983 as a public shareholding limited company under No. (179) with a share capital of JD 16,500,000 divided into 16,500,000 shares with a nominal value of one JD for each share.

The main objectives of the Company are:

- Carrying out financial leasing activities
- Real estate financing
- Granting loans and direct financing for consumer goods
- Project financing
- Finance leasing by Murabaha method in accordance with the provisions of Islamic Sharia
- Financing family tourism trips
- Vehicle financing
- Project Management
- Issuing payment and credit cards of all kinds (provided that debit cards are issued by banks)
- Issuing personal cards that allow the holder to purchase
- Obtaining guarantees and bank credits

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

The Group's head office is located in Amman - the Hashemite Kingdom of Jordan, and its address is in Shmeisani.

The Company is 97.8% owned by Tamkeen Leasing Company (the parent company) and the ultimate parent company is Invest Bank - Public Shareholding Company whose shares are listed on the Amman Stock Exchange. The Company's financial statements are consolidated with the Ultimate Parent Company's consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on 27 January 2025.

(2) MATERIAL ACCOUNTING POLICY INFORMATION

The principal material accounting policy information 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 have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee, which are adopted by the International Accounting Standards Board, as modified by the Central Bank of Jordan's instructions.

The main differences between the International Financial Reporting Standards for Accounting as they should be applied and what has been approved by the Central Bank of Jordan are the following:

1. Some items are classified and presented in the consolidated statement of financial position, consolidated statement of income and the consolidated statement of cash flows and the related disclosure, such as credit facilities, interest in suspense, expected credit losses, Assets foreclosed against defaulted loans, fair value levels, segments classification and disclosures related to risks and others, in accordance with the requirements of the Central Bank of Jordan, its instructions and circulated guidance which might not include all the requirements of IFRS such as IFRS 7, 9 and 13.
- 2 Custom credit loss provisions are formed in accordance with the Central Bank of Jordan's instructions No (13/2018) Application of International Financial Reporting Standard No (9) dated June 6, 2018 The essential differences are as follows:
 - (A) Debt instruments issued by the Jordanian government or guaranteed by it are excluded from calculating expected credit losses
 - (B) When calculating credit losses against credit exposures, the results of calculation according to International Financial Reporting Standard No (9) with the Central Bank of Jordan's instructions No (47/2009) dated December 10, 2009 are compared for each stage separately, and the most severe results are taken

According to the Central Bank of Jordan's instructions for classifying credit facilities and calculating the impairment allowance No (47/2009) issued on December 10, 2009, credit facilities are classified into the following categories:

Low-risk credit facilities are not subject to provisions:

These are credit facilities that have any of the following characteristics:

- 1) Granted to the Jordanian government and guaranteed by it, as well as to the governments of countries where Jordanian banks have branches, provided that these facilities are granted in the same currency as the host country
- 2) Secured by cash collateral of (100%) of the outstanding balance at any time
- 3) Guaranteed by an acceptable bank guarantee of (100%)

Acceptable credit facilities are not subject to provisions:

These are credit facilities that have the following characteristics:

- 1) Strong financial centers and sufficient cash flows
- 2) Documented by contracts and covered by acceptable guarantees according to the assets
- 3) Good sources of repayment
- 4) Active account movement and regular repayment of the principal and interest
- 5) Efficient management of the client

Credit facilities under supervision (require special attention) and are subject to a minimum allocation ranging from (1.5% - 15%):

These are credit facilities that have any of the following characteristics:

- 1) The presence of receivables for a period exceeding (60) days and less than (90) days for the principal of credit facilities and/or their interest
- 2) Exceeding the debit current balance to the ceiling set at a rate of (10%) or more for a period exceeding (60) days and less than (90) days
- 3) Credit facilities that have been classified as non-performing credit facilities and have been removed from the non-performing credit facilities framework under an asset schedule.
- 4) Acceptable credit facilities that have been restructured twice within a year
- 5) Credit facilities whose expiry date has elapsed for a period exceeding (60) days and less than (90) days and have not been renewed

This is in addition to other conditions mentioned in detail in the instructions.

Non-performing credit facilities:

They are credit facilities that have any of the following characteristics:

- 1) The following periods have passed since its maturity or the maturity of one of its instalments, the irregular payment of the principal amount and/or interest or the rigidity of the overdraft account:

Classification	Number of override days	Percentage of the allocation for the first year
Substandard credit facilities	From (90) days to (179) days	25%
Doubtful Credit Facilities	From (180) days to (359) days	50%
Doubtful Credit Facilities	From (360) days or more	100%

- 2) The debtor who exceeds the granted ceiling by (10%) or more and for a period of (90) days or more
- 3) Credit facilities that have expired for a period of (90) days or more and have not been renewed
- 4) Credit facilities granted to any client who has declared bankruptcy or to any company that has been declared under liquidation.
- 5) Credit facilities that have been restructured three times within a year
- 6) Current and demand accounts that have been overdrawn for a period of (90) days or more
- 7) The value of guarantees paid on behalf of clients and not restricted to their accounts and have been due for (90) days or more.

The minimum fee for credit facilities is calculated according to instructions No (47/2009) for this category of facilities, according to the above rates and for the amount of facilities not covered by acceptable guarantees during the first year, while the fee for the amount covered by 25% is completed over four years.

- 3- Profits and commissions on non-performing credit facilities granted to customers are suspended in accordance with the instructions of the Central Bank of Jordan.
- 4- The assets that have been transferred to the company's ownership appear in the unified financial statements under the category of owned properties against outstanding debts, at either the value at which they were transferred to the company or the fair value, whichever is lower. They are re-evaluated individually on the date of the unified financial statements, and any decrease in their value is recorded as a loss in the unified income statement, while any increase is not recorded as revenue. Any subsequent increase in value is taken into account in the income statement up to the amount of the previously recorded decrease. As at the beginning of 2015, a gradual allowance has been calculated for properties owned against debts and that have been held for more than 4 years, based on the circular of the Central Bank of Jordan 15/1/4076 dated March 27, 2014 and number 10/1/2510 dated February 14, 2017.

The preparation of financial statements in accordance with International Financial Reporting Standards requires the use of important and specific accounting estimates, as well as requiring management to express an opinion on the application of the company's accounting policies. The areas that involve a high degree of diligence or complexity or areas where assumptions and estimates are fundamental to the consolidated financial statements have been disclosed in clarification number (4).

2-2 Basis of consolidation of consolidated financial statements

Unified financial statements include the financial statements of the company and its controlled entities (subsidiaries), and control is achieved when the company has:

- The ability to control the invested entity
- Exposed to variable returns, or has the right to variable returns, resulting from its links with the invested entity
- The ability to use its power to influence the returns of the invested entity

In case the voting rights of the company decrease below the majority of voting rights in any of the invested facilities, it will have the ability to control when the voting rights are sufficient to grant the company the ability to direct the activities of the related facility from one side. The company takes into account all facts and circumstances when assessing whether it has voting rights in the invested facility sufficient to grant it control or not. Among those facts and circumstances:

- Voting rights owned by the company in relation to the size and distribution of other voting rights
- Potential voting rights held by the company and any other holders of voting rights or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances indicating that the company is or is not currently responsible for directing related activities and making required decisions, including how to vote in previous general meetings

The subsidiary is consolidated when the company gains control over it and is deconsolidated when the company loses control over it. Specifically, the results of the acquired or disposed subsidiaries during the year are included in the consolidated income statement from the date control is achieved until the date control is lost over the subsidiary. Profits, losses, and each item of comprehensive income are allocated to the owners of the subsidiary and to the non-controlling interest. Comprehensive income of subsidiaries is allocated to the owners of the subsidiary and to the non-controlling interest even if this results in a deficit balance of the non-controlling interest.

The financial statements of subsidiaries are adjusted, when necessary, to align their accounting policies with those of the company. Non-controlling interests in subsidiaries are separately identified from the company's ownership rights in these subsidiaries. The non-controlling interests currently held by non-controlling shareholders are measured at either fair value or the proportionate share of the identifiable net assets at acquisition. The measurement basis is chosen on a transaction-by-transaction basis and other non-controlling interests are initially measured at fair value after acquisition. The carrying amount of non-controlling interests is the amount of these interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity, even if this results in a deficit balance for the non-controlling interests.

The changes in the company's shares in subsidiaries, which do not result in loss of control, are accounted for as equity transactions. The current value of the company's shares and non-controlling interests are adjusted to reflect the changes in their relative shares in the subsidiaries. Any difference between the amount used to adjust non-controlling interests and the fair value of the consideration paid or received directly in equity is recognized and attributed to the owners of the company.

When a company loses control of a subsidiary facility, the profit or loss resulting from the exclusion is calculated in the income statement by the difference between (1) the total fair value of the consideration received and the fair value of any remaining interests and (2) the previous current value of the assets (including goodwill) less any liabilities of the subsidiary facility and any interests held by non-controlling parties.

All previously recognized amounts are accounted for in other comprehensive income in respect of that subsidiary as if the company had directly disposed of assets or liabilities related to the subsidiary.

The fair value of the investment held in the former subsidiary at the date control is lost is considered fair value when recognizing subsequent accounting under IFRS 9 Financial Instruments when the provisions of the standard apply, or the cost of recognizing the investment in an associate or joint venture.

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The Company owns the following subsidiary:

31 December 2024:

	Paid-in capital	Company's ownership	Company's activity nature	Registration centre	Date of acquisition
Jordanian Facilities for Financial Leasing Co. LLC	2,000,000	%100	Financial leasing	Jordan	5 May 2010

31 December 2023:

	Paid-in capital	Company's ownership	Company's activity nature	Registration centre	Date of acquisition
Jordanian Facilities for Financial Leasing Co. LLC	2,000,000	100%	Finance lease	Jordan	5 May 2010

2-3 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations issued and adopted by the Group in the financial year beginning on 1 January 2024:

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16:	In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.	1 January 2024
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7:	On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.	1 January 2024
Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants	<p>Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).</p> <p>Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.</p>	1 January 2024

The implementation of the above standards did not have a material impact on the consolidated financial statements.

(b) The Group has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

Amendments to IAS 21 – Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Annual periods beginning on or after 1 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.	1 January 2026
IFRS 18, 'Presentation and Disclosure in Financial Statements'	On 9 April 2024, the IASB issued a new standard – IFRS 18, 'Presentation and Disclosure in Financial Statements' – in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. This new standard replaces the previous IAS 1 and is specific on matters related to presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss to meet the matters mentioned above.	1 January 2027 (early adoption is permitted)
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: <ul style="list-style-type: none"> • it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. 	1 January 2027

The management is still in the process of evaluating the impact of these new amendments on the Group's consolidated financial statements, and it believes that there will be no significant impact on the consolidated financial statements when they are implemented.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current year starting 1 January 2023 or future reporting periods and on foreseeable future transactions.

2-4 Foreign currency translation

(a) Operating currency and presentation currency of financial statements

The items appearing in the consolidated financial statements are evaluated using the main economic environment currency in which the group conducts its activities (operating currency) The currency used to present these consolidated financial statements is the Jordanian Dinar, which is considered the operating currency and the currency used to present the consolidated financial statements of the Group.

(b) Operations and balances

The transactions that are made in foreign currencies are converted to Jordanian dinars at the prevailing conversion rate at the time of the transaction, and assets and financial liabilities in foreign currencies are converted to Jordanian dinars at the prevailing rates at the end of the fiscal year, and the resulting conversion gains and losses are included in the consolidated income statement.

2-5 Property and equipment

The properties and equipment are recorded at their historical cost minus accumulated depreciation The historical cost includes expenses related to the acquisition of these properties and equipment.

Subsequent costs are included in the value of the assets or recognized as separate assets when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably The carrying amount of the replaced item is derecognized All repair and maintenance expenses are recognized when incurred in the unified income statement

Depreciation is calculated using the straight-line method to allocate the cost over the useful life of the properties and equipment The main useful lives used for this purpose are as follows:

	Useful lives (Years)
Furniture and fixtures	5
Office devices, tools, and computers	3-5
Decorations	5
Vehicles	7

The remaining value and productive life of assets are reviewed and adjusted, if necessary, at the end of each financial period When the amount that can be recovered from any of the assets and equipment is less than its net book value, its value is reduced to the recoverable amount and the impairment loss is recorded in the consolidated income statement.

The profits or losses resulting from the disposal of assets and equipment are determined based on the difference between their book value and proceeds, and are recorded in the income statement.

2-6 Intangible assets

Intangible assets acquired through a merger are credited to fair value on the date they were acquired. Intangible assets acquired through a method other than a merger are recorded at cost.

Assets that are intangible are classified based on whether they have a specific or indefinite lifespan. Intangible assets with a specific lifespan are extinguished during that lifespan and are recorded in the consolidated income statement. Intangible assets with an indefinite lifespan are reviewed for impairment at the financial statement date and any impairment is recorded in the consolidated income statement.

Intangible assets resulting from the Group's business are not capitalized and are recorded in the consolidated income statement in the same period.

Any indications of impairment of intangible assets are audited at the date of the consolidated financial statements. The chronological life estimate of those assets is also reviewed and any adjustments are made to subsequent periods.

Computer systems and programs: to be extinguished using the straight-line method within a period not exceeding four years from the date of purchase.

2-7 Assets foreclosed against defaulted loans

The properties that have been transferred to the group due to outstanding debts appear in the unified financial statement under the Properties owned against debts item, at the value that was transferred to the group or the fair value, whichever is lower and they are individually re-evaluated at fair value, and any decrease in their value is recorded as a loss in the income statement, while any increase is not recorded as revenue. Any subsequent increase is recorded in the income statement up to the limit that does not exceed the previously recognized decrease.

2-8 Investment Properties

Real estate investment is a property that is acquired either for rental income or for an increase in its value or both, but not for the purpose of selling it through normal group activities, and it is not used in production, supply of goods or services, or for administrative purposes. Real estate investments are initially displayed at cost plus acquisition expenses. Their fair value is disclosed in the notes to the consolidated financial statements, which are revalued every two years individually by an independent real estate expert based on market prices for those properties in an active real estate market. When the amount recoverable from any of the real estate investments is less than its net book value, its value is reduced to the recoverable amount and the impairment is recorded in the income statement, and no revaluation gains are recognized.

Gains and losses from disposals are determined by comparing receipts with book value and are recorded in the income statement.

2-9 Impairment of non-financial assets

Reviewed consumable and extinguishable assets to determine impairment loss when events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is calculated as the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, except for goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2-10 Financial assets at fair value through other comprehensive income

This financial assets represent investments in property tools for the purpose of retaining them for the long term.

These assets are proven at fair value, plus acquisition expenses at the time of purchase, and are subsequently re-evaluated at fair value. The change in fair value appears in other comprehensive income and within unified property rights, including the change in fair value resulting from differences in the conversion of non-cash asset items in foreign currencies. In the event of the sale of these assets or part of them, the profits or losses resulting from this are taken in other comprehensive income and within unified property rights, and the balance of the reserve for the evaluation of the financial assets sold is transferred directly to the circulating profits and losses, not through the income statement.

These assets are not subject to impairment testing.

The distributed profits from these assets are recorded in the unified income statement.

2-11 Financial assets at amortized cost

These are the financial assets that the Group's management aims to maintain in accordance with its business model to collect contractual cash flows, which are represented by payments of principal and interest on the balance of outstanding debt.

The financial assets are proven at cost plus acquisition expenses, and the premium/discount is extinguished using the effective interest method, whether on or for interest account, and any allowances resulting from the decrease in their value that lead to the inability to recover the asset or part of it appear later in the unified income statement and later appear at the extinguished cost after reducing it by impairment losses.

The impairment of financial assets at amortized cost represents the difference between the value recognized in the records and the present value of the expected cash flows discounted at the original effective interest rate.

2-12 Financial Instruments

Initial recognition and measurement:

Financial assets and liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument and loans and advances are recognized to customers if credited to the clients' account.

Assets and financial liabilities are initially measured at fair value, and transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities are added to or deducted from the fair value of financial assets or liabilities, as appropriate, at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value are recognized in the income statement directly.

If the transaction price differs from the fair value at initial recognition, the Group treats this difference as follows:

- If fair value is established at a specified price in an active market for identical assets or liabilities or based on a valuation technique that uses only observable inputs, it recognizes the profit or loss difference upon initial recognition (ie, the first day's profit or loss);
- In all other cases, fair value is adjusted to reflect the transaction price (ie, the first day's profit or loss will be deferred by including it in the initial book value of the asset or liability)
- After initial recognition, deferred profit or loss will be taken to income statement on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability or when derecognizing that instrument.

Initial recognition

All financial assets are recognized at the date of trading when buying or selling a financial asset under a contract that requires the delivery of the financial asset within a specified time frame by the relevant market, and is initially measured at fair value plus transaction costs, except for those financial assets classified at fair value in the income statement. Transaction costs directly related to the acquisition of financial assets classified at fair value are recognized through profit or loss in the consolidated income statement.

Subsequent measurement

Requires measuring all recognized financial assets that fall within the scope of International Financial Reporting Standard (9) subsequently at amortized cost or fair value based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets specifically:

- Financing instruments held in the business model aimed at collecting contractual cash flows, which have contractual cash flows that are only principal payments and interest on the principal amount outstanding, and are subsequently measured at amortized cost;
- Tools of finance are held within a business model that aims to collect contractual cash flows and sell debt instruments, which have contractual cash flows that are only payments of principal and interest on the outstanding principal amount, and are subsequently measured at fair value through other comprehensive income.
- All other financing instruments (such as debt instruments managed on a fair value basis, or held for sale) and investments in equity instruments are subsequently measured at fair value through the consolidated income statement.

However, the Group can select/identify the irrevocable after the initial recognition of the financial asset on an asset-by-asset basis as follows:

- The Group may choose to irrevocably include subsequent changes in the fair value of non-controlling interests in tradable or potentially replaceable proprietary instruments recognized by the buyer in a business combination that applies International Financial Reporting Standard (IFRS) 3, in other comprehensive income.

The Group can irrevocably determine the financing tools that meet the cost extinguishing criteria or fair value through other comprehensive income as measured by fair value through income statement if it cancels or significantly reduces accounting mismatch (referred to as fair value option)

For an asset that is classified and measured at amortized cost or at fair value through other comprehensive income, its contractual terms should result in cash flows which are only principal payments and interest on the outstanding principal amount.

Debt instruments that are subsequently measured at amortized cost or at fair value through other comprehensive income are subject to a test of decline.

Expected credit losses

The Group recognizes provisions for expected credit losses on the following financial instruments that are not measured at fair value through the consolidated income statement:

- Balances with banks.
- Financial assets at amortized cost.

No impairment loss is proven.

Except for purchased or emerging financial assets with low credit value (which are considered separately below), expected credit losses must be measured by a loss provision in an amount equivalent to:

- Expected credit losses for a period of (12) months, which is the time horizon for expected credit losses resulting from those hypothetical events on financial instruments that can be realized within (12) months after the reporting date, referred to as Stage 1; or
- Expected credit losses for a period of (12) months, which is the time horizon for expected credit losses resulting from all potential hypothetical events over the life of the financial instrument referred to as Stage 2 and Stage 3.

The expected lifetime credit loss must be recorded for the financial instrument if the credit risks on that financial instrument have increased significantly since initial recognition. For all other financial instruments, the expected credit loss is measured at an amount equal to the expected credit loss for a period of (12) months.

Expected credit losses are a probable estimate of the current value of credit losses. This value is measured as the current value of the difference between the cash flows due to the group under the contract and the cash flows received by the group and arising from the preference of several future economic scenarios, deducted according to the effective interest rate of the asset.

2-13 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.

2-14 Capital

The Group's capital shares are included in the shareholders' equity.

2-15 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 payment is due within one year or less. If not, they are presented as non-current liabilities.

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

2-16 Investment in Financial Leasing Contracts

Under the lease contract, the lessor transfers the usufruct of an asset for a limited period of time ending with the transfer of ownership to the lessee.

All lease contracts are classified in the unified financial statements as finance leases when all risks and benefits associated with them are transferred to the lessee. Investments in finance lease contracts are shown at the present value of lease payments after deducting expected credit losses for financial assets at amortized cost (if any). All direct costs of finance lease contracts are included in the present value of investments in finance lease contracts.

Financial lease payments are divided between the revenues of lease contracts and the principal amount paid so that the revenue appears as a fixed return on investment in financial leasing contracts.

2-17 Revenue Generation and Recognition of Expenses

Revenues and expenses of interest are calculated for all financial instruments bearing interest by applying the actual interest rate to the total book value of the financial instrument, except for financial assets that have subsequently experienced a credit loss (or stage three), for which interest revenue is continued to be recognized and suspended so that it is not recorded in the income statement and appears as a credit balance against the total balance of the liability.

2-18 Borrowings

Loans are initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost. Any differences between the amounts received (net of transaction costs) and the amounts repaid are recognized in the income statement over the period of the loans using the effective interest method.

Loans are classified as current assets unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2-19 Borrowing Costs

The costs of public, private, and directly related borrowing to the production of qualified assets are amortized during the period necessary to prepare these assets for use or sale. Qualified assets are assets that require a long period to prepare them to be ready for use for their intended purposes.

Other borrowing costs are charged to the period in which they are incurred.

2-20 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The value recognised as a provision represents the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount represents the present value of those cash flows.

Where some or all of the economic benefits are required to settle a provision expected to be recovered from other parties, the receivable is recognised as an asset if it is almost certain that the receivable can be recovered and the receivable can be measured reliably.

2-21 Employees' benefits

For defined benefits plans, the Group mandatorily pays contributions to the pension insurance fund managed by a government entity (the Social Security Corporation). The Group has no further payment obligations once the contributions are paid. Such contributions are recognised as social security expense as they fall due.

2-22 Income tax

Tax expenses represent amounts of tax payable and deferred tax

Payable tax expenses are calculated based on taxable profits. Taxable profits are different from profits disclosed in the consolidated financial statements, as disclosed profits include revenue that is not subject to tax, expenses that are not recognisable in the financial year but in subsequent years or accumulated losses that are accepted in terms of tax or items that are not taxable or recognisable for tax purposes.

Taxes are calculated as per the tax rates established by the laws, regulations and instructions.

Deferred tax is the tax expected to be paid or recovered as a result of temporary timing differences between the value of assets or liabilities in the financial statements and the value based on which tax profit is calculated. Deferred tax is calculated using the liability method in the statement financial position, and deferred tax is accounted for in accordance with tax rates expected to be applied to settle the tax liability or realise deferred tax assets.

Deferred tax assets and liabilities balance is reviewed at the consolidated financial statements date and written down when it is not probable to utilise tax assets partially or fully or upon settlement of the tax obligation.

2-23 Leases

Lease contracts are recognized as assets for the right to use and corresponding obligations on the date the leased assets are available for use in the Group. Each lease payment is allocated between the obligation and finance cost. The finance cost is charged to the comprehensive income statement over the lease period to obtain a constant periodic interest rate on the remaining balance of the liability for each period. Depreciation is calculated on the right-of-use assets over the asset's productive life or lease term, whichever is shorter, using the straight-line method. Contracts may contain rental and non-rental components. The corresponding group in the contract is dedicated to rental and non-rental items based on their independent relative prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease agreements do not impose any commitments beyond the interests in the leased assets retained by the lessor. Leased assets cannot be used as collateral for borrowing purposes.

(3) FINANCIAL RISK MANAGEMENT

3-1 Financial risk factors

The Group is exposed to various financial risks as a result of its activities, including the impact of market volatility (currency conversion risk, interest rate risk for cash flows and fair value), credit risk and liquidity risk. The Group's overall risk management program focuses on minimizing the potential negative impact on the Group's financial results.

(a) Market risk

- Foreign exchange risk

The Group faces risks arising from its dealings in foreign currencies, the most important of which is the US dollar. The conversion rate between USD and Jordanian Dinar remained unchanged during the year.

These risks arise from the change in the value of financial instruments as a result of currency exchange rate fluctuations and the Group follows a deliberate policy in managing its foreign currency positions.

The following is a summary of the quantitative data related to the Group's exposure to currency fluctuation risks provided to the Group's management based on the risk management policy:

	<u>Jordanian Dinar</u>	<u>Kuwaiti Dinar</u>	<u>Total</u>
As at 31 December 2024			
Cash on hand and at banks	2,649,387	-	2,649,387
Financial assets at fair value through other comprehensive income	-	227,323	227,323
Financial assets at amortised cost	137,363,339	-	137,363,339
Other debit balances	382,277	-	382,277
Right of use of leased assets	277,320	-	277,320
Assets foreclosed against defaulted loans	2,773,776	-	2,773,776
Property and equipment	173,589	-	173,589
Intangible assets	38,151	-	38,151
Deferred tax assets	4,136,371	-	4,136,371
Total assets	147,794,210	227,323	148,021,533
Bank overdrafts	6,991,751	-	6,991,751
Loans	77,105,919	-	77,105,919
Bonds	4,160,000	-	4,160,000
Lease liabilities	280,966	-	280,966
Other liabilities	1,606,266	-	1,606,266
Other provisions	319,486	-	319,486
Income tax provision	2,973,801	-	2,973,801
Total liabilities	93,438,189	-	93,438,189
Net	54,356,021	227,323	54,583,344

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	<u>Jordanian Dinar</u>	<u>Kuwaiti Dinar</u>	<u>Total</u>
As at 31 December 2023			
Cash on hand and at banks	2,283,955	-	2,283,955
Financial assets at fair value through other comprehensive income	-	219,590	219,590
Financial assets at amortised cost	109,130,502	-	109,130,502
Other debit balances	366,812	-	366,812
Right of use of leased assets	362,072	-	362,072
Investment properties	218,966	-	218,966
Assets foreclosed against defaulted loans	2,720,158	-	2,720,158
Property and equipment	79,108	-	79,108
Intangible assets	51,844	-	51,844
Deferred tax assets	3,571,511	-	3,571,511
Total assets	118,784,928	219,590	119,004,518
Bank overdrafts	9,210,050	-	9,210,050
Loans	58,585,957	-	58,585,957
Lease liabilities	364,628	-	364,628
Other liabilities	1,083,509	-	1,083,509
Other provisions	360,514	-	360,514
Income tax provision	2,400,300	-	2,400,300
Total liabilities	72,004,958	-	72,004,958
Net	46,779,970	219,590	46,999,560

- Interest rate risk for cash flows and fair value.

The Group's interest rate risks arise from bank loans. Loans granted to the Group at a variable interest rate expose the Group to interest rate risk for cash flows, while fixed interest loans expose the Group to fair value interest rate risk.

As at 31 December 2024, loans granted to the Group at a variable interest rate consist of bank loans and credit banks granted in Jordanian Dinars and US Dollars (Notes 13 and 14).

If the interest rate on loans and facilities changes by 1% assuming other variables are constant, the impact on the statement of comprehensive income will be an increase in interest expense by JD 882,577 as at 31 December 2024 (2023: JD 677,960).

The effect of a lower interest rate of the same value will have the same effect as above with the reversal of the signal.

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For the year 2024	Less than a month	from month Up to (3) months	More than (3) months Up to (6) months	More than (6) months To a year	More than a year Up to 3 years	More than (3) years Up to 5 years	Useless items	Total
Assets	JD	JD	JD	JD	JD	JD	JD	JD
Cash on hand and at banks	-	-	-	2,500,000	-	-	149,387	2,649,387
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	227,323	227,323
Financial assets at amortised cost	4,887,221	4,920,802	6,256,203	11,253,087	80,255,709	29,790,317	-	137,363,339
Other debit balances	-	50,307	-	95,314	236,656	-	-	382,277
Right of use of leased assets	-	-	-	-	-	-	277,320	277,320
Assets foreclosed against defaulted loans	-	-	-	-	-	-	2,773,776	2,773,776
Property and equipment	-	-	-	-	-	-	173,589	173,589
Intangible assets	-	-	-	-	-	-	38,151	38,151
Deferred tax assets	-	-	-	-	-	-	4,136,371	4,136,371
Total assets	4,887,221	4,971,109	6,256,203	13,848,401	80,492,365	29,790,317	7,775,917	148,021,533
Liabilities								
Bank overdrafts	-	-	538,388	6,453,363	-	-	-	6,991,751
Loans	-	8,273,447	10,826,402	19,557,826	36,933,344	1,514,900	-	77,105,919
Bonds	-	4,160,000	-	-	-	-	-	4,160,000
Lease liabilities	-	37,335	27,987	36,987	95,806	82,851	-	280,966
Other liabilities	-	1,137,612	273,904	176,509	18,241	-	-	1,606,266
Other provision	-	-	-	319,486	-	-	-	319,486
Income tax provision	966,486	-	2,007,315	-	-	-	-	2,973,801
Total liabilities	966,486	13,608,394	13,673,996	26,544,171	37,047,391	1,597,751	-	93,438,189
Interest repricing gap	3,920,735	(8,637,285)	(7,417,793)	(12,695,770)	43,444,974	28,192,566	7,775,917	54,583,344
For the year 2023								
Total Assets	5,038,697	4,181,621	5,007,813	7,194,755	49,220,326	38,159,942	8,121,424	116,924,578
Total Liabilities	618,800	5,637,291	12,786,556	21,480,495	31,162,217	319,599	-	72,004,958
Interest repricing gap	4,419,897	(1,455,670)	(7,778,743)	(14,285,740)	18,058,109	37,840,343	8,121,424	44,919,620

(b) Credit risk

The Group does not have significant credit risk concentrations. Financial assets subject to credit risk are limited to balances with banks, trade receivables, some other receivables and amounts due from related parties. The Group only deals with financial institutions with high credit solvency. The Group also has a clear credit policy for all customers.

The following table shows the balances of banks and their credit rating as at 31 December distributed as follows:

	Rating	2024 JD	2023 JD
Invest Bank	NR	21,723	2,057,276
Jordan Ahli Bank	B+	9,939	37,312
Egyptian Land Bank	NR	1,337	23,714
Arab Bank	BB	5,572	10,320
Housing Bank	BA3	9,173	385
Jordan Kuwait Bank	B+	14,649	4,815
BLOM Bank	NR	2,502,133	-
		<u>2,564,526</u>	<u>2,133,822</u>

(c) Liquidity risk

Liquidity risk is defined as the risk that a group is exposed to difficulties in meeting its obligations.

The Group manages liquidity risk by providing the necessary cash through borrowing and credit facilities. The Group also monitors cash flows for outstanding instalments from customers.

The table below shows the Group's financial liabilities (not discounted) to certain categories as at the date of the statement of financial position based on the maturity date for the remaining periods.

	Less than one year One. JD	More than one year JD	Total JD
As at 31 December 2024			
Bank overdrafts	6,991,751	-	6,991,751
Loans	38,657,674	38,448,245	77,105,919
Bonds	4,160,000	-	4,160,000
Lease liabilities	102,309	178,657	280,966
Other liabilities	1,588,025	18,241	1,606,266
Other provisions	319,486	-	319,486
Total	<u>51,819,245</u>	<u>38,645,143</u>	<u>90,464,388</u>
As at 31 December 2023			
Bank overdrafts	9,210,050	-	9,210,050
Loans	27,390,093	31,195,864	58,585,957
Lease liabilities	96,977	267,651	364,628
Other liabilities	1,065,208	18,301	1,083,509
Other provisions	360,514	-	360,514
Total	<u>38,122,842</u>	<u>31,481,816</u>	<u>69,604,658</u>

3-2 Capital Risk Management

The Group's objective in capital management is to maintain the Group's viability which generates a return for shareholders and maintains an optimal capital structure, thereby reducing capital costs. The Group monitors capital by monitoring the debt ratio. This ratio is calculated by dividing the net debts by the total capital, and the net debts are calculated by counting the total loans, which include loans, credit banks, obligations of operating leases and loan bonds, from which cash and the like are reduced, as shown in the consolidated statement of financial position. Total capital is calculated by adding shareholders' equity with net debt, as shown in the consolidated statement of financial position.

The gearing ratio was as follows:

	2024 JD	2023 JD
Total loans	88,538,636	68,160,635
Cash on hand and at banks	(2,649,387)	(2,283,955)
Net debt	85,889,249	65,876,680
Net equity	54,583,344	46,999,560
Total capital	140,472,593	112,876,240
Gearing ratio	61%	58%

3-3 Fair Value

Fair Value Levels

The following table represents the financial instruments recorded at fair value based on the valuation method, where the different levels are defined as follows:

Level 1: Declared (unadjusted) prices of assets or liabilities in active markets.

Level 2: Prices published in active markets for similar financial assets and liabilities, or other price valuation methods for which material data are based on market information.

Level 3: Pricing methods in which not all material data is based on observable market information, and the Group has used book value, which is the best tool available to measure the fair value of those investments.

	Level 1 JD	Level 2 JD	Level 3 JD	Total JD
31 December 2024				
Financial assets at fair value through other comprehensive income	-	-	227,323	227,323
31 December 2023				
Financial assets at fair value through other comprehensive income	-	-	219,590	219,590

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(a) Financial assets and liabilities that are not measured at fair value on a recurring basis:

	Book Value	Fair Value		
	JD	Level 1	Level 2	Level 3
	JD	JD	JD	JD
31 December 2024				
Assets				
Cash on hand and at banks	2,649,387	2,649,387	-	-
Financial assets at amortised cost	137,363,339	-	137,363,339	-
Other debit balances	382,277	-	382,277	-
Right of use of leased assets	277,320	-	277,320	-
Property and equipment	173,589	-	173,589	-
Intangible assets	38,151	-	38,151	-
Deferred tax assets	4,136,371	-	4,136,371	-
Liabilities				
Bank overdrafts	6,991,751	-	6,991,751	-
Loans	77,105,919	-	77,105,919	-
Bonds	4,160,000	-	4,160,000	-
Lease liabilities	280,966	-	280,966	-
Other liabilities	1,606,266	-	1,606,266	-
Other provisions	319,486	-	319,486	-
Income tax provision	2,973,801	-	2,973,801	-
	Book Value	Fair Value		
	JD	Level 1	Level 2	Level 3
	JD	JD	JD	JD
31 December 2023				
Assets				
Cash on hand and at banks	2,283,955	2,283,955	-	-
Financial assets at amortised cost	109,130,502	-	109,130,502	-
Other debit balances	366,812	-	366,812	-
Right of use of leased assets	362,072	-	362,072	-
Property and equipment	79,108	-	79,108	-
Intangible assets	51,844	-	51,844	-
Deferred tax assets	3,571,511	-	3,571,511	-
Liabilities				
Bank overdrafts	9,210,050	-	9,210,050	-
Loans	58,585,957	-	58,585,957	-
Lease liabilities	364,628	-	364,628	-
Other liabilities	1,083,509	-	1,083,509	-
Other provisions	360,514	-	360,514	-
Income tax provision	2,400,300	-	2,400,300	-

Management believes that the carrying amount of financial assets and liabilities is close to their fair value.

There are no transfers between level 1 and level 3 during the year ended 31 December 2024 and 2023.

(b) **Non-financial assets measured at fair value in the consolidated financial statements:**

	31 December 2024			
	Book value	Fair Value		
		Level 1	Level 2	Level 3
	JD	JD	JD	JD
Investment properties	-	-	-	-
Assets foreclosed against defaulted loans	2,773,776	-	2,773,776	-

	31 December 2023			
	Book value	Fair Value		
		Level 1	Level 2	Level 3
	JD	JD	JD	JD
Investment properties	218,966	-	218,966	-
Assets foreclosed against defaulted loans	2,720,158	-	2,720,158	-

3-4 Financial instruments by category

	2024	2023
	JD	JD
Assets as per the consolidated statement of financial position		
Financial assets at fair value		
Financial assets at fair value through other comprehensive income	227,323	219,590
Financial assets at amortized cost		
Cash on hand and at banks	2,649,387	2,283,955
Financial assets at amortised cost	137,363,339	109,130,502
Other debit balances (excluding prepaid expenses)	277,260	366,812
	<u>140,289,986</u>	<u>111,781,269</u>
Liabilities as per the consolidated statement of financial position		
Financial liabilities at amortised cost		
overdrafts Bank	6,991,751	9,210,050
Loans	77,105,919	58,585,957
Bonds	4,160,000	-
Lease liabilities	280,966	364,628
Other liabilities	1,606,266	1,083,509
	<u>90,144,902</u>	<u>69,244,144</u>

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group conducts an ongoing assessment of accounting estimates and judgments based on past experience and other factors, including anticipated events that are believed to be reasonable based on current circumstances.

The group makes estimates and assumptions regarding the future. The resulting accounting estimates are by their nature rarely equal to the relevant actual results. Estimates and assumptions that have significant risks and cause a material adjustment in the book values of assets and liabilities during the next fiscal year are as follows:

- Impairment of seized assets

Impairment of seized assets is recognised based on most recent property valuation approved by accredited valuers for the purposes of calculating the impairment. The impairment provisions for seized assets is reviewed periodically.

- Expected credit loss provisions

The Group's management is required to use significant judgments and estimates to estimate future cash flows amounts and timings and estimate the risks of a significant increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses.

- Leases

Determining of lease term: In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee. Extension and termination of leases options: these are included in a number of leases. These conditions are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are renewable by both the Group and the lessor.

Discounting of lease payments: Lease payments are discounted using the Group' incremental borrowing rate ("IBR"). Management applied judgements and estimates to determine the incremental borrowing rate at the start of the lease.

- Assets and liabilities that are stated at cost

Management reviews, on a regular basis, the assets and liabilities that are stated at cost to estimate impairments, if any. Impairment losses are recognised in the consolidated condensed interim statement of other comprehensive income for the period.

- Income tax

The financial year is charged with its own income tax expense in accordance with the laws and regulations, and accounting standards. Deferred tax assets and liabilities and required tax provision are accounted for.

- **Provision for legal cases**

A provision is made for any potential legal obligations based on the legal study prepared by the Group's legal advisor that identifies the potential risks that may occur in the future. Such study is reviewed periodically.

- **Determine the number and relative weight of the future outlook scenarios for each type of product/market and identify future information relevant to each scenario**

When measuring expected credit loss, the Company uses reasonable and supportable future information based on assumptions about the future movement of various economic drivers and how these drivers affect each other.

- **Probability of Default**

The probability of default is a key input in measuring expected credit loss. The probability of default is an estimate of the likelihood of default over a specific period of time, which includes calculations of historical data, assumptions and expectations regarding future conditions.

- **Loss Given Default**

The loss given default is an estimate of the loss resulting from a default. It is based on the difference between the contractual cash flows due and those that the financier expects to collect, taking into account cash flows from additional collateral and integrated credit adjustments.

- **Fair value measurement and valuation procedures**

When estimating the fair value of financial assets and financial liabilities, the Company uses available observable market data. In the absence of Level (1) inputs, the Company performs valuations using appropriate valuation models to determine the fair value of financial instruments.

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(5) CASH ON HAND AND AT BANKS

	2024	2023
	JD	JD
Cash on hand	84,861	150,133
Current accounts at banks	64,526	133,822
Deposits at banks	2,500,000	2,000,000
	<u>2,649,387</u>	<u>2,283,955</u>

* This item represents amounts deposited for time in Jordanian dinars with local banks at an annual interest rate of 6% and is due monthly. Interest income amounted to 130,644 dinars during the year 2024 (2023: 84,247 dinars), and the deposit amount is considered restricted for withdrawal as a guarantee for the loan granted by the BLOM Bank.

The Group has calculated the expected credit loss provision on bank balances and has not recorded it as the expected credit loss is immaterial.

(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
	JD	JD
Outside the Kingdom		
Shares of unlisted companies	227,323	219,590

The investment represents shares in Al-Soor Holding international Company (Kuwait). The total number of unquoted shares owned is 500,000 shares representing 0.1% of the Company's paid in capital. The fair value has been calculated based on the percentage of the Company's contribution to the net assets according to the latest audited financial statements of the investee. Management believes that this value is the best measure according to available valuation methods.

(7) FINANCIAL ASSETS AT AMORTIZED COST

	2024	2023
	JD	JD
Installment receivables (1) – net	136,834,247	108,438,694
Finance lease receivables (2) – net	529,092	691,808
	<u>137,363,339</u>	<u>109,130,502</u>

These assets were distributed according to their maturity date as follows:

	2024	2023
	JD	JD
Due within less than one year	56,288,117	37,278,232
Due within more than one year and less than five years	120,171,335	103,598,165
Due within more than five years	13,697,645	8,777,215
	<u>190,157,097</u>	<u>149,653,612</u>
Provision of ECL in facilities contracts	(9,631,624)	(8,844,688)
Revenue from unearned facilities contracts	(38,469,620)	(28,151,241)
Interest in suspense within instalments payable	(4,692,514)	(3,527,181)
Net investment in instalment receivables	<u>137,363,339</u>	<u>109,130,502</u>

Loans classified as stage 3 as at 31 December 2024 amounted to JD 19,401,599 (2023: JD 14,353,159).

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A. Disclosure of movement on total facilities aggregate (installment receivables, finance lease receivables, and credit cards) minus revenues from unearned facilities contracts:

Item	As at 31 December 2024			As at 31 December 2023	
	Stage One	Stage Two	Stage Two	Total	Total
	Individual Level	Individual Level	Individual Level		
	JD	JD	JD	JD	JD
Beginning Balance	91,870,552	15,278,662	14,353,157	121,502,371	97,600,867
New Facilities during the year	48,038,270	3,977,786	1,758,917	53,774,973	48,079,667
Paid Facilities	(7,507,112)	(1,811,175)	(1,557,132)	(10,875,419)	(12,289,884)
Transfer to stage one	6,066,755	(4,795,799)	(1,270,956)	-	-
Transfer to stage two	(10,989,032)	12,079,402	(1,090,370)	-	-
Transfer to stage three	(3,125,562)	(4,042,254)	7,167,816	-	-
Changes from adjustments	(12,140,604)	(614,011)	245,028	(12,509,587)	(11,700,043)
Written off balances	-	-	(204,861)	(204,861)	(188,236)
Gross Balance as at Year End	112,213,267	20,072,611	19,401,599	151,687,477	121,502,371

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B. Disclosure of movement in a collective expected credit loss allowance (installment receivables and finance lease contracts receivables):

Item	As at 31 December 2024			As at 31 December 2023	
	Stage One	Stage Two	Stage Two Individual Level	Total	Total
	Individual Level JD	Individual Level JD	Level JD	JD	JD
Beginning Balance	456,483	501,688	7,886,517	8,844,688	8,085,957
Impairment loss on new balances during the year/ additions	1,312,803	813,610	583,217	2,709,630	2,761,574
Recovered from impairment loss on collected balances	(42,278)	(206,706)	(1,486,566)	(1,735,550)	(1,706,139)
Transfer to stage one	534,004	(182,781)	(351,223)	-	-
Transfer to stage two	(61,475)	560,264	(498,789)	-	-
Transfer to stage three	(13,162)	(128,365)	141,527	-	-
Total impact on impairment loss due to classification change between stages	(109,570)	81,641	(97,184)	(125,113)	(245,744)
Changes from adjustments	-	-	(62,030)	(62,030)	(50,960)
Written off balances	-	-	-	-	-
Gross Balance as at Year End	448,799	827,043	8,355,783	9,631,625	8,844,688

Installment receivables

Installment receivables represent the installments incurred by the Group's clients from commercial financing operations and Murabaha for cars and real estate, as these installments include the principal of the funds in addition to the revenue amounts calculated on these financing. The balances of installment receivables are as follows:

	2024 JD	2023 JD
Due within less than one year	55,644,760	36,513,614
Due within more than one year and less than five years	119,768,636	103,120,492
Due within more than five years	13,667,917	8,741,734
	<u>189,081,313</u>	<u>148,375,840</u>
Provision of ECL in facilities contracts	(9,367,813)	(8,588,322)
Revenue from unearned facilities contracts*	(38,346,469)	(27,974,057)
Interest in suspense within instalments payable	(4,532,784)	(3,374,767)
Net Investment in Instalment Receivables	<u>136,834,247</u>	<u>108,438,694</u>

* This item includes deferred income for each of the commercial financing operations, Murabaha for purchase order, international Murabaha and deferred sale murabaha as on 31 December 2024 and 2023.

The sectorial distribution of instalment receivables is as follows:

	2024 JD	2023 JD
Real-estates	9,964,914	9,631,441
Companies	18,999,734	16,967,009
Loans and bills	160,116,665	121,777,390
Total Instalment Receivables	<u>189,081,313</u>	<u>148,375,840</u>
Provision of ECL in facilities contracts	(9,367,813)	(8,588,322)
Revenue from unearned facilities contracts	(38,346,469)	(27,974,057)
Interest in suspense within instalments payable	(4,532,784)	(3,374,767)
Net Investment in Instalment Receivables	<u>136,834,247</u>	<u>108,438,694</u>

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- Instalment receivables are distributed net after subtracting revenues from unearned facilities contracts in addition to loans granted to clients - credit cards in an aggregate manner according to credit stages in accordance with the requirements of IFRS (9) modified according to the instructions of Central Bank of Jordan as follows:

	31 December 2024		
	Stage One	Stage Two	Stage Three
	Individual Level JD	Individual Level JD	Individual Level JD
Beginning Balance	91,305,002	15,230,626	13,866,155
New Facilities during the year	48,038,270	3,977,786	1,396,906
Paid Facilities	(7,095,350)	(1,793,567)	(1,538,458)
Transfer to stage one	6,053,241	(4,782,285)	(1,270,956)
Transfer to stage two	(10,979,036)	12,069,406	(1,090,370)
Transfer to stage three	(3,125,562)	(4,031,410)	7,156,972
Changes from adjustments	(12,100,633)	(607,941)	238,958
Written off balances	-	-	(182,910)
Gross Balance as at Year End	112,095,932	20,062,615	18,576,297
			150,734,844

	31 December 2023		
	Stage One	Stage Two	Stage Three
	Individual Level JD	Individual Level JD	Individual Level JD
Beginning Balance	78,395,579	7,672,327	10,157,735
New Facilities during the year	41,453,809	4,590,225	1,609,423
Paid Facilities	(8,960,983)	(1,618,232)	(1,265,822)
Transfer to stage one	2,193,120	(1,580,625)	(612,495)
Transfer to stage two	(7,825,865)	8,424,754	(598,889)
Transfer to stage three	(3,096,933)	(1,666,110)	4,763,043
Changes from adjustments	(10,853,725)	(591,713)	-
Written off balances	-	-	(186,840)
Gross Balance as at Year End	91,305,002	15,230,626	13,866,155
			120,401,783

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Disclosure of movement in the allowance for expected credit losses:

	31 December 2024			
	Stage One	Stage Two	Stage Three	Total
	Individual Level JD	Individual Level JD	Individual Level JD	JD
Beginning Balance	455,918	497,730	7,634,674	8,588,322
Impairment loss on new balances during the year / additions	1,312,803	809,976	571,262	2,694,041
Recovered from impairment loss on outstanding balances	(42,015)	(203,549)	(1,483,465)	(1,729,029)
Transfer to stage one	532,196	(180,973)	(351,223)	-
Transfer to stage two	(61,404)	560,193	(498,789)	-
Transfer to stage three	(13,162)	(128,084)	141,246	-
Total impact on impairment loss due to classification change between stages	(1,626,274)	(612,109)	2,238,383	-
Changes from adjustments	(109,320)	78,119	(93,662)	(124,863)
Written off balances	-	-	(60,658)	(60,658)
Gross Balance as at Year End	448,742	821,303	8,097,768	9,367,813

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	31 December 2023			
	Stage One	Stage Two	Stage Three	Total
	Individual Level JD	Individual Level JD	Individual Level JD	
Beginning Balance	553,550	368,550	6,897,212	7,819,312
Impairment loss on new balances during the year / additions	1,000,816	486,640	1,263,495	2,750,951
Recovered from impairment loss on outstanding balances	(56,161)	(112,019)	(1,516,846)	(1,685,026)
Transfer to stage one	395,039	(74,911)	(320,128)	-
Transfer to stage two	(58,920)	292,679	(233,759)	-
Transfer to stage three	(21,205)	(93,274)	114,479	-
Total impact on impairment loss due to classification change between stages	(1,204,590)	(276,335)	1,480,925	-
Changes from adjustments	(152,611)	(93,600)	-	(246,211)
Written off balances	-	-	(50,704)	(50,704)
Gross Balance as at Year End	455,918	497,730	7,634,674	8,588,322

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Scheduled debts:

They are those debts that were previously classified as non-performing credit facilities and were excluded from the framework of non-performing credit facilities according to a basic schedule and were classified as debts under supervision or transferred to working, amounted to JD 6,854,273 as at 31 December 2024 (2023: JD 2,738,115).

Restructured debt:

Restructuring means re-arranging the status of credit facilities in terms of modifying installments, or extending the life of credit facilities, or postponing some installments or extending the grace period, and they were classified as debts under supervision, amounted to JD 21,648,642 as at 31 December 2024 (2023: JD 4,717,642).

The Installments receivable balances include installments cases filed by the company against customers to collect the unpaid amounts is as follow:

	31 December 2024		31 December 2023	
	Total debt balance	Due and past due instalment receivables	Total debt balance	Due and past due instalment receivables
	JD	JD	JD	JD
Customers balances – Legal cases	34,223,138	11,345,524	24,480,523	8,046,949

Interest in suspense within due instalment

The following is the movement in interest in suspense within due instalments:

31 December 2024	Real Estates	Companies	Loans and Bills	Total
	JD	JD	JD	JD
Balance at the beginning of the year	115,370	1,922,339	1,337,058	3,374,767
Add: interest suspended during the year	44,112	705,968	730,811	1,480,891
Reduces: Transferred benefits to revenue	(15,106)	(40,349)	(145,167)	(200,622)
Decreases: Outstanding revenue that has been written off *	(11,182)	(35,804)	(75,266)	(122,252)
Total balance as at the end of the year	133,194	2,552,154	1,847,436	4,532,784

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<u>31 December 2023</u>	<u>Real Estates</u>	<u>Companies</u>	<u>Loans and</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>Bills</u>	<u>JD</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Balance at the beginning of the year	83,652	1,441,956	983,208	2,508,816
Add: interest suspended during the year	35,566	618,023	570,623	1,224,212
Reduces: Transferred benefits to revenue	(3,848)	(72,234)	(146,043)	(222,125)
Decreases: Outstanding revenue that has been written off *	-	(65,406)	(70,730)	(136,136)
Total balance as at the end of the year	<u>115,370</u>	<u>1,922,339</u>	<u>1,337,058</u>	<u>3,374,767</u>

* Based on the decision of the Company's board of directors, an amount of JD 60,658 was written off from the provision of expected credit losses during the period ending 31 December 2024 (2023: JD 50,704) and an amount of JD 122,252 was written off during the period ending on 31 December 2024 (2023: JD 136,136) from the interest in suspense.

Finance lease contract receivables

The following table shows the maturity periods of finance lease contracts receivables before deducting the deferred revenue:

	<u>2024</u>	<u>2023</u>
	<u>JD</u>	<u>JD</u>
Maturity within less than a year	643,357	764,618
Maturity within more than a year and less than five years	402,699	477,673
Maturity within more than five years	29,728	35,481
	<u>1,075,784</u>	<u>1,277,772</u>
Expected credit loss provision of finance lease contracts	(263,811)	(256,366)
Deferred revenue	(123,151)	(177,184)
Interest in suspense within due instalments	<u>(159,730)</u>	<u>(152,414)</u>
Net Investment in Finance Lease Contracts	<u>529,092</u>	<u>691,808</u>

The Company grants real estate finance to its customers through closed end leasing contract, with average terms of 5 years, the sectorial distribution of finance lease contracts receivables is as follows:

	<u>2024</u>	<u>2023</u>
	<u>JD</u>	<u>JD</u>
Real-estates	822,625	996,980
Companies	60,029	53,908
Borrowings	193,130	226,884
Total Investment in Finance Lease contracts	<u>1,075,784</u>	<u>1,277,772</u>
Provision of ECL of finance leases contracts	(263,811)	(256,366)
Deferred revenue	(123,151)	(177,184)
Interest in suspense within due instalments	<u>(159,730)</u>	<u>(152,414)</u>
Net Investment in Finance Lease contracts	<u>529,092</u>	<u>691,808</u>

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The finance lease contract receivables are distributed in net after subtracting the revenue in suspense and the deferred revenue in a grouped manner according to the credit stages according to the requirements of IFRS 9 modified according to the instructions of Central Bank of Jordan as follows:

	31 December 2024			
	Stage One	Stage Two	Stage Three	Total
	Individual Level JD	Individual Level JD	Individual Level JD	JD
Beginning Balance	565,550	48,036	487,002	1,100,588
New Facilities During the year	-	-	362,011	362,011
Paid Facilities	(399,075)	(17,608)	(18,674)	(435,357)
Transfer to stage one	13,514	(13,514)	-	-
Transfer to stage two	(9,996)	9,996	-	-
Transfer to stage three	-	(16,914)	16,914	-
Changes from adjustments	(52,658)	-	-	(52,658)
Written off balances	-	-	(21,951)	(21,951)
Gross Balance as at Year End	117,335	9,996	825,302	952,633

	31 December 2023			
	Stage One	Stage Two	Stage Three	Total
	Individual Level JD	Individual Level JD	Individual Level JD	JD
Beginning Balance	806,384	135,775	433,067	1,375,226
New Facilities During the year	391,962	13,974	20,274	426,210
Paid Facilities	(342,153)	(56,622)	(46,072)	(444,847)
Transfer to stage one	37,332	(37,332)	-	-
Transfer to stage two	(10,330)	10,330	-	-
Transfer to stage three	(74,221)	(6,732)	80,953	-
Changes from adjustments	(243,424)	(11,357)	176	(254,605)
Written off balances	-	-	(1,396)	(1,396)
Gross Balance as at Year End	565,550	48,036	487,002	1,100,588

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- Disclosure of movement in the allowance for expected credit losses:

	31 December 2024		
	Stage One	Stage Two	Stage Three
	Individual Level JD	Individual Level JD	Individual Level JD
Beginning Balance	565	3,958	251,843
Impairment loss on new balances during the year	-	3,634	11,954
Recovered from impairment loss on paid balances	(91)	(3,158)	(3,101)
Transfer to stage one	1,808	(1,808)	-
Transfer to stage two	(71)	71	-
Transfer to stage three	-	(454)	454
Total impact on impairment loss due to classification change between stages	(1,732)	(1,565)	3,297
Changes from adjustments	(423)	5,062	(5,060)
Written off balance	-	-	(1,372)
Gross Balance as at Year End	56	5,740	258,015
			(421)
			(1,372)
			263,811

	31 December 2023		
	Stage One	Stage Two	Stage Three
	Individual Level JD	Individual Level JD	Individual Level JD
Beginning Balance	2,955	3,636	260,054
Impairment loss on new balances during the year	1,725	2,198	6,702
Recovered from impairment loss on paid balances	(1,872)	(2,707)	(16,523)
Transfer to stage one	230	(230)	-
Transfer to stage two	(154)	154	-
Transfer to stage three	(202)	(908)	1,110
Total impact on impairment loss due to classification change between stages	(1,627)	366	1,261
Changes from adjustments	(490)	1,449	(505)
Written off balance	-	-	(256)
Gross Balance as at Year End	565	3,958	251,843
			454
			(256)
			256,366

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Scheduled debts:

They are those debts that were previously classified as non-performing credit facilities and were excluded from the framework of non-performing credit facilities according to a basic schedule and were classified as debts under supervision or transferred to working, and amounted to JD 347,845 as at 31 December 2024 (2023: JD 18,973).

Restructured debt:

Restructuring means re-arranging the status of credit facilities in terms of modifying instalments, extending the life of credit facilities, postponing some instalments or extending the grace period, and they were classified as debts under supervision, amounted to JD 407,874 as at 31 December 2024 (JD 67,088 as at 31 December 2023).

Balances of finance lease contracts include accounts for which the Company has filed legal cases against customers in order to collect unpaid and due amounts are as follows:

	31 December 2024		31 December 2023	
	Total debt balance	Due and past due instalment receivables	Total debt balance	Due and past due instalment receivables
	JD	JD	JD	JD
Customers balances – Legal cases	838,816	418,019	541,736	385,199

Interest in suspense within due instalments

The following is the movement in interest in suspense within due instalments:

	Real Estate	Loans	Total
	JD	JD	JD
31 December 2024			
Balance at the beginning of the year	119,331	33,083	152,414
Added: interest outstanding during the year	26,969	4,186	31,155
Reduces: Transferred benefits to revenue	(807)	(2,453)	(3,260)
Decreases: Outstanding revenue that has been written off	(20,184)	(395)	(20,579)
Total balance as at the end of the year	125,309	34,421	159,730
	Real Estate	Loans	Total
	JD	JD	JD
31 December 2023			
Balance at the beginning of the year	104,754	28,983	133,737
Added: interest outstanding during the year	17,684	15,251	32,935
Reduces: Transferred benefits to revenue	(3,107)	(10,011)	(13,118)
Decreases: Outstanding revenue that has been written off	-	(1,140)	(1,140)
Total balance as at the end of the year	119,331	33,083	152,414

- Based on the decision of the Company's board of directors, an amount of JD 1,372 was written off from the expected credit loss provision during the year ending 31 December 2024 (31 December 2023: JD 256) and an amount of JD 20,579 was written off from the interest in suspense during the year ended 31 December 2024 (31 December 2023: JD 1,140).

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(8) RIGHT TO USE OF LEASED ASSETS / LEASE LIABILITIES

Right of use leased assets:

	2024	2023
	JD	JD
Cost		
Balance as at 1 January	754,302	572,836
Additions	13,382	181,466
Balance as at 31 December	767,684	754,302
Accumulated Depreciation		
Balance as at 1 January	392,230	295,425
Depreciation for the year	98,134	96,805
Balance as at 31 December	490,364	392,230
Net Book Value as at 31 December	277,320	362,072

Lease liabilities:

	Beginning Balance	Interest expense	Additions	Lease payments	Ending Balance	Current	Non- Current
	JD	JD	JD	JD	JD	JD	JD
2024							
Lease liabilities	364,628	22,463	13,382	(119,507)	280,966	102,309	178,657
	Beginning Balance	Interest expense	Additions	Lease payments	Ending Balance	Current	Non- Current
	JD	JD	JD	JD	JD	JD	JD
2023							
Lease liabilities	274,155	28,516	181,466	(119,509)	364,628	96,977	267,651

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(9) INVESTMENT PROPERTIES

	2024	2023
	JD	JD
Cost		
Balance as at 1 January	391,010	585,000
Disposals	(391,010)	(193,990)
Balance as at 31 December	-	391,010
Accumulated depreciation		
Balance as at 1 January	172,044	234,000
Depreciation expense	3,171	22,753
Related to Disposals	(175,215)	(84,709)
Balance as at 31 December	-	172,044
Net book value as at 31 December	-	218,966

Investment properties are presented at cost less depreciation and impairment (if any). This item represents the allocation of 24 residential units of Al Majd residential project for the benefit of the Group, based on the agreement signed with the developer Tameer International Real Estate Company, noting that the Group acquired the apartments and issued ownership deeds in its name. The fair value of the investment properties is amounted to JD 375,300 under the latest real estate valuation available to the Group dated 14 June 2022. Sixteen apartments were sold in 2024 and a profit of JD 90,705 was made and Eight apartments were sold in 2023 and a profit of JD 31,719 was made.

(10) ASSETS FORECLOSED AGAINST DEFAULTED LOANS

	2024	2023
	JD	JD
Balance at the beginning of the year	2,720,158	2,692,228
Additions	463,353	357,069
Disposals	(406,738)	(329,139)
Allowance for impairment of asset against receivables	(2,997)	-
Balance at the year end	2,773,776	2,720,158

The group evaluated these properties in 2024 by independent real estate experts. There is a decline in the value of the acquired properties amounting to (2,997) dinars as of 31 December 2024.

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(11) PROPERTY AND EQUIPMENT

2024	Furniture and Fixtures	Office Devices, Tools, and Computer	Decorations	Vehicles	Total
	JD	JD	JD	JD	JD
Cost					
Balance as at 1 January	72,608	386,319	208,102	84,500	751,529
Additions	11,238	65,937	28,408	34,908	140,491
Disposals	(8,533)	(42,118)	(32,329)	(25,500)	(108,480)
Balance as at 31 December	75,313	410,138	204,181	93,908	783,540
Accumulated depreciation					
Balance as at 1 January	59,126	335,987	192,812	84,496	672,421
Depreciation expense	4,311	29,051	8,828	3,494	45,684
Disposals	(8,475)	(41,853)	(32,326)	(25,500)	(108,154)
Balance as at 31 December	54,962	323,185	169,314	62,490	609,951
Net book value as at 31 December 2024	20,351	86,953	34,867	31,418	173,589
2023					
Cost					
Balance as at 1 January	69,489	364,693	206,822	84,500	725,504
Additions	5,789	35,848	1,280	-	42,917
Disposals	(2,670)	(14,222)	-	-	(16,892)
Balance as at 31 December	72,608	386,319	208,102	84,500	751,529
Accumulated depreciation					
Balance as at 1 January	58,282	313,451	182,626	84,496	638,855
Depreciation expense	3,485	36,726	10,186	-	50,397
Disposals	(2,641)	(14,190)	-	-	(16,831)
Balance as at 31 December	59,126	335,987	192,812	84,496	672,421
Net book value as at 31 December	13,482	50,332	15,290	4	79,108

Fully depreciated assets amounted to JD 841,907 as at 31 December 2024 (2023: JD 552,749).

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(12) INTANGIBLE ASSETS

	Software and Website JD	Project under Construction JD	Total JD
2024			
Cost			
Balance as at 1 January	370,381	24,810	395,191
Additions	1,370	-	1,370
Balance as at 31 December	371,751	24,810	396,561
Accumulated Amortization			
Balance as at 1 January	343,347	-	343,347
Amortization for the year	15,063	-	15,063
Balance as at 31 December	358,410	-	358,410
Net Book Value	13,341	24,810	38,151
2023			
Cost			
Balance as at 1 January	361,224	14,160	375,384
Additions	11,000	10,650	21,650
Disposals	(1,843)	-	(1,843)
Balance as at 31 December	370,381	24,810	395,191
Accumulated Amortization			
Balance as at 1 January	325,639	-	325,639
Amortization for the year	19,551	-	19,551
Related to disposals	(1,843)	-	(1,843)
Balance as at 31 December	343,347	-	343,347
Net Book Value	27,034	24,810	51,844

(13) BANK OVERDRAFTS

Credit type	Due date	Credit ceiling	Interest rate	Balance as at December 31	
				2024	2023
		JD		JD	JD
Overdraft	Sep-25	2,000,000	8.13%	1,457,552	1,769,592
Overdraft	November-25	2,000,000	8.75%	1,326,655	1,675,388
Overdraft	Sep-25	1,500,000	8.50%	1,219,568	-
Overdraft	November-25	2,000,000	8.60%	1,167,623	1,754,814
Overdraft	November-25	1,000,000	7.25%	428,060	398,319
Overdraft	April-25	2,150,000	9.50%	408,575	1,774,910
Overdraft	August-25	1,000,000	8.75%	405,621	544,945
Overdraft	October-25	1,000,000	8.50%	308,326	558,655
Overdraft	December-25	1,000,000	7.25%	139,958	551,809
Overdraft	May-25	250,000	8.50%	129,813	181,618
				6,991,751	9,210,050

The facilities granted to the Group in the form of Overdraft are owed to local banks in exchange for insurance books issued by the invest bank. The interest rates ranged from 7.25% - 9.5% as at 31 December 2024 (2023: 7.75% - 9.25%). The main objective of these facilities is to finance the Group's activity. All these facilities are due during a year.

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(14) LOANS

	2024	2023
	JD	JD
Loans payable within one year	38,657,674	27,390,093
Loans payable within more than one year	38,448,245	31,195,864
	<u>77,105,919</u>	<u>58,585,957</u>

* The table below shows the loans granted by local banks or financial institutions to finance the Company's activity:

Type of facilities	Maturity date	Facilities limit	Currency	Balance as at 31 December	
				2024	2023
				JD	JD
Renewal loan	January - 2028	16,000,000	JD	15,999,111	11,750,000
Renewal loan	January - 2028	11,500,000	JD	11,475,026	11,495,991
Revolving loan	February - 2028	8,000,000	JD	7,999,154	5,434,482
Renewal loan	December - 2027	8,000,000	JD	7,997,243	7,571,801
Renewal loan	January - 2028	7,000,000	JD	6,970,640	2,601,318
Renewal loan	January-2026	5,000,000	JD	4,931,250	4,765,625
Renewal loan	November-2026	6,000,000	JD	4,289,484	3,751,773
Renewal loan	July-2027	1,500,000	JD	1,499,944	1,275,572
Renewal loan	September - 2024	4,000,000	JD	4,000,000	3,000,000
Renewal loan	January-2028	3,700,000	JD	3,696,667	3,536,195
Renewal loan	October-2026	2,500,000	JD	2,291,800	-
Loan*	October-25	4,254,000	USD	1,701,600	3,403,200
Loan**	July-2027	4,254,000	USD	4,254,000	-
				<u>77,105,919</u>	<u>58,585,957</u>

All these loans are in Jordanian Dinars and USD it is granted by local banks and an international financial institution with letters of guarantee issued by Invest Bank. The interest rate on the above loans ranges 6.4% - 9.5% as at 31 December 2024 (December 31, 2023:6% - 9.25%).

* The Company obtained a loan of JD 4,254,000 from (Sanad Fund for Micro, Small and Medium Enterprises) on 20 September 2022, at an interest rate of 6.4%, which is adjustable, and the interest is due every six months, starting from 5 April 2023, and to be paid in semi-annual payments, to which the first instalment is due on 5 October 2023 and the last instalment on 6 October 2025.

** The Company obtained a loan of JD 4,254,000 from (Sanad Fund for Micro, Small and Medium Enterprises) on 19 July 2024 at an interest rate of 6.8% adjustable, and the interest is due every three months starting 5 December 2025, and to be paid in semi-annual payments, to which the first instalment is due on 5 July 2025 and the last instalment on 5 July 2027.

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(15) BONDS

	2024	2023
	JD	JD
Bonds payable within one year	4,160,000	-

During the year 2024, the Group issued bonds with an amount of JD 4,160,000, with a nominal value of JD 10,000, for a single non-transferable bond for a period of 365 days. Moreover, the interest rate on bonds is 7.5% and due during each six months on 8 July 2024 and 6 December 2025. The bonds were settled on 6 December 2025. The full outstanding balance of the bond was paid on the due date.

(16) OTHER LIABILITIES

	2024	2023
	JD	JD
Deposits	813,250	445,860
Accrued interest	471,429	389,393
Accounts payable	248,314	73,208
Accrued expenses	55,032	156,747
Accrued dividends	18,241	18,301
	<u>1,606,266</u>	<u>1,083,509</u>

(17) OTHER PROVISIONS

	2024	2023
	JD	JD
Lawsuits provision	230,000	285,000
Vacation provision	39,486	25,514
Other provisions	50,000	50,000
	<u>319,486</u>	<u>360,514</u>

* The movement on other provisions during the year was as follows:

	Beginning Balance	Additions	Used During the Year	Ending Balance
	JD	JD	JD	JD
2024				
Lawsuits provision	285,000	15,398	(70,398)	230,000
Vacation provision	25,514	18,075	(4,103)	39,486
Other provisions	50,000	99	(99)	50,000
	<u>360,514</u>	<u>33,572</u>	<u>(74,600)</u>	<u>319,486</u>
	Beginning Balance	Additions	Used During the Year	Ending Balance
	JD	JD	JD	JD
2023				
Lawsuits provision	232,357	52,643	-	285,000
Vacation provision	19,000	7,736	(1,222)	25,514
Other provisions	50,000	4,157	(4,157)	50,000
	<u>301,357</u>	<u>64,536</u>	<u>(5,379)</u>	<u>360,514</u>

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(18) INCOME TAX

(a) Deferred tax assets

	Balance at Beginning of the Year	Additions	Released Amounts	Balance as at 31 December 2024	Deferred Tax Assets as at 31 December 2024
	JD	JD	JD	JD	JD
Items included as at December 2024					
Provision of ECL of financial assets at amortized cost	8,844,688	1,080,545	(293,609)	9,631,624	2,696,855
Outstanding revenues	3,527,181	1,512,046	(346,713)	4,692,514	1,313,904
Vacation provision	25,514	18,075	(4,103)	39,486	11,056
Accrued expenses provisions	14,997	129,609	(21,768)	122,838	34,395
Lawsuits provision	285,000	15,398	(70,398)	230,000	64,400
Other provision	50,000	3,096	(99)	52,997	14,839
Interests on lease liabilities	8,015	3,294	(8,015)	3,294	922
	12,755,395	2,762,063	(744,705)	14,772,753	4,136,371

	Balance at Beginning of the Year	Additions	Released Amounts	Balance as at 31 December 2023	Deferred Tax Assets as at 31 December 2023
	JD	JD	JD	JD	JD
Items included as at December 2023					
Provision of ECL of financial assets at amortized cost	8,085,957	2,761,574	(2,002,843)	8,844,688	2,476,513
Outstanding revenues	2,642,553	1,257,147	(372,519)	3,527,181	987,611
Vacation provision	19,000	7,736	(1,222)	25,514	7,144
Accrued expenses provisions	8,937	17,803	(11,743)	14,997	4,199
Lawsuits provision	232,357	52,643	-	285,000	79,800
Other provision	50,000	4,157	(4,157)	50,000	14,000
Interests on lease liabilities	3,044	8,015	(3,044)	8,015	2,244
	11,041,848	4,109,075	(2,395,528)	12,755,395	3,571,511

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Movement on deferred tax assets account during the year is as follows:

	2024	2023
	JD	JD
Balance at 1 January	3,571,511	3,091,718
Additions during the year	773,377	1,150,541
Released during the year	(208,517)	(670,748)
Balance at 31 December	<u>4,136,371</u>	<u>3,571,511</u>

(b) Income tax provision

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

	2024	2023
	JD	JD
Balance at January	2,400,300	1,759,204
Income tax expense	3,625,241	2,970,949
Income tax paid	(3,051,740)	(2,329,853)
Balance at December	<u>2,973,801</u>	<u>2,400,300</u>

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

	2024	2023
	JD	JD
Tax payable on the year's profit	3,625,241	2,962,670
Prior year's taxes	-	8,278
Effect of deferred tax assets	(564,859)	(479,793)
	<u>3,060,382</u>	<u>2,491,155</u>

* The deferred tax was calculated as at 31 December 2024 at 28% (2023: 28%) according to the new Income Tax Law for the year 2018, which came into effect as at 1 January 2019.

(c) Summary of reconciliation between accounting profit and taxable profit:

	2024	2023
	JD	JD
Accounting profit	10,636,433	8,664,004
Amendments	2,302,912	1,912,403
Taxable profit	<u>12,939,345</u>	<u>10,576,407</u>
Tax due on the profit for the year except for dividends from financial assets at fair value through other comprehensive income (Shares outside Jordan)	3,623,017	2,961,394
Tax due on dividends of financial assets at fair value through other comprehensive income (shares outside Jordan) at 14%	2,224	1,276
Tax due from profits for the year	<u>3,625,241</u>	<u>2,962,670</u>
Effective tax rate	%34	34%
Statutory tax rate	%28	28%

(d) Tax Status

Jordan Trade Facilities Company (Parent Company)

The tax returns were audited and the statement was amended with approval for the years 2015 and 2016, 2019.

The company submitted tax returns for the years 2017 and 2018 and they were accepted by the Income and Sales Tax Department according to the sample system without amendment and the company has no tax obligations to date.

The company submitted tax returns for the years 2020, 2021, 2022 and 2023 according to the rules and on the legally specified date and the Income and Sales Tax Department has not audited the returns to date.

The company submitted the general sales tax returns on the legally specified date, and the Income and Sales Tax Department audited the returns submitted for the end of 2016, noting that the returns submitted for the tax periods up to the period 9 + 10 / 2020 are considered acceptable according to the provisions of the law, and the tax returns related to the subsequent periods are submitted on time and according to the rules.

Jordan Facilities for Leasing Company (Subsidiary)

The Company obtained a final clearance from the Income and Sales Tax Department until the end of the year 2022.

The 2023 tax return was filed properly and on time as required by law.

The Company submitted the general sales tax returns on the legally specified date, and the Income and Sales Tax Department audited the returns submitted till the end of the year 2022, and the tax returns related to subsequent periods are submitted on time and according to the rules.

In the opinion of the Group's management and the tax consultant, the Group will not have any obligations that exceed the provision taken until 31 December 2024.

(19) SHAREHOLDERS' EQUITY

The authorised, subscribed and paid-up capital

The authorised, subscribed and paid-up capital of the company is 16,500,000 JD, with a nominal value of one JD per share.

The Company is 97.8% owned by Tamkeen Leasing Company (the parent Company) and the ultimate parent Company is Invest Bank - Public Shareholding Company.

Statutory reserve

According to the Jordanian Companies Law and the Company's by-laws, the Group should deduct 10% of its annual net profit to transfer to the statutory reserve, and continue do so each year provided that the total deducted amounts for the reserve do not exceed 25% of the Group's capital. For the purposes of this law, net profits represent profits before the income tax provision deduction. This reserve is not available for distribution to shareholders.

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(20) REVENUES AND COMMISSIONS FROM COMMERCIAL FINANCING, MURABAHAH AND FINANCE LEASE

	<u>2024</u>	<u>2023</u>
	JD	JD
Interest income	14,982,686	12,360,442
Commissions	4,996,290	3,944,295
	<u>19,978,976</u>	<u>16,304,737</u>

(21) OTHER REVENUE

	<u>2024</u>	<u>2023</u>
	JD	JD
File opening fees	644,416	567,629
Collection fees, late fines, returned checks, and others	512,719	418,239
Gain on sale of investment properties	90,705	31,719
Bad debt income	20,272	4,841
Instalment postponement fees	9,270	27,976
Gain on sale of assets foreclosed against defaulted loans	9,196	685
Gain on sale of property and equipment	6,424	18,434
Credit card revenues	-	446
Others	48,247	41,317
	<u>1,341,249</u>	<u>1,111,286</u>

(22) SALARIES, WAGES AND EMPLOYEES' BENEFITS

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries and wages	1,081,146	1,022,179
Bonuses and incentives	663,380	447,774
Group's share in social security	134,514	129,308
Health insurance	113,306	109,745
Others	17,428	15,272
	<u>2,009,774</u>	<u>1,724,278</u>

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(23) OTHER EXPENSES

	<u>2024</u>	<u>2023</u>
	JD	JD
Real estate and life insurance expenses – clients	636,121	414,750
maintenance	101,338	77,586
Sales tax	52,148	48,732
Transportation allowance and remuneration for members of the Board of Directors	50,000	50,000
Communications and postal expenses	42,405	44,771
Fees and subscriptions	36,368	27,370
Stationery and publications	26,067	24,058
Professional fees	21,817	21,378
Travel and transportation	20,230	22,187
Hospitality	19,460	14,989
Commercial commissions	14,484	19,207
Advertising	14,134	13,610
Audit fees	13,250	20,480
Case fees	16,392	8,250
Water and electricity	5,099	9,580
General Assembly meeting expenses	2,752	1,147
Other	126,256	153,252
	<u>1,198,321</u>	<u>971,347</u>

(24) FINANCE EXPENSES

	<u>2024</u>	<u>2023</u>
	JD	JD
Interest on borrowing facilities	6,536,291	5,048,392
Interest on lease liabilities (Note 8)	22,463	28,516
	<u>6,558,754</u>	<u>5,076,908</u>

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(25) RELATED PARTY TRANSACTIONS AND BALANCES

Relevant stakeholders include major group contributors, board members and controlled enterprises by them, their families or those with significant administrative influence, as well as key management personnel.

Consolidated statement of financial position

	Parent Company	31 December 2024	31 December 2023
	JD	JD	JD
Financial assets at amortised cost	-	-	8,439
Borrowings	139,958	139,958	551,809
Current accounts (Cash at banks)	21,723	21,723	2,059,643

Consolidated statement of comprehensive income

	Related Party			
	Sister Company	Parent Company	Employees, relatives, board members and their relatives	
			JD	JD
	JD	JD	2024	2023
Instalments revenue	-	-	1,641	910
Expenses of financing borrowings	-	28,743	28,743	32,211
Deposit income	-	130,644	130,644	84,247
An operating-investment lease contract to finance the supply chain	13,920	-	13,920	13,920
Commissions for financial investments -Invest Bank	-	5,000	5,000	-
An operating lease contract – Invest Bank	-	31,300	31,300	31,300

The Group obtained a letter of assurance issued by the ultimate parent company regarding the facilities granted to the group in the form of overdraft from local banks.

Executive management salaries and remuneration

Salaries and remuneration of the executive management of the Group amounted to JD 431,759 for the year ended 31 December 2024 (2023: JD 403,060).

(26) BASIC AND DILUTED EARNINGS PER SHARE FROM PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS

	2024 JD	2023 JD
Profit for the year (JD)	7,576,051	6,172,849
Weighted average number of outstanding shares (share)	16,500,000	16,500,000
	0.459	0.374

The basic earnings per share from the net profit for the year equals the diluted earnings as the Group did not issue any financial instruments that may have an impact on the basic earnings per share.

(27) CONTINGENT LIABILITIES

At the consolidated financial statements date, the Group has contingent liabilities as follows:

	2024 JD	2023 JD
Bank guarantees	250,000	2,000

Lawsuits against the Group

Jordan Trade Facilities Company (Parent company):

The value of legal cases filed against the Company amounted to JD 116,389 as at 31 December 2024 (31 December 2023: JD 153,045), while the balance of provisions recorded against these cases amounted to JD 230,000 as at 31 December 2024 (31 December 2023: 220,000 JD) and in the opinion of the management and the legal counsel of the Company, the Company will not incur any additional obligations in respect of with these cases.

Jordan Facilities for Leasing Company (Subsidiary)

The value of the cases filed against the Company amounted to nil as of 31 December 2024 (31 December 2023: JD 10,001), while the balance of allocations to confront these cases amounted to JD nil as of 31 December 2024 (31 December 2023: JD 65,000), according to the estimation of the management and the company's legal advisor. The Company will not have any additional obligations for these issues.

(28) SUBSEQUENT EVENTS

The Group extinguished the bonds of the Jordan Trade Facilities Company, a public shareholding company, which were issued on January 6, 2024, with a total value of JD 4,160,000, and a number of 416 bonds with a nominal value of JD 10,000 per bond and a fixed interest rate of 7.5%, due on January 6, 2025. On the maturity date of January 6, 2025, the full balance of the bonds amounting to JD 4,160,000 was paid, in addition to the interest due for the period from July 9, 2024 to January 6, 2025, amounting to JD 155,572. The Group paid the full balance of the bonds and the interest due to the beneficiaries on the same date, and thus the entire aforementioned bond loan was extinguished.