

To: Jordan Securities Commission

Amman Stock Exchange

Date: 4/11/2019

Subject: Quarterly Report as of September 30, 2019

Attached the Quarterly Report of (Jordan Investment Trust) as of September 30, 2019 in English.

Regards

Jordan Investment Trust

Ahmad H. Tantash

CEO

Jordinvest

Jordan Investment Trust P.L.C
Amman Jordan

- To Securities depository center

السادة هيئة الأوراق المالية المحترمين

السادة بورصة عمان المحترمين

التاريخ: ٤/١١/٢٠١٩

الموضوع: التقرير ربع السنوي كما هي في 2019/9/30

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الثقة للاستثمارات الأردنية كما هي بتاريخ 2019/9/30 باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام،،،

شركة الثقة للاستثمارات الأردنية

الرئيس التنفيذي /

احمد طنطش

جوردي انفست

شركة الثقة للاستثمارات الأردنية م.ع.م

عمان - الأردن

نسخة السادة مركز إيداع الأوراق المالية

بورصة عمان
الدائرة الإدارية والمالية
الديوان

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5073

الرقم المتسلسل:

21039

رقم الملف:

الجهة المختصة:

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

30 SEPTEMBER 2019

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

Introduction

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

Scope of review

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

Conclusion

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

Amman – Jordan
29 October 2019



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

		30 September 2019	31 December 2018
	<u>Notes</u>	JD (Unaudited)	JD (Audited)
<u>ASSETS</u>			
Cash on hand and at banks		603,438	285,876
Financial assets at fair value through profit or loss		1,899,920	1,894,156
Financial assets at fair value through other comprehensive income		4,248,604	4,256,007
Accounts receivable - net		101,944	102,497
Investment in associate	4	19,109,636	13,313,523
Other debit balances		460,066	410,633
Property and equipment		2,208,635	2,255,169
Investment properties		9,103,614	9,253,622
Total Assets		37,735,857	31,771,483
<u>LIABILITIES AND EQUITY</u>			
Liabilities -			
Loans	7	593,908	681,955
Brokerage customers payables		84,432	51,087
Other credit balances		773,712	843,084
Income tax provision	9	764,266	40,251
Total Liabilities		2,216,318	1,616,377
Equity -			
Shareholders equity			
Paid in capital	11	27,270,078	29,513,889
Treasury shares	11	-	(3,130,164)
Share premium		-	746,349
Statutory reserve	10	1,342,748	2,627,073
Voluntary reserve	10	-	154,602
Fair value reserve		(264,448)	(252,131)
Retained earnings (Accumulated losses)		5,250,107	(1,438,927)
Shareholders equity		33,598,485	28,220,691
Non-controlling interests		1,921,054	1,934,415
Net Equity		35,519,539	30,155,106
Total Liabilities and Equity		37,735,857	31,771,483

The accompanying notes from 1 to 13 form part of these interim condensed consolidated financial statements and to be read with the review report

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

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2019	2018	2019	2018
		JD	JD	JD	JD
Revenues -					
Interest income		6,145	2,705	18,103	16,303
Profit (loss) from financial assets at fair value through profit or loss	5	(30,404)	(77,342)	204,154	(87,666)
Brokerage commissions		3,174	1,783	7,655	15,741
Share of profit from associate	4	6,117,426	175,307	6,690,819	601,382
Others		32,284	35,415	98,366	126,637
Net revenue		6,128,625	137,868	7,019,097	672,397
Expenses -					
Interest and commission		(17,734)	(5,451)	(53,321)	(18,135)
Administrative expenses		(200,750)	(227,049)	(590,965)	(613,538)
Depreciation and amortization		(31,686)	(37,015)	(97,061)	(226,041)
Provision for impairment of investment properties		(81,794)	-	(141,794)	-
Other expenses		-	(2,625)	-	(13,633)
Total Expenses		(331,964)	(272,140)	(883,141)	(871,347)
Profit (loss) before income tax		5,796,661	(134,272)	6,135,956	(198,950)
Income tax expense		(726,092)	2,425	(764,120)	(34,395)
Profit (loss) for the period		5,070,569	(131,847)	5,371,836	(233,345)
Attributable to:					
Shareholders of the company		5,077,723	(124,544)	5,390,111	(210,507)
Non-controlling interests		(7,154)	(7,303)	(18,275)	(22,838)
		5,070,569	(131,847)	5,371,836	(233,345)
		<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>
Basic and diluted earnings Profit (loss) per share for the period		0/186	(0/005)	0/197	(0/008)

The accompanying notes from 1 to 13 form part of these interim condensed consolidated financial statements and to be read with the review report

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

	For the three months ended 30 September		For the nine months ended 30 September	
	2019	2018	2019	2018
	JD	JD	JD	JD
Profit (loss) for the period	5,070,569	(131,847)	5,371,836	(233,345)
Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Change in fair value of financial assets at fair value through other comprehensive income	138,841	(128,739)	(7,403)	(549,859)
Total comprehensive income for the period	5,209,410	(260,586)	5,364,433	(783,204)
Attributable to:				
Shareholders of the company	5,215,543	(253,283)	5,377,794	(760,366)
Non-controlling interests	(6,133)	(7,303)	(13,361)	(22,838)
	5,209,410	(260,586)	5,364,433	(783,204)

The accompanying notes from 1 to 13 form part of these interim condensed consolidated financial statements and to be read with the review report

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

	Attributable to equity shareholders of the company												
	Reserves						Retained earnings			Non-			
	Paid in capital	Treasury Shares	Share premium	Statutory	Voluntary	Fair value reserve	(Accumulated losses) *	Total	controlling interest	Total			
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
For the nine months period ended 30 September 2019-													
Balance as of 1 January 2019	29,513,889	(3,130,164)	746,349	2,627,073	154,602	(252,131)	(1,438,927)	28,220,691	1,934,415	30,155,106			
Treasury shares write off (note 11)	(2,243,811)	3,130,164	(746,349)	-	-	-	(140,004)	-	-	-			
Accumulated losses write off (note 10)	-	-	-	(1,284,325)	(154,602)	-	1,438,927	-	-	-			
Total comprehensive income for the period	-	-	-	-	-	(12,317)	5,390,111	5,377,794	(13,361)	5,364,433			
Balance as of 30 September 2019	27,270,078	-	-	1,342,748	-	(264,448)	5,250,107	33,598,485	1,921,054	35,519,539			
For the nine months period ended 30 September 2018 -													
Balance as of 1 January 2018	29,513,889	(3,130,164)	746,349	2,627,073	154,602	(153,675)	(108,401)	29,649,673	1,977,918	31,627,591			
Effect of adopting IFRS 9	-	-	-	-	-	766,818	(916,818)	(150,000)	-	(150,000)			
Balance as of 1 January 2018 (restated)	29,513,889	(3,130,164)	746,349	2,627,073	154,602	613,143	(1,025,219)	29,499,673	1,977,918	31,477,591			
Total comprehensive income for the period	-	-	-	-	-	(549,859)	(210,507)	(760,366)	(22,838)	(783,204)			
Profit from selling financial assets at fair value through other comprehensive income	-	-	-	-	-	(1,684)	1,684	-	-	-			
Balance as of 30 September 2018	29,513,889	(3,130,164)	746,349	2,627,073	154,602	61,600	(1,234,042)	28,739,307	1,955,080	30,694,387			

* There is a restricted amount of JD 264,448 as at 30 September 2019 from the retained earnings which represents the negative fair value reserve.

The accompanying notes from 1 to 13 form part of these interim condensed consolidated financial statements and to be read with the review report

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

	Notes	For the nine months ended 30	
		September	
		2019	2018
		JD	JD
<u>OPERATING ACTIVITIES</u>			
Profit (loss) before income tax		6,135,956	(198,950)
Adjustments			
Depreciation and amortization		97,061	226,041
Change in fair value of financial assets at fair value through profit and loss	5	13,522	301,659
Interest Income		(18,103)	(16,303)
Share of profit from associate	4	(6,690,819)	(601,382)
End of Service Indemnity		-	18,922
Provision for impairment of investment properties		141,794	-
Changes in working capital -			
Financial assets at fair value through profit or loss		(19,286)	(142,625)
Accounts receivable and other debit balances		(48,880)	4,587
Accounts payable and other credit balances		(36,027)	(71,205)
Income tax paid	9	(40,105)	(62,629)
Net cash flows (used in) operating activities		(464,887)	(541,885)
<u>INVESTING ACTIVITIES</u>			
Purchase of investment properties		(36,700)	(114,627)
Sale of financial assets at fair value through other comprehensive income		-	12,048
Dividends received from associate	4	894,706	-
Received interest Income		18,103	16,303
Purchase of property and equipment		(5,613)	(52,822)
Net cash flows from (used in) investing activities		870,496	(139,098)
<u>FINANCING ACTIVITIES</u>			
Loans		(88,047)	(83,464)
Net cash flows (used in) financing activities		(88,047)	(83,464)
Net increase (decrease) in cash and cash equivalents		317,562	(764,447)
Cash and cash equivalents at beginning of the period		285,876	1,016,777
Cash and cash equivalents at end of the period		603,438	252,330

The accompanying notes from 1 to 13 form part of these interim condensed consolidated financial statements and to be read with the review report

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

(1) GENERAL

Jordan Investment Trust was incorporated in Jordan as a public shareholding company and registered on April 23, 1998 with an authorized capital of JD 20,000,000 divided into 20,000,000 shares, at a per value of 1 JD each. The authorized, issued and paid up capital was increased several times over the years to reach JD27,270,078 as of 30 September 2019 (Note 11).

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

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

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

These financial statements were authorized for issuance by the Board of Directors on 27 October 2019.

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

(2) BASIS OF PREPARATION

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

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

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

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

BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

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

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

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

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

IFRS 16 Leases

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

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

There are no Major lease contracts with contractual duration more than 12 months, according to that the adoption of IFRS 16 did not have material impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments do not have any impact on the Groups interim condensed consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

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

These amendments do not have any impact on the Groups interim condensed consolidated financial statements.

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

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

These amendments do not have any impact on the Groups interim condensed consolidated financial statements.

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

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

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

These amendments do not have any impact on the Groups interim condensed consolidated financial statements.

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

(3) SEGMENT INFORMATION

Main business segment information:

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

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

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

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

Below are the segment information:

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
				(Unaudited)
For the nine months ended 30 September 2019 –				
Segment revenues	6,921	88	10	7,019
Allocated expenses	(558)	(219)	(106)	(883)
Profit (loss) before income tax	6,363	(131)	(96)	6,136
Income tax expense	(764)	-	-	(764)
Profit for the period				5,372
	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
For the nine months ended 30 September 2018 -				
Segment revenues	546	94	32	672
Allocated expenses	(526)	(78)	(267)	(871)
Profit (loss) before income tax	20	16	(235)	(199)
Income tax expense	(34)	-	-	(34)
Loss for the period				(233)

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

	<u>Financial Investments</u> JD'000	<u>Investment properties</u> JD'000	<u>Others</u> JD'000	<u>Total</u> JD'000 (Unaudited)
30 September 2019 -				
Assets and Liabilities				
Segment assets	28,070	9,103	563	<u>37,736</u>
Segment liabilities	1,368	58	790	<u>2,216</u>
Other segment information for the nine months ended 30 September 2019 -				
Depreciation and Amortization				<u>97</u>

	<u>Financial Investments</u> JD'000	<u>Investment properties</u> JD'000	<u>Others</u> JD'000	<u>Total</u> JD'000 (Audited)
31 December 2018 -				
Assets and Liabilities				
Segment assets	22,004	9,254	513	<u>31,771</u>
Segment liabilities	1,267	63	286	<u>1,616</u>
Other segment information for or the nine months ended 30 September 2018 -				
Depreciation and amortization				<u>226</u>

(4) INVESTMENT IN ASSOCIATE

This item represents the following:

	<u>Ownership percentage</u> %	<u>Country of incorporation</u>	<u>Nature of activity</u>	<u>30 September 2019</u> JD (Unaudited)	<u>31 December 2018</u> JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	<u>19,109,636</u>	<u>13,313,523</u>

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

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

	30 September 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	13,313,523	12,489,814
Share from associate's profit	6,690,819	823,709
Dividends received from associate	(894,706)	-
Balance at the end of the period/ year	<u>19,109,636</u>	<u>13,313,523</u>

The Group's share of profit from Investment in associate was determined based on an unaudited financial statements for the period ended 30 September 2019, which include a capital gain from selling one of its subsidiaries during September 2019.

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

	For the nine months ended 30 September	
	2019	2018
	JD (Unaudited)	JD (Unaudited)
Realized gain	-	3,153
Change in fair value of financial assets at fair value through profit or loss	(13,522)	(301,659)
Dividends income	217,676	210,840
	<u>204,154</u>	<u>(87,666)</u>

(6) CONTINGENT LIABILITIES

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

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

(7) LOANS

This item represents the following:

	Loan installments		30 September 2019	31 December 2018
	Short term	Long term		
	JD	JD	JD (Unaudited)	JD (Audited)
The Bank of Jordan (1)	33,000	34,597	67,597	92,347
The Bank of Jordan (2)	12,396	27,915	40,311	49,608
The Bank of Jordan (3)	108,000	378,000	486,000	540,000
			<u>593,908</u>	<u>681,955</u>

The Bank of Jordan Loan (1)

On 2 September 2010, loan agreement was signed with the Bank of Jordan for an amount of JD 1,650,000 at annual interest rate of 8.5%. The loan is due after a grace period of 2 years over 60 monthly installments by JD 32,616 for each. The first installment due on 19 September 2012, and its secured by the mortgage of the property owned by Al Tawon Real Estate Management Company (Subsidiary) amounting to JD 900,000. During 2018 the loan was rescheduled so that monthly installment has become JD 2,750 instead of JD 32,616 starting from 14 November 2018 and hold interest rate of 9%.

The Bank of Jordan Loan (2)

On 11 January 2017, loan agreement was signed with the Bank of Jordan for an amount of JD 74,400 at annual interest rate of 8.75%. The loan is payable in 60 monthly installments of JD 1,033 each, starting on 31 January 2017. The loan was used to finance the purchase of new vehicle.

The Bank of Jordan Loan (3)

On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 9%. The loan is payable in 60 monthly installments by JD 9,000 each, starting on 21 April 2018. The loan is secured by the mortgage of the property owned by AlTawon Real Estate Management Company (Subsidiary) by JD 900,000.

(8) OFF-STATEMENT OF FINANCIAL POSITION ITEMS

The Group holds investments for others amounting to JD 658,181 as at 30 September 2019 (31 December 2018: JD 544,940).

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(9) INCOME TAX

Movement on income tax provision is as follows:

	30 September 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	40,251	35,834
Income tax provision for the period/ year	764,120	39,920
Paid income tax	(40,105)	(75,503)
Subsidiaries income tax	-	40,000
Balance at the end of the period/ year	<u>764,266</u>	<u>40,251</u>

The income tax provision for the period ended 30 September 2019 was calculated in accordance with the income tax law No. 38 of 2018 (30 September 2018: was calculated in accordance with tax law No. (34) of 2014).

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

Imcan for Financial Services submitted its tax declaration for the years from 2015 to 2018, however the Income and Sales Tax Department did not review the records up to the date of preparing these financial statements. Final settlement with the Income and Sales Tax Department was reached up to the year 2014.

Al-lhadathiat Real Estate company has reached to a final settlement with the Income and Sales tax Department up to the year 2014 and submitted its tax declaration for the years 2015, 2016 and 2018. The tax declaration for 2017 was accepted in the tax sample and the records were not reviewed by the Income and Sales Tax Department.

(10) STATUTORY RESERVE

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

The Group did not allocate statutory reserve according to the Jordanian Companies Law since these are interim financial statement.

(11) EQUITY

The Shareholders' general assembly approved in its extraordinary meeting on 25 April 2019 to transfer 2,053,806 treasury shares with par value of JD 1 and a cost of JD1.382 from Trust and Dubai Investment (a subsidiary) to Jordan Investment Trust Company. This will result in a discount of JD 783,749 that will be accounted for in the shares premium and retained earnings, so that the balance of the share premium will be zero. The legal procedures of transferring the shares from Trust and Dubai Investment Company to Jordan Investment Trust Company were completed on 10 July 2019.

Also, the general assembly approved to reduce the Company's share capital by 2,243,811 shares so that the authorized, issued and paid up capital will be 27,270,078 shares instead of 29,513,889 shares through the write-off for 2,053,806 treasury shares of Trust and Dubai Investments (a subsidiary) that will be transferred to Jordan Investment Trust Company, and the 190,005 treasury shares owned by Jordan Investment Trust Company. The Legal procedures to reduce share capital were completed and approved by the Ministry of Industry and Trade on 3 September 2019, and by Securities Depository Center on 30 September 2019.

(12) RELATED PARTIES TRANSACTIONS

Related parties Transactions represent the transactions made with associated companies, major shareholders, directors, and key management personnel of the Group, and entities controlled by shareholders. Pricing policies and terms of the transactions with related parties were approved by the Group's management.

Executive management's Compensations and remunerations

The remuneration of executive management was as follows:

	For the nine months ended 30 September	
	2019	2018
	JD (Unaudited)	JD (Unaudited)
Salaries and compensations	177,179	172,979
Subsidiaries		

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

Company's name	Country of incorporation	Ownership percentage	Company's capital	
			30 September 2019	31 December 2018
		%	JD (Unaudited)	JD (Audited)
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	77	1,291,740	1,300,000
Akar Limited Company	British Virgin Islands	100	300,000	300,000
Amwaj Financial Investments	Jordan	100	60,000	60,000
Mazaya Financial Investments	Jordan	100	60,000	60,000
Burhan Al-Thiqa Financial Investments	Jordan	100	60,000	60,000
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham Financial Investments	Jordan	100	81,000	81,000
Trust and Hospitality Financial Investments	Jordan	100	2,000,000	2,000,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
The Arabian Coffee	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al Olbah Real Estate	Jordan	100	50,000	50,000
Al Tawon for Real Estate Management	Jordan	100	10,000	10,000
Al-Ihdathiat Real Estate Company	Jordan	58	4,486,627	4,486,627
Trust and Dubai Investment	Jordan	100	2,334,842	2,334,842

(13) COMPARATIVE FIGURES

Some of 31 December 2018 balances were reclassified to correspond with 30 September 2019 presentation, the reclassification has no effect on the net losses or equity for the year 2018.