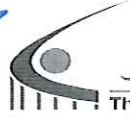


نموذج رقم (5-1)

Form No. (1-5)



بنك الإسكان للتجارة والتمويل
The Housing Bank for Trade & Finance

Ref : 215/9/2020

Date : 25/06/2020

الرقم : 2020/9/215

التاريخ : 2020/06/25

To : Jordan Securities Commission
Amman Stock Market

Subject: Quarterly Report as for 31/03/2020 .

السادة : هيئة الأوراق المالية

السادة : بورصة عمان

الموضوع : البيانات المالية المرحلية الموحدة المختصرة كما في
31 آذار / مارس 2020 .

Attached the Quarterly Report of interim condensed consolidated financial statements for The Housing Bank for Trade and Finance, after being reviewed by the external auditors as of 31st March 2020.

مرفق طيه نسخة من البيانات المالية المرحلية الموحدة المختصرة لشركة (بنك الإسكان للتجارة والتمويل) بعد مراجعتها من قبل مدققي الحسابات كما هي بتاريخ 31 آذار / مارس 2020 .

Kindly accept high appreciation and respect

وتفضلوا بقبول فائق الاحترام ،،

The Housing Bank for Trade and Finance

بنك الاسكان للتجارة والتمويل

Chief Financial Officer

رئيس المجموعة المالية



THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE
THREE MONTHS ENDED MARCH 31, 2020
TOGETHER WITH THE REVIEW REPORT

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
MARCH 31, 2020

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Review Report on the Condensed Consolidated Interim Financial Information

AM/ 010923

H.E. The Chairman and Board of Directors Members
The Housing Bank for Trade and Finance
(Public Shareholding Limited Company)
Amman - The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of The Housing Bank for Trade and Finance (Public Shareholding Limited Company) as of March 31, 2020 and the related condensed consolidated interim statements of profit or loss and comprehensive Income for the three months ended on March 31, 2020, and changes in owners' equity and cash flows for the three-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with the international accounting standard No.(34) "Interim Financial Reporting" as adopted by the Central Bank of Jordan. Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No.2410, "Review of Condensed Interim Financial Information Performed by the Independent Auditor". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, 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 condensed consolidated interim financial information are not prepared, in all material respects in accordance with the International Accounting Standard No. (34)" interim financial reporting as adopted by the Central Bank of Jordan ".

Other Matter

The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial statements in the Arabic language to which reference is to be made.

Amman - Jordan
May 19, 2020

Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)
ديلويت اند توش (الشرق الأوسط)

010103

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Assets:			
Cash and balances at central banks	5	1,062,312,170	1,114,595,764
Balances at banks and financial institutions - net	6	378,671,746	452,515,681
Deposits at banks and financial institutions - net	7	71,637,025	56,296,849
Financial assets at fair value through profit or loss	8	3,427,459	3,673,524
Direct credit facilities - net	10	4,213,017,202	4,158,821,005
Financial assets at fair value through other comprehensive income	9	378,808,874	388,454,051
Financial assets at amortized cost - net	11	1,846,658,722	1,826,623,951
Property and equipment - net		180,913,791	185,136,052
Intangible assets - net		22,861,824	23,582,588
Rights of use assets - net		26,639,457	28,702,451
Deferred tax assets		84,790,573	73,911,906
Other assets	12	142,272,299	128,935,815
TOTAL ASSETS		8,412,011,142	8,441,249,637
LIABILITIES AND OWNERS' EQUITY:			
LIABILITIES:			
Banks and financial institutions deposits		715,792,828	725,249,222
Customers' deposits	13	5,641,694,129	5,810,512,968
Cash margins		234,047,044	267,507,285
Borrowed funds	14	345,322,511	158,310,466
Sundry provisions		50,603,779	49,697,700
Income tax provision	15/a	41,511,283	43,188,532
Deferred tax liabilities		7,274,904	6,569,323
Lease liability		24,825,817	26,734,220
Other liabilities	16	224,515,962	229,666,079
TOTAL LIABILITIES		7,285,588,257	7,317,435,795
OWNERS' EQUITY:			
BANK'S SHAREHOLDERS EQUITY:			
Paid-up capital		315,000,000	315,000,000
Share premium		328,147,537	328,147,537
Statutory reserve		235,753,970	235,755,327
Special reserve		11,302,452	11,184,797
Foreign currencies translation		(120,078,464)	(112,455,441)
Fair value reserve - net	18	2,070,361	5,400,864
Retained earnings	19	285,149,402	285,267,050
Profit for the period		15,647,739	-
TOTAL BANK'S SHAREHOLDERS EQUITY		1,072,992,997	1,068,300,134
Non-controlling interest		53,429,888	55,513,708
TOTAL OWNERS' EQUITY		1,126,422,885	1,123,813,842
TOTAL LIABILITIES AND OWNERS' EQUITY		8,412,011,142	8,441,249,637

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

		For the Three Months Ended March 31,	
	Note	2020 (Reviewed)	2019 (Reviewed)
		JD	JD
Interest income	20	110,556,308	109,128,104
Interest expense	21	(32,090,613)	(35,718,135)
Net Interest Income		78,465,695	73,409,969
Net commission income		6,615,300	7,618,712
Net Interest and Commission Income		85,080,995	81,028,681
Gain from foreign currencies		3,086,919	2,630,514
(Loss) gain from financial assets at fair value through profit or loss	22	(233,685)	39,417
Cash dividends from financial assets at fair value through other comprehensive income		-	175,000
Other revenue		7,272,422	6,237,498
Total Income		95,206,651	90,111,110
Expenses			
Employees' expenses		21,089,377	20,568,861
Depreciation and amortization		6,301,657	4,915,993
Other expenses		13,662,695	11,680,971
Allowance for expected credit losses	17	25,930,959	16,014,926
Sundry provisions		325,557	484,466
Total Expenses		67,310,245	53,665,217
Profit for the period before income tax expense		27,896,406	36,445,893
Income tax expense	15/b	(11,324,453)	(11,435,244)
Profit for the Period		16,571,953	25,010,649
Attributable to:			
Bank's Shareholders		15,647,739	23,852,154
Non-Controlling Interest		924,214	1,158,495
		16,571,953	25,010,649
Basic and diluted earnings per share for the period attributable to the Bank's Shareholders	23	0.050	0.076

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM
STATEMENT OF COMPREHENSIVE INCOME

	For the Three Months Ended March 31,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Profit for the period	16,571,953	25,010,649
<u>Other comprehensive income items which may be reclassified to profit or loss in the subsequent period</u>		
Foreign currencies translation	(10,631,057)	1,654,110
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	(3,118,248)	2,639,501
<u>Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period</u>		
Net change in valuation reserve of financial assets at fair value through other comprehensive income after tax - equity instruments	(212,255)	-
Total other comprehensive income items for the period after tax	<u>(13,961,560)</u>	<u>4,293,611</u>
Total Comprehensive Income for the Period	<u>2,610,393</u>	<u>29,304,260</u>
<u>Attributable to:</u>		
Bank's shareholders	4,694,213	27,683,337
Non-controlling interest	(2,083,820)	1,620,923
	<u>2,610,393</u>	<u>29,304,260</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

	Bank's Shareholders' Equity							Total Shareholder's Equity	Non-controlling Interest	Total Owners' Equity
	Paid-up Capital	Share premium	Statutory Reserves	Special Reserve	Foreign Currency Translation	Fair value reserve - net	Retained Earnings			
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Three Months Ended March 31, 2020 (Reviewed)										
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	235,755,327	11,184,797	(112,455,441)	5,400,864	285,267,050	1,068,300,134	55,513,708	1,123,813,842
Prior years adjustments	-	-	(1,357)	117,655	-	-	(116,298)	-	-	-
Adjusted Beginning Balance for the Period (Reviewed)	315,000,000	328,147,537	235,753,970	11,302,452	(112,455,441)	5,400,864	285,150,752	1,068,300,134	55,513,708	1,123,813,842
Profit for the period	-	-	-	-	-	-	-	15,647,739	924,214	16,571,953
Net change in valuation reserve of financial assets at fair value through other comprehensive income - debt instruments	-	-	-	-	-	(3,118,248)	-	(3,118,248)	-	(3,118,248)
Net change in valuation reserve of financial assets at fair value through other comprehensive income - equity instruments	-	-	-	-	-	(212,255)	-	(212,255)	-	(212,255)
Foreign currencies translation	-	-	-	-	(7,623,023)	-	-	(7,623,023)	(3,008,034)	(10,631,057)
Total comprehensive income for the period	-	-	-	-	(7,623,023)	(3,330,503)	-	4,694,213	(2,083,820)	2,610,393
Realized gain from sold financial assets at fair value through other comprehensive income - equity instruments	-	-	-	-	-	-	(1,350)	(1,350)	-	(1,350)
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	235,753,970	11,302,452	(120,078,464)	2,070,361	285,149,402	1,072,992,997	53,429,888	1,126,422,885
For the Three Months Ended March 31, 2019 (Reviewed)										
Beginning Balance for the Period (Audited)	315,000,000	328,147,537	219,222,999	10,798,320	(113,597,748)	(2,219,625)	268,842,701	1,026,194,184	53,899,390	1,080,093,574
Profit for the period	-	-	-	-	-	-	-	23,852,154	1,158,495	25,010,649
Net change in valuation reserve of financial assets at fair value through other comprehensive income - debt instruments	-	-	-	-	-	2,639,501	-	2,639,501	-	2,639,501
Net change in valuation reserve of financial assets at fair value through other comprehensive income - equity instruments	-	-	-	-	-	-	-	-	-	-
Foreign currencies translation	-	-	-	-	1,191,682	-	-	1,191,682	452,248	1,654,110
Total comprehensive income for the period	-	-	-	-	1,191,682	2,639,501	-	23,852,154	1,602,923	29,304,260
Ending Balance for the Period (Reviewed)	315,000,000	328,147,537	219,222,999	10,798,320	(112,406,066)	419,876	268,842,701	1,053,877,521	55,520,313	1,109,397,834

- The Bank cannot use a restricted amount of JD 6,275,955 from retained earnings which represents the financial assets revaluation differences in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes an amount of JD 563,977, which represents the effect of early implementation of the International Financial Reporting Standard No (9). This amount may not be used except for the amounts actually realized from sale.
- The Bank cannot use a restricted amount of JD 84,790,573 from retained earnings which represents deferred tax assets which are restricted against capitalization or distribution only to the extent if actually recognized in accordance with the instructions of Central Bank of Jordan and the Jordanian Securities Commission.
- Retained earnings includes a restricted amount of JD 8,539,536, which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance / Syria for the current period and the prior years.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	For the Three Months Ended March 31,	
Note	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
OPERATING ACTIVITIES		
Profit for the period before income tax	27,896,406	36,445,893
Adjustments for non-cash items:		
Depreciation and amortization	6,301,657	4,915,993
Provision for expected credit losses	25,930,959	16,014,926
Net unrealized loss from the valuation of financial assets at fair value through profit or loss	233,685	(29,987)
Net accrued interest and commission income	(3,306,458)	1,651,289
Effect of the change in exchange rates on cash and cash equivalents	(1,190,366)	(725,055)
Provision for end of service indemnity expense	3,173,989	1,784,815
Premiums and discounts amortization	(293,593)	(159,423)
Sundry provisions	325,557	498,868
Others	821,950	450,387
Cash flows from operating activities before changes in assets and liabilities	59,893,786	60,847,706
Decrease (Increase) in Assets:		
Deposits at banks and financial institutions (maturing within more than 3 months)	(15,441,950)	(11,548,089)
Direct credit facilities	(72,613,560)	(46,116,860)
Financial assets at fair value through profit or loss	12,380	-
Other assets	(14,367,975)	(7,699,946)
Increase (Decrease) in Liabilities:		
Banks and financial institutions' deposits (maturing within more than 3 months)	123,729,415	90,382,800
Customers' deposits	(168,818,839)	(92,724,482)
Cash margins	(33,460,241)	8,556,685
Other liabilities	(2,015,939)	(2,971,451)
Sundry provisions	(1,090,989)	(1,179,819)
Net Cash Flow (Used in) Operating Activities Before Income Tax Payments	(124,173,912)	(2,453,456)
Income tax paid	15 (22,664,309)	(11,529,454)
Net Cash Flow (Used in) Operating Activities	(146,838,221)	(13,982,910)
INVESTING ACTIVITIES		
(Purchase) of financial assets at fair value through other comprehensive income	(43,612,850)	(18,259,300)
Sale /matured of financial assets at fair value through other comprehensive income	49,081,067	25,260,960
(Purchase) of financial assets at amortized cost	(44,843,856)	(170,828,430)
Matured financial assets at amortized cost	25,000,000	36,186,256
(Purchase) of property and equipment	(1,696,331)	(3,060,147)
Proceeds from sale of property and equipment	2,638	-
(Purchase) of intangible assets	(733,339)	(765,847)
Lease liability paid	(1,150,226)	(1,438,399)
Net Cash Flow (Used in) Investing Activities	(17,952,897)	(132,904,907)
FINANCING ACTIVITIES		
Borrowed funds	187,012,045	24,950,454
Dividends paid to shareholders	(32,942)	(30,943)
Non-controlling interest	-	-
Net Cash Flows from Financing Activities	186,979,103	24,919,511
Net Increase (Decrease) in Cash and Cash Equivalent	22,187,985	(121,968,306)
Effect of the change in exchange rates on cash and cash equivalents	(14,969,550)	2,793,965
Cash and cash equivalents - beginning of the period	909,289,435	1,266,920,934
Cash and Cash Equivalents - End of the Period	24 916,507,870	1,147,746,593

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

THE HOUSING BANK FOR TRADE AND FINANCE
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

1. Incorporation and Activities

- The Housing Bank for Trade and Finance ("the Bank") was established in 1973 and registered as a public shareholding limited company in accordance with the Jordanian Companies Law No. (12) of 1964.
- The Bank provides its banking and financing business activities through its headquarter in Amman – Jordan and through its branches in Jordan (125 branches) and abroad in Palestine and Bahrain (16 branches) and through its subsidiaries in Jordan, Syria, Algeria and the United Kingdom.
- The Bank's shares are traded on Amman Stock Exchange.
- The condensed consolidated interim financial information were approved by the Bank's Board of Directors on May 13, 2020.

2. Basis of Preparation of the Condensed Consolidated Interim Financial Information

- The accompanying condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard No. (34) "Interim Financial Reporting", as adopted by the Central Bank of Jordan.
- The condensed consolidated interim financial information are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities which are stated at fair value at the date of the condensed consolidated interim financial information.
- The reporting currency of the condensed consolidated interim financial information is the Jordanian Dinar, which is the functional currency of the Bank.
- The condensed consolidated interim financial information do not include all notes and information presented in the annual financial statements which is prepared in accordance with the international financial reporting standards as adopted by the Central Bank of Jordan and should be read with the Bank's annual report for the year ended December 31, 2019. The results of the three months ended March 31, 2020 do not indicate the expected results for the year ended December 31, 2020. There was no appropriation of the profit of the three months ended March 31, 2020 which is usually performed at year end.
- The condensed consolidated interim financial information includes the condensed interim financial information of the Bank and its subsidiaries under its control. Control is achieved when the Bank has the ability to control the financial and operational policies of subsidiaries in order to obtain benefits from their activities. Transactions, balances, revenue and expenses between the bank and its subsidiaries are eliminated.

As of March 31, 2020, the Bank owns the following subsidiaries:

a. Foreign subsidiaries:

- International Bank for Trade and Finance / Syria : paid-in capital is Syrian Lira 5.25 billion, of which the Bank owns 49.063%. The Bank has the power to control the administrative and financial policies of this bank. Therefore, its financial statements have been consolidated with the financial statements of the Bank. In this regard, the Bank's main objective is to conduct commercial banking activities, and ownership of this bank dates back to 2003. In addition, the International Bank for Trade and Finance has a subsidiary – The International Financial Center/ Syria with an ownership percentage of 85% of the company's capital amounting to 100 million SYL, whereas The Housing Bank for Trade and Finance owns a percentage of 5% of the company's capital.
- Housing Bank for Trade and Finance – Algeria : the ownership is 85% of the bank's capital of 15 billion Algerian dinars. The main objective of this bank is to conduct commercial banking activities, and ownership of this bank dates back to 2002.
- Jordan International Bank / London: the Bank ownership is 75% of paid-up capital, which amounts to 65 million pounds sterling (65 million shares). The main objective of this bank is to conduct banking activities.

b. Local subsidiaries:

- International Financial Center Company- Jordan : the Bank ownership is 77.5% of paid-up capital, which amounted to JD 5 million. The Company's main activity is financial brokerage in local and foreign markets, and it conducts purchase and sale transactions of financial instruments for customers and the company. The Bank's ownership in this company dates back to 1998.
- Specialized Lease Finance Company – Jordan : the Bank owns 100% of paid- in capital of JD 30 millions (30 million shares). The Company's main activity is to conduct finance leases for various types of equipment and machinery, in addition to real estate, land, vehicles, and other items purchased by the company for finance lease purposes. The Bank's ownership in this company dates back to 2005.
- Jordan Real Estate Investments Company – Jordan: the Bank owns 100% of this company's paid- in capital of JD 40,000. The company's main activity is managing non- banking services employees, and the Bank's ownership in this company dates back to 1997.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on March 31, 2020 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2019. However, the Group has adopted the following amendments and interpretations that apply for the first time in 2020 and do not have an impact on the condensed consolidated interim financial information of the Bank:

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised *Conceptual Framework*, which became effective upon publication on 29 March 2018, the IASB has also issued *Amendments to References to the Conceptual Framework* in *IFRS Standards*. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework*.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020, with early application permitted.

4. Significant Accounting Judgments and key Sources of Uncertainty

Estimates:

Preparation of the condensed consolidated interim financial information and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities, and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the condensed consolidated interim statement of comprehensive income and within shareholders' equity. In particular, the Bank's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple assumptions and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

The critical judgements and estimates used in the preparation of these condensed consolidated interim financial information are consistent with those used in the preparation of the Bank's annual financial statements for the year ended December 31, 2019, except for the following:

The Coronavirus (Covid-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity. Also, this event is witnessing continuous and rapid developments, which required the Group's management to conduct an evaluation of the expected effects on the Group's business inside and outside the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim consolidated financial statements as of March 31, 2020. Accordingly, the Bank has taken the following measures to contain the crisis:

A. The Bank's plan to address the new Corona virus (COVID-19) pandemic

Before announcing any case of infection in Jordan, the Supreme Committee for Emergency has taken all necessary measures to ensure business continuity and customer service in the event of any emergency, through the formation of a specialized team to manage the crisis of the Corona virus spread in coordination with various sector heads and executives to ensure the implementation of a set of procedures, the most important of which are the following:

- Providing alternative locations for staff distribution to ensure work continuity and to maintain social distancing among employees.
- Activating the remote work feature for sensitive jobs in order to ensure the continuity of the provision of customer service through electronic channels and ATMs.
- Maintaining the safety of both employees and clients by taking all measures related to the sterilization of branches and workplaces.

B. The impact of the new coronavirus (COVID-19) outbreak on the results of the Bank's operations

- In order to assess the crisis expected impact on the the expected credit losses calculation results, a set of assumptions was used, based on the interplay of two main pillars that enable the Bank to monitor the impact of the crisis on its business. These two pillars are the following:
- Global practices for calculating credit losses based on International Financial Reporting Standard No. (9), and amendment of the calculation models developed for this purpose in a manner that leads to taking into account the impact of (COVID-19) event , and reaching reasonable expectations for the expected outputs of the impact.
- Management's overlay in assessing the impact on specific sectors or specific clients based on the study of each sector or customer separately.

The affected sectors have been divided into three main levels:

- Unaffected (low-risk) sectors
- Moderately affected sectors (medium risk)
- Highly affected sectors (high risk)

Reference has been made to the historical global economic indicators according to data maintained by Moody's Co., relating to economic crises, including: The crisis related to the economic downturn that occurred in 2001, as a result of the events of September 11th, whose impact was of medium intensity. As such, this was relatively relied upon for the sectors moderately affected. In addition, the crisis related to the economic downturn that occurred in 2008, which had a significant impact and was relatively relied upon for the sectors that were highly affected. Accordingly the following proposals have been made:

Impacting scenario ratios

According to the instructions of the Central Bank of Jordan regarding the application of International Financial Reporting Standard No. (9), banks must conduct several scenarios when calculating the expected credit losses, so that the final outcome of the results represents the "expected weighted credit losses for the scenarios". In this respect, the Bank adopts three scenarios: Base Scenario, Upturn Scenario, and Downturn Scenario. The weights of these scenarios are determined based on the results of the Normal Distribution Curve.

Probability of Default (PD) Ratios Scenarios

The Bank's sectors have been divided into the above-mentioned three levels, according to the Bank's estimates by the Business Sectors Division for the sectors most affected by the crisis and the severity of the impact according to the current conditions.

In coordination with the Business Sectors Department, the sectors most affected by the current crisis have been determined in order to reflect the impact of the crisis on the calculation models.

In coordination with the Bank's external consultants, the Bank's proposed methodology is to be discussed, and the best practices adopted by various banks in this regard are to be reviewed. The recommendation was that the effects of the crisis at the level of many countries have included all sectors due to its overlapping impact within several sectors. Therefore, all economic sectors have necessarily been greatly affected by the crisis. Accordingly, based on this recommendation, the following scenario has been adopted at the level of all economic sectors of the components of the portfolio, and the following weights have been applied:

	Weight %
Upturn Scenario	0%
Base Scenario	60%
Downturn Scenario	40%

Loss Given Default (LGD)

The calculated Loss Given Default (LGD) for all scenarios and stages has been raised by 5.35% for all accounts, according to historical data on default conditions and the amount of recovery for the previous 15 years obtained by Moody's. Moreover, the expected cash flows from the collaterals against the granted credit facilities have been reconsidered.

Management Overlay

The Bank's management has reached logical expectations regarding the outputs of this event, in addition to reflecting the Bank's management overlay in assessing the impact on some sectors or some clients based on the study of each sector or customer separately.

C. The effect of the coronavirus (COVID-19) outbreak on the Bank's liquidity levels

The Bank has prepared all scenarios related to stressful situations, and it enjoys comfortable levels that enable it to respond to market conditions. In addition, the measures adopted by the Central Bank of Jordan have significantly enhanced the liquidity of the Jordanian banking system.

5. Cash and Balances at Central Banks

The details of this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Cash on hand and treasury	153,945,894	146,664,149
Balance at central banks :		
Current accounts and demand deposits	538,017,762	494,632,182
Term and notice deposits	43,189,059	46,442,778
Statutory cash reserve	327,226,168	341,875,608
Certificates of deposit *	-	85,004,400
Total Balances at Central Banks	908,432,989	967,954,968
Sub Total	1,062,378,883	1,114,619,117
Provision for expected credit losses	(66,713)	(23,353)
Total	1,062,312,170	1,114,595,764

* There are no certificate of deposits purchased from the Central Bank of Jordan as of March 31, 2020. The outstanding balance as of December 31, 2019 maturing within a period less than three months.

- Except for the statutory cash reserve, there are no restrictions balances as of March 31, 2020 and December 31, 2019.

- There is no transfers between stages (1, 2 and 3) or written off balances during the three months period ended March 31, 2020 and for the year ended December 31, 2019.

6. Balances at Banks and Financial Institutions-net

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD	JD	JD	JD	JD
Current and demand accounts	586,318	34,104,009	89,053,356	155,112,950	89,639,674	189,216,959
Deposits maturing during three months or less	85,096,167	99,804,101	204,270,134	163,712,055	289,366,301	263,516,156
Total	85,682,485	133,908,110	293,323,490	318,825,005	379,005,975	452,733,115
Provision for expected credit losses	(194,637)	(206,701)	(139,592)	(10,733)	(334,229)	(217,434)
Net	85,487,848	133,701,409	293,183,898	318,814,272	378,671,746	452,515,681

- Non-interest bearing balances at banks and financial institutions amounted to JD 39,994,642 as of March 31, 2020 (JD 28,830,901 as of December 31, 2019).
- There are no restricted balances as of March 31, 2020 and December 31, 2019.
- There is no transfers between stages (1, 2 and 3) or written off balances during the three months period ended March 31, 2020 and for the year ended December 31, 2019.

7. Deposits at Banks and Financial Institutions

The details of this item are as follows:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD	JD	JD	JD	JD
Deposits mature during the period:						
From 3 months to 6 months	30,000,000	-	19,832,307	7,653,875	49,832,307	7,653,875
From 6 months to 9 months	-	30,000,000	16,727,145	6,832,950	16,727,145	36,832,950
From 9 months to 12 months	-	-	5,374,287	12,004,964	5,374,287	12,004,964
Total	30,000,000	30,000,000	41,933,739	26,491,789	71,933,739	56,491,789
Provision for expected credit losses	(12,774)	(20,978)	(283,940)	(173,962)	(296,714)	(194,940)
Net	29,987,226	29,979,022	41,649,799	26,317,827	71,637,025	56,296,849

- There are no restrictions on deposits as of March 31, 2020 and December 31, 2019.
- There is no transfers between stages (1,2 and 3) or written off balances during the three months period ended March 31, 2020 and the year ended December 31, 2019.

8. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Quoted Financial Assets:		
Quoted companies shares listed in financial markets	2,794,662	3,040,727
Total	2,794,662	3,040,727
Unquoted Financial Assets:		
Companies shares not listed in financial markets	632,797	632,797
Total	632,797	632,797
Grand Total	3,427,459	3,673,524

- The shares of companies listed in financial markets were evaluated according to the latest available trading price, as trading was suspended on the Amman Stock Exchange since March 17, 2020, noting that all these shares are listed on the Amman Stock Exchange.

9. Financial Assets at Fair Value through other Comprehensive Income

The details of this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Unquoted shares	25,221,066	25,628,516
Total Shares	25,221,066	25,628,516
Jordanian Treasury bonds	168,525,314	157,903,675
Foreign governments bills and bonds	79,053,194	82,325,965
Corporate bonds	106,279,719	122,969,903
Total Bonds	353,858,227	363,199,543
Less: Provision of expected credit loss	(270,419)	(374,008)
Total Bonds – Net	353,587,808	362,825,535
Total	378,808,874	388,454,051

Bonds mature on several payments the last one is in the year 2049 and the interest rates on the bonds ranges from 1.36% to 6.63%.

- The movement on financial assets at fair value through other comprehensive income for shares during the period/year was as follow:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Fair value - beginning balance	25,628,516	21,976,065
New investments during the period / year	-	4,045,387
Change in fair value during the period / year	(344,000)	(364,237)
Sold investments during the period / year	(63,450)	(28,699)
Balance – End of the Period/Year	25,221,066	25,628,516

- The movement on financial assets at fair value through other comprehensive income for bonds during the period / year was as follow:

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
For the Three Months Period				
<u>Ended March 31, 2020 (Reviewed)</u>				
Fair value – beginning of the period (Audited)	352,431,258	10,768,285	-	363,199,543
New investments during the period	47,288,122	-	-	47,288,122
Matured investments during the period	(42,271,589)	(6,746,028)	-	(49,017,617)
Change in fair value during the period	(1,572,876)	(61,232)	-	(1,634,108)
Amortize premium/ discount	(208,447)	(33,345)	-	(241,792)
Adjustments resulted from change in exchange rates	(5,666,550)	(69,371)	-	(5,735,921)
Balance – End of the Period (Reviewed)	349,999,918	3,858,309	-	353,858,227
For the Year Ended				
<u>December 31, 2019 (Audited)</u>				
Fair value – beginning of the year	339,523,905	10,805,623	-	350,329,528
New investments during the year	112,722,973	-	-	112,722,973
Matured investments during the year	(113,637,358)	-	-	(113,637,358)
Change in fair value during the year	11,486,097	188,591	-	11,674,688
Amortize premium/ discount	(820,025)	(154,672)	-	(974,697)
Changes resulting from adjustments	-	(101,024)	-	(101,024)
Adjustments resulted from change in exchange rates	3,155,666	29,767	-	3,185,433
Balance – End of the Year	352,431,258	10,768,285	-	363,199,543

- The movement on expected credit losses during the period / year were as follow:

	Stage (1) Individual JD	Stage (2) Individual JD	Stage (3) JD	Total JD
For the Three Months Period				
<u>Ended March 31, 2020 (Reviewed)</u>				
Balance – beginning of the period (Audited)	352,878	21,130	-	374,008
Expected credit losses for new investment during the period	177,554	-	-	177,554
Reversed from impairment losses on matured Investments	(124,470)	(2,893)	-	(127,363)
Effect on provision resulting from reclassification between three stsges	(127,470)	(13,136)	-	(140,606)
Effect resulting from change in exchange Currencies	(13,174)	-	-	(13,174)
Balance – End of the Period (Reviewed)	265,318	5,101	-	270,419
For the Year Ended				
<u>December 31, 2019 (Audited)</u>				
Balance – beginning of the year	214,695	87,536	-	302,231
Expected credit loss for new investments	165,063	-	-	165,063
Reversed from impairment losses on matured investments	(95,913)	-	-	(95,913)
Effect on provision resulting from reclassification between three stsges	66,387	(70,073)	-	(3,686)
Adjustments resulting from change in exchange rates	2,646	3,667	-	6,313
Balance – End of the Year	352,878	21,130	-	374,008

10. Direct Credit Facilities – Net

The details of this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Individuals (retail):		
Overdraft accounts	5,424,671	5,123,088
Loans and discounted bills *	802,427,555	777,744,401
Credit cards	18,863,876	16,935,311
Real estate loans	1,215,258,783	1,217,404,841
Includes Housing loans	782,397,140	786,303,762
Companies:		
Large		
Overdraft accounts	312,724,659	266,181,191
Loans and discounted bills *	1,307,084,883	1,277,486,850
Small and Medium		
Overdraft accounts	78,784,574	72,876,785
Loans and discounted bills *	218,686,984	234,032,547
Government and public sector	716,747,318	730,959,320
Total	4,676,003,303	4,598,744,334
<u>Less:</u> Provision of expected credit losses	(353,588,504)	(333,607,743)
Interest in suspense	(109,397,597)	(106,315,586)
Net Direct Credit Facilities	4,213,017,202	4,158,821,005

* Net after deducting interest and commission received in advance of JD 23,643,329 as of March 31, 2020 (JD 27,285,533 as of December 31, 2019).

- Non-performing credit facilities amounted to JD 350,329,474 which is equivalent to 7.49% of total direct credit facilities as of March 31, 2020 (JD 344,498,537 which is equivalent to 7.49% of total direct credit facilities as of December 31, 2019).
- Non-performing credit facilities after deducting interest and commissions in suspense amounted to JD 243,046,597 which is equivalent to 5.32% of total direct credit facilities balance after deducting interest and commission in suspense as of March 31, 2020 (JD 240,420,406 which is equivalent to 5.35% of total credit facilities balance after deducting interest and commission in suspense as of December 31, 2019).
- Non-performing credit facilities transferred to off-the consolidated statement of financial position amounted to JD 0 as of March 31, 2020 (JD 24,073,213 as of December 31, 2019), the off-balance sheet item balance is amounted to JD 373,528,047 as of March 31, 2020 (JD 369,337,944 as of December 31, 2019). These debts are fully covered with provisions and outstanding interests.
- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to JD 716,747,318 which is equivalent to 15.3% of total direct credit facilities as of March 31, 2020 (JD 730,959,319 which is equivalent to 15.9% as of December 31, 2019).
- Loans rescheduled amounted to JD 10.7 million during the period ended March 31, 2020 against JD 57.3 million during the year 2019.
- Loans restructured amounted to JD 127 million during the period ended March 31, 2020 against JD 464.6 million during the year 2019.

The movement on Direct credit facilities during the period / year were as follow:

	Stage (1)		Stage (2)			
	Individual	Collective	Individual	Collective	Stage (3)	Total
	JD	JD	JD	JD	JD	JD
For the Three Months Period						
<u>Ended March 31, 2020 (Reviewed)</u>						
Balance - beginning of the period (Audited)	1,999,944,671	1,764,918,943	321,609,001	124,546,946	387,724,773	4,598,744,334
New credit facilities during the period	218,607,589	165,543,575	2,013,557	4,213,961	1,541,773	391,920,455
Paid credit facilities during the period	(112,243,509)	(125,147,341)	(7,944,920)	(3,731,925)	(4,262,395)	(253,330,090)
Transferred to stage (1)	21,873,446	34,826,048	(21,815,177)	(34,811,029)	(73,288)	-
Transferred to stage (2)	(8,734,122)	(37,605,013)	18,893,773	42,150,660	(14,705,298)	-
Transferred to stage (3)	(1,139,766)	(664,744)	(10,261,108)	(5,495,636)	17,561,254	-
Changes resulted from adjustments	(10,240,043)	(8,899,779)	(1,280,689)	(5,726,485)	8,935,476	(17,211,520)
Written off credit facilities	-	-	-	-	(454,834)	(454,834)
Adjustments resulting from change in exchange	(27,555)	(24,207,925)	(364,772)	(9,177,231)	(9,887,559)	(43,665,042)
Balance - End of the Period (Reviewed)	<u>2,108,040,711</u>	<u>1,768,763,764</u>	<u>300,849,665</u>	<u>111,969,261</u>	<u>386,379,902</u>	<u>4,676,003,303</u>
For the Year Ended						
<u>December 31, 2019 (Audited)</u>						
Balance - beginning of the year	2,029,239,721	1,834,400,248	364,212,379	114,148,672	303,583,673	4,645,584,693
Reclassification impact	(2,168,092)	2,168,092	-	-	-	-
Adjusted balance – beginning of the year	2,027,071,629	1,836,568,340	364,212,379	114,148,672	303,583,673	4,645,584,693
New credit facilities during the year	580,130,710	478,308,722	30,001,206	28,537,384	12,624,254	1,129,602,276
Paid credit facilities during the year	(259,999,172)	(346,113,810)	(33,284,425)	(27,059,377)	(18,506,706)	(684,963,490)
Transferred to stage (1)	55,263,078	38,507,533	(53,089,468)	(32,005,140)	(8,676,003)	-
Transferred to stage (2)	(79,422,136)	(71,020,380)	81,246,852	76,160,950	(6,965,286)	-
Transferred to stage (3)	(15,516,378)	(29,660,575)	(53,843,291)	(24,203,331)	123,223,575	-
Changes resulted from adjustments	(307,535,552)	(144,535,936)	(13,802,369)	(10,852,957)	8,445,535	(468,281,279)
Written off credit facilities	-	-	-	-	(26,004,901)	(26,004,901)
Adjustments resulting from change in exchange	(47,508)	2,865,049	168,117	(179,255)	632	2,807,035
Balance - End of the Year	<u>1,999,944,671</u>	<u>1,764,918,943</u>	<u>321,609,001</u>	<u>124,546,946</u>	<u>387,724,773</u>	<u>4,598,744,334</u>

The movement on the provision of expected credit loss during the period / year were as follows:

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
For the Three Months Ended March 31, 2020						
(Reviewed)						
Balance - beginning of the period (Audited)	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743
Effect of re-classification	14,670	386,807	(5,558)	4,082	(400,001)	-
Adjusted Beginning Balance (Reviewed)	178,499,635	39,667,175	40,538,289	74,884,976	17,668	333,607,743
Impairment loss on new facilities during the period	2,093,968	964,854	1,109,085	129,585	-	4,297,492
Reversed from impairment loss on paid facilities	(1,610,861)	(720,645)	(1,052,064)	(538,539)	-	(3,922,109)
Transferred to stage (1)	1,576,254	824,209	1,880,178	1,586,120	-	5,866,761
Transferred to stage (2)	(6,721,232)	(774,904)	(803,816)	4,070,452	-	(4,229,500)
Transferred to stage (3)	5,144,977	(49,306)	(1,076,362)	(5,656,573)	-	(1,637,264)
Effect on the provision as of the end of the period resulting from reclassification between the three stages	439,791	2,071,699	(432,599)	(5,057,194)	-	(2,978,303)
Changes resulting from adjustment	14,610,121	2,832,654	2,635,795	7,259,041	(14,208)	27,323,403
Written off credit facilities	(271,626)	(171)	-	(3,334)	-	(275,131)
Adjustments resulting from change in exchange rates	(3,931,239)	(394,217)	(10,143)	(128,989)	-	(4,464,588)
Balance - End of the Period (Reviewed)	189,829,788	44,421,348	42,788,363	76,545,545	3,460	353,588,504
Redistribution based on portfolio:						
Provisions on an individual level	177,817,997	39,678,948	30,813,625	72,412,034	3,460	320,726,064
Provisions on a collective level	12,011,791	4,742,400	11,974,738	4,133,511	-	32,862,440
	189,829,788	44,421,348	42,788,363	76,545,545	3,460	353,588,504
Redistribution based on stages:						
Stage (1)	17,146,260	6,676,933	7,259,067	4,559,860	3,460	35,645,580
Stage (2)	42,858,358	5,537,593	4,989,582	44,433,631	-	97,819,164
Stage (3)	129,825,170	32,206,822	30,539,714	27,552,054	-	220,123,760
	189,829,788	44,421,348	42,788,363	76,545,545	3,460	353,588,504

	Corporate JD	SME's JD	Retail JD	Real Estate JD	Governmental and Public JD	Total JD
For the Year Ended December 31, 2019						
(Audited)						
Balance - beginning of the year	170,238,709	29,273,078	33,836,340	58,047,200	437,023	291,832,350
Reclassification impact	(1,920,927)	1,366,855	(1,123,754)	1,677,826	-	-
Previous years adjustments	-	-	370,386	-	-	370,386
Adjusted Beginning Balance	168,317,782	30,639,933	33,082,972	59,725,026	437,023	292,202,736
Impairment loss on new facilities during the year	10,952,952	4,329,529	4,829,618	1,340,348	403,004	21,855,451
Reversed from impairment loss on paid facilities	(6,003,236)	(1,681,751)	(3,825,031)	(2,050,453)	(407,635)	(13,968,106)
Transferred to stage (1)	360,089	224,485	3,298,663	2,074,984	24,469	5,982,690
Transferred to stage (2)	(10,748,485)	(1,085,242)	(1,801,670)	8,589	(24,469)	(13,651,277)
Transferred to stage (3)	10,388,396	860,756	(1,496,993)	(2,083,573)	-	7,668,586
Effect on the provision as of the end of the period resulting from reclassification between the three stages	18,828,216	8,524,702	7,833,773	15,015,072	(16,272)	50,185,491
Changes resulting from adjustment	(6,604,413)	(1,180,815)	(1,341,453)	923,319	1,549	(8,201,813)
Written off credit facilities	(6,926,790)	(1,290,584)	(35,215)	(72,040)	-	(8,324,629)
Adjustments resulting from change in exchange rates	(79,546)	(60,645)	(817)	(378)	-	(141,386)
Balance - End of the Year	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743
Redistribution based on portfolio:						
Provisions on an individual level	168,745,190	32,857,041	2,869,212	52,400,999	417,669	257,290,111
Provisions on a collective level	9,739,775	6,423,327	37,674,635	22,479,895	-	76,317,632
	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743
Redistribution based on stages:						
Stage (1)	10,515,929	4,378,140	4,900,913	4,005,982	417,669	24,218,633
Stage (2)	42,341,456	6,186,026	5,173,978	39,662,728	-	93,364,188
Stage (3)	125,627,580	28,716,202	30,468,956	31,212,184	-	216,024,922
	178,484,965	39,280,368	40,543,847	74,880,894	417,669	333,607,743

Interest in Suspense

The following is the movement on interest in suspense:

	Corporate Entities			Real Estate loans	Government and Public Sector	Total
	Corporate JD	SME's JD	Retail JD	JD	JD	JD
For the Three Months Ended March 31, 2020 (Reviewed)						
Balance – beginning of the period (Audited)	45,614,086	23,114,028	20,778,391	16,809,081	-	106,315,586
Effect of re-classification	(15,000)	15,510	(510)	-	-	-
Adjusted Beginning Balance (Reviewed)	45,599,086	23,129,538	20,777,881	16,809,081	-	106,315,586
Suspended interest on new exposures during the period	49	28,303	33,276	63,593	-	125,221
Suspended interest on settled exposures transferred to revenue during the period	(1,231,941)	(83,157)	(73,440)	(538,212)	-	(1,926,750)
Total effect on the suspended interest resulting from reclassification between the three stages	153,205	14,659	(127,464)	(300,608)	-	(260,208)
Total effect on the suspended interest resulting from adjustments	2,492,784	1,703,199	1,453,105	1,512,899	-	7,161,987
Written-off interest in suspense	(138,012)	(770)	(21,896)	(19,032)	-	(179,710)
Foreign currency translation	(1,677,562)	(144,107)	(10,981)	(5,879)	-	(1,838,529)
Balance – End of the Period (Reviewed)	45,197,609	24,647,665	22,030,481	17,521,842	-	109,397,597
For the year ended December 31, 2019 (Audited)						
Balance – beginning of the year	46,129,145	21,650,361	16,657,671	13,956,530	3,890	98,397,597
Reclassification impact	1,176,208	(840,215)	(76,351)	(259,642)	-	-
Adjusted beginning balance	47,305,353	20,810,146	16,581,320	13,696,888	3,890	98,397,597
Suspended interest on new exposures during the year	253,607	483,363	674,173	695,210	-	2,106,353
Suspended interest on settled exposures transferred to revenue during the year	(371,019)	(739,486)	(781,768)	(918,895)	(3,890)	(2,815,058)
Total effect on the suspended interest resulting from reclassification between the three stages	2,082,475	816,034	376,812	1,200,530	-	4,475,851
Total effect on the suspended interest resulting from adjustments	11,275,250	3,979,342	4,219,266	2,873,579	-	22,347,437
Written-off interest in suspense	(14,930,855)	(2,211,943)	(290,865)	(738,194)	-	(18,171,857)
Adjustments resulting from change in exchange rates	(725)	(23,428)	(547)	(37)	-	(24,737)
Balance – End of the Year	45,614,086	23,114,028	20,778,391	16,809,081	-	106,315,586

- The following are the total credit facilities classified by economic sector and geographic distribution:

Economic Sector	March 31, 2020 (Reviewed)			December 31, 2019 (Audited)
	Inside Jordan	Outside Jordan	Total	Total
	JD	JD	JD	JD
Financial	121,436,999	33,872,807	155,309,806	131,029,104
Industrial	414,744,713	187,633,549	602,378,262	625,502,218
Trading	244,319,214	271,268,296	515,587,510	504,019,820
Real estate	1,040,528,165	207,952,269	1,248,480,434	1,235,557,585
Agriculture	18,130,646	1,591,478	19,722,124	19,640,148
Shares	11,704,663	-	11,704,663	11,239,371
Individuals	812,859,604	52,536,911	865,396,515	840,773,275
Government and public sector	647,161,693	69,585,625	716,747,318	730,959,320
Other	426,623,052	114,053,619	540,676,671	500,023,493
	3,737,508,749	938,494,554	4,676,003,303	4,598,744,334

11. Financial Assets at Amortized Cost - Net

The details of this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Quoted Financial Assets:		
Treasury bonds	24,760,738	24,501,537
Jordanian treasury bonds *	1,141,393,088	1,116,525,231
Governmental guaranteed bonds	531,354,930	531,351,277
Foreign governments bonds	22,561,681	22,565,281
Corporate bonds and debentures	127,110,379	131,858,249
Total Quoted Financial Assets	1,847,180,816	1,826,801,575
Unquoted Financial Assets:		
Corporate bonds and debentures	3,000,001	3,000,001
Total Unquoted Financial Assets	3,000,001	3,000,001
Total	1,850,180,817	1,829,801,576
<u>Less: Provision for excepted credit losses</u>	<u>(3,522,095)</u>	<u>(3,177,625)</u>
Total	1,846,658,722	1,826,623,951
Bonds and Bills Analysis:		
With fixed rate	1,838,087,722	1,818,052,951
With floating rate	8,571,000	8,571,000
Total	1,846,658,722	1,826,623,951

- Bonds are repaid on several installments, the last of which matures on the year 2030.
- Interest rate on bonds ranges from 2.43% to 6.74%.

* The Bank has entered into repurchase agreements with the Central Bank of Jordan as stated in Note (14) against mortgaging treasury bonds with a nominal value is JD 107,723,000 and a book value is JD 107,271,654.

The following is the movement on financial assets at amortized cost during the period / year:

	Stage (1) Individual	Stage (2) Individual	Stage (3) Individual	Total
	JD	JD	JD	JD
For the Three Months Ended March 31, 2020 (Reviewed)				
Beginning balance (Audited)	1,826,801,575	-	3,000,001	1,829,801,576
New investments during the period	45,995,409	-	-	45,995,409
Matured investments	(25,000,000)	-	-	(25,000,000)
Amortization of premium/ discount	535,385	-	-	535,385
Adjustments due to changes in exchange rates	(1,151,553)	-	-	(1,151,553)
Balance – End of the Period (Reviewed)	1,847,180,816	-	3,000,001	1,850,180,817
For the Year Ended December 31, 2019 (Audited)				
Beginning balance	1,486,926,055	-	3,000,001	1,489,926,056
New investments during the year	655,218,583	-	-	655,218,583
Matured investments	(318,672,790)	-	-	(318,672,790)
Amortization of premium/ discount	3,069,748	-	-	3,069,748
Adjustments due to changes in exchange rates	259,979	-	-	259,979
Balance – End of the Year	1,826,801,575	-	3,000,001	1,829,801,576

The following is the movement on provision for expected credit losses during the period/year:

	Stage (1) Individual	Stage (2) Individual	Stage (3)	Total
	JD	JD	JD	JD
For the Three Months Ended March 31, 2020 (Reviewed)				
Beginning balance (Audited)	177,625	-	3,000,000	3,177,625
Expected credit loss for new investments during the period	85,070	-	-	85,070
Expected credit loss for matured investments during the period	(7,171)	-	-	(7,171)
The effect on the provision resulting from the adjustments	272,170	-	-	272,170
Adjustments due to changes in exchange rates	(5,599)	-	-	(5,599)
Balance – End of the Period (Reviewed)	522,095	-	3,000,000	3,522,095
For the Year Ended December 31, 2019 (Audited)				
Beginning balance	123,069	-	3,000,000	3,123,069
Expected credit loss for new investments during the year	85,125	-	-	85,125
Expected credit loss for matured investments during the year	(23,136)	-	-	(23,136)
The effect on the provision resulting from the adjustments	(10,046)	-	-	(10,046)
Adjustments due to changes in exchange rates	2,613	-	-	2,613
Balance – End of the Year	177,625	-	3,000,000	3,177,625

12. Other Assets

The details of this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accrued revenues and interest	29,423,531	29,789,846
Prepaid expenses	9,676,420	3,868,543
Assets seized by the Bank *	67,907,960	64,412,759
Cheques under collection	8,029,481	13,130,829
Suspended cheques – central clearance	7,792,968	-
Other	19,441,939	17,733,838
Total	142,272,299	128,935,815

- * The regulations of Central Bank of Jordan require the Bank to dispose the assets it seizes during a maximum period of two years from the date of the acquisition.

The following is a summary of the movement on assets seized by the Bank:

	For the Three Months Period Ended March 31, 2020 (Reviewed)	For the Year Ended December 31, 2019 (Audited)
	JD	JD
Beginning balance	64,412,759	62,259,328
Additions	5,558,169	7,328,763
Disposals	(1,758,257)	(2,761,640)
Impairment loss	(241,529)	(2,413,692)
Foreign currencies translation difference	(63,182)	-
Balance – Ending of the Period / Year	67,907,960	64,412,759

13. CUSTOMERS' DEPOSITS

The details of this item are as follows:

	Retail	Corporate	SME's	Governmental and Public	Total
	JD	JD	JD	JD	JD
March 31, 2020					
(Reviewed)					
Current accounts and demand deposits	647,365,042	159,081,775	337,176,141	58,839,563	1,202,462,521
Saving deposits	1,995,639,684	91,010	14,627,321	522,541	2,010,880,556
Time and notice deposits	1,417,848,207	352,460,513	100,844,724	253,229,616	2,124,383,060
Certificates of deposit	274,057,144	29,484,001	11,427	-	303,552,572
Others	415,420	-	-	-	415,420
Total	4,335,325,497	541,117,299	452,659,613	312,591,720	5,641,694,129

December 31, 2019

(Audited)

Current accounts and demand deposits	642,993,738	145,017,839	326,621,662	45,305,384	1,159,938,623
Saving deposits	2,045,168,781	436,784	15,630,082	460,339	2,061,695,986
Time and notice deposits	1,479,637,391	361,481,275	110,768,971	340,862,820	2,292,750,457
Certificates of deposit	268,521,193	27,178,614	11,866	-	295,711,673
Others	416,229	-	-	-	416,229
Total	4,436,737,332	534,114,512	453,032,581	386,628,543	5,810,512,968

- The deposits of the public sector and the Government of Jordan inside the Kingdom amounted to approximately JD 312.6 million representing 5.5 % of total deposits as of March 31, 2020 (approximately JD 381.6 million, representing 6.6% of total deposits as of December 31, 2019).
- Non-interest bearing deposits amounted to JD 1.58 billion, representing 28% of total deposits as of March 31, 2020 (against around JD 1.59 billion, representing 27.3% of total deposits as of December 31, 2019).
- Restricted deposits (Restricted withdrawal) amounted to JD 184.2 million, representing 3.3% of total deposits as of March 31, 2020 (against JD 208.7 million, representing 3.6% of total deposits as of December 31, 2019).
- Dormant accounts amounted to JD 213.2 million, representing 3.8% of total deposits as of March 31, 2020 (against JD 203 million, representing 3.5% of total deposits as of December 31, 2019).

14. Borrowed funds:

This item consists of the following:

	Amount	Instalment Maturity Period	Repayment Date	Guarantee	Borrowing Interest Rate	Re- borrowed Interest rate
March 31, 2020 (Reviewed)	JD					
Amman Cairo Bank	18,000,029	Monthly	30/7/2020	Financial solvency	4.75%	10.50%
Amman Cairo Bank	5,000,000	Monthly	30/7/2020	Financial solvency	4.50%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	4/5/2020	Financial solvency	5.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	9/8/2020	Financial solvency	5.85%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	7/1/2021	Financial solvency	5.00%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	12/11/2020	Financial solvency	5.00%	10.50%
Central Bank of Jordan	5,250,000	Semi annual	14/7/2028	Financial solvency	2.54%	Guaranteed %7.98 without guarantee %8.48
Central Bank of Jordan	3,974,875	Semi annual	7/2/2031	Financial solvency	2.59%	Guaranteed %7.53 without guarantee %8.53
Central Bank of Jordan	2,275,000	Semi annual	29/11/2024	Financial solvency	2.50%	Guaranteed %6 without guarantee %6.5
Central Bank of Jordan	2,814,013	Semi annual	21/12/2039	Financial solvency	3.00%	Guaranteed %6.5 without guarantee %7.5
Central Bank of Jordan	12,842,955	According to maturity period	5 years advances, (excluding renewable energy 10 years)	Promissory note on demand	Inside the capital 1% Outside the capital 0.5%	Inside the capital 4.5% outside the capital 3.75%
Sumtomo Mitsubishi Bank – Japan	9,633,911	One instalment	1/9/2020	Financial solvency	0.85%	-
Central Bank of Jordan (Repurchase agreement)	19,969,315	One instalment	28/4/2020	Mortgage bond pledge	2.00%	-
Central Bank of Jordan (Repurchase agreement)	24,150,818	One instalment	30/6/2020	Mortgage bond pledge	2.00%	-
Central Bank of Jordan (Repurchase agreement)	31,822,309	One instalment	29/9/2020	Mortgage bond pledge	2.00%	-
Central Bank of Jordan (Repurchase agreement)	32,912,286	One instalment	30/3/2021	Mortgage bond pledge	2.00%	-
Central Bank of Jordan	81,677,000	One instalment	7/5/2020	Financial solvency	0.00%	-
Real Estate Mortgage Re-fund Co.*	50,000,000	Interest is paid semi-annually and the loan is paid in one instalment	29/5/2024	Mortgage	6.35%	6.99%-9.25%
Real Estate Mortgage Re-fund Co.*	25,000,000	Interest is paid semi-annually and the loan is paid in one instalment	31/1/2022	Mortgage	6.10%	6.99%-9.25%
	345,322,511					

* Funds have been reborrowed for housing loans at an interest rate of 6.99% to 9.25%, and reborrowed funds amounted to JD 75,000,000.

- Borrowed funds with a fixed interest rate amounted to JD 336,097,636, and borrowed funds with variable interest rate amounted to JD 9,224,875 as of March 31, 2020.

- Re-borrowed funds from Central Bank of Jordan maturity date ranges from 1 year to 19 years.

- Borrowed funds amounted to JD 11,247,965 and settled borrowed funds amounted to JD 13,005,701 during the three months period ended March 31, 2020.

- The renewed loans amounted to JD 5,000,000 during the first quarter of the year 2020.

	Amount	Instalment Maturity Period	Repayment Date	Guarantee	Borrowing Interest Rate	Re- borrowed Interest rate
December 31, 2019 (Audited)	JD					
Amman Cairo Bank	1,000,000	Monthly	30/07/2019	Financial solvency	4.50%	10.50%
Amman Cairo Bank	24,000,000	Monthly	30/07/2019	Financial solvency	4.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	04/05/2020	Financial solvency	5.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	09/08/2020	Financial solvency	5.85%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	12/11/2020	Financial solvency	5.75%	10.50%
Real Estate Mortgage Re-fund Co.	5,000,000	Semi annual	07/01/2020	Financial solvency	5.75%	10.50%
Somoto Mitsubishi Bank – Japan	11,395,887	One Installment	15/6/2020	Financial solvency	0.85%	-
Central Bank of Jordan	5,600,000	Semi annual	14/07/2028	Financial solvency	3.85%	Guaranteed %7.98 without guarantee %8.48
Central Bank of Jordan	3,974,875	Semi annual	07/02/2031	Financial solvency	3.90%	Guaranteed %7.53 without guarantee %8.53
Central Bank of Jordan	2,275,000	Semi annual	29/11/2024	Financial solvency	2.50%	Guaranteed %6 without guarantee %6.5
Central Bank of Jordan	2,814,013	Semi annual	21/12/2039	Financial solvency	3.00%	Guaranteed %6.5 without guarantee %7.5
Central Bank of Jordan	12,250,691	According to maturity period	5 years except of renewable energy 10 years	Promissory note on demand	Inside the capital 1.75% Outside the capital 1%	Inside the capital 4.5% outside the capital 3.75%
Real Estate Mortgage Re-fund Co.*	50,000,000	Interest is paid semi-annually and the loan is paid in one instalment	29/05/2024	Mortgage	6.35%	6.99%- 9.25%
Real Estate Mortgage Re-fund Co.*	25,000,000	Interest is paid semi-annually and the loan is paid in one instalment	31/01/2022	Mortgage	6.10%	6.99%-9.25%
	<u>158,310,466</u>					

- * Funds have been reborrowed for housing loans at an interest rate ranging from 6.99% to 9.25%, and reborrowed funds amounted to JD 75,000,000.
- Borrowed funds with a fixed interest rate amounted to JD 137,339,704, and borrowed funds with variable interest rate amounted to JD 9,574,875 as of December 31, 2019.
- The maturity dates of funds reborrowed from the Central Bank of Jordan range from March, 15 2020 to December 31, 2040.
- Borrowed funds during 2019 amounted to JD 76,963,491 and the settled borrowed funds amounted to JD 55,908,283.
- The renewed loans amounted to JD 80,000,000.

15. Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

	March 31, 2020 (Reviewed)	December 31, 2019(Audited)
	JD	JD
Balance – beginning of the period / year	43,188,532	49,752,994
Income tax paid	(22,664,309)	(53,352,248)
Accrued income tax	20,867,824	41,555,990
Income tax due from the distribution of profits of a subsidiary	-	5,219,005
Currency translation	119,236	12,791
Balance – Ending of the Period / Year	41,511,283	43,188,532

- Income tax for Banks in Jordan is 35% and a 3% for the national contribution account. In addition, the average income tax percentage in the countries in which the Bank has investments is in between (0- 31%).
- Jordan branches have reached a final settlement until year 2015 with the Income and Sales Tax Department, and have settled tax due on years 2016, 2017, 2019 and cleared 2018 tax return.
- Taxes due on Palestine branches were cleared to the year 2018.
- The income tax for International Bank for Trade and Finance /Syria was paid up to the year 2018.
- The income tax for the Housing Bank for Trade and Finance /Algeria was paid up to the year 2018.
- The income tax for Jordan International Bank/ London was paid up to the year 2018.
- The income tax for International Financial Centre Company was paid up to the year 2018, and reached a final settlement for all years except for the year 2016, and 2017.
- The income tax for Specialized Leasing Company was paid up to the year 2018, and reached a final settlement with the Income and Sales Tax Department up to the year 2017.

b. Income tax expense appearing in the condensed consolidated interim statement of profit or loss represents the following:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Provision for income tax for the period	20,867,824	10,616,900
Deferred tax assets for the period	(11,621,906)	(5,256,892)
Amortization of deferred tax assets	2,082,662	6,075,236
Amortization of deferred tax liabilities	(4,127)	-
Total	11,324,453	11,435,244

16. Other Liabilities

The details for this item are as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accrued interest	18,655,030	22,401,169
Interests and commissions received in advance	1,022,510	949,144
Accrued expenses	16,140,352	17,646,599
Certified cheques	29,640,917	35,068,675
Transfers deposits	33,588,178	31,439,928
Payment in process	9,217,755	6,203,976
Prizes	391,097	1,315,822
Corresponding banks	1,638,981	1,435,089
General management deposits	5,013,188	5,439,250
Shareholders deposits	2,673,651	2,706,593
Accounts payable	2,516,234	3,018,488
Other deposits	61,709,818	58,745,944
Provision for indirect facilities' expected credit losses	32,086,219	32,057,352
Other	10,222,032	11,238,050
Total	224,515,962	229,666,079

Below is the movement on indirect facilities during the period / year:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
For the Three Months Period March 31, 2020						
(Reviewed)						
Balance at the beginning of the period (Audited)	686,750,033	139,683,669	32,131,097	4,381,623	19,746,052	882,692,474
New exposures during the period	83,867,404	41,356,942	1,942,868	384,814	54,979	127,607,007
Matured exposures	(97,826,159)	(35,147,529)	(2,252,363)	(733,262)	(1,094,123)	(137,053,436)
Transferred to stage (1)	5,299,414	927,987	(5,198,914)	(917,087)	(111,400)	-
Transferred to stage (2)	(2,226,813)	(278,639)	2,226,813	288,639	(10,000)	-
Transferred to stage (3)	(276,911)	-	(9,988)	(75,769)	362,668	-
Changes resulting from adjustment	(48,902,625)	(495,064)	(267,095)	972,326	(59,777)	(48,752,235)
Adjustments resulting from foreign currency changes	(4,082)	(8,922,420)	(3,224)	(1,447,938)	(8,000)	(10,385,664)
Balance at the Ending of the Period (Reviewed)	626,680,261	137,124,946	28,569,194	2,853,346	18,880,399	814,108,146
For the Year Ended December 31, 2019						
(Audited)						
Balance at the beginning of the year	519,936,051	151,028,148	31,565,361	610,752	18,881,469	722,021,781
New exposures during the year	295,140,096	64,899,990	21,838,545	3,248,015	83,382	385,210,028
Matured exposures	(213,726,896)	(78,032,692)	(24,115,501)	(226,826)	(1,677,388)	(317,779,303)
Transferred to stage (1)	4,699,896	145,834	(3,369,296)	(143,334)	(1,333,100)	-
Transferred to stage (2)	(2,042,292)	(825,210)	2,383,192	906,678	(422,368)	-
Transferred to stage (3)	(403,870)	(146,574)	(1,924,564)	(142,365)	2,617,373	-
Changes resulting from adjustment	83,153,382	2,116,960	5,758,836	130,416	1,596,684	92,756,278
Adjustments resulting from foreign currency changes	(6,334)	497,213	(5,476)	(1,713)	-	483,690
Balance at the Ending of the Year	686,750,033	139,683,669	32,131,097	4,381,623	19,746,052	882,692,474

Below is the movement on the expected credit loss for indirect facilities during the period / year:

	Stage (1)		Stage (2)		Stage (3)	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
For the Three Months Period March 31, 2020 (Reviewed)						
Balance at the beginning of the period (Audited)	3,279,931	4,129,689	6,728,093	938,565	16,981,074	32,057,352
Impairment loss on the new facilities	1,186,961	1,307,476	250,529	50,082	33,185	2,828,233
Reversed from impairment loss on the matured facilities	(920,911)	(1,434,897)	(64,153)	(189,879)	(830,239)	(3,440,079)
Transferred to stage (1)	101,930	189,908	(29,930)	(189,908)	(72,000)	-
Transferred to stage (2)	(7,453)	(37,027)	7,453	44,227	(7,200)	-
Transferred to stage (3)	(1,466)	-	(1,263)	(3,881)	6,610	-
Effect on provision as end of the period resulting from reclassification between the three stages	(46,452)	(151,331)	3,391	(918)	248,504	53,194
Changes resulting from adjustment	65,525	(147,123)	303,024	241,067	667,704	1,130,197
Adjustments due to foreign currency changes	(78)	(204,301)	(766)	(335,813)	(1,720)	(542,678)
Balance at the Ending of the Period (Reviewed)	3,657,987	3,652,394	7,196,378	553,542	17,025,918	32,086,219
For the Year Ended December 31, 2019 (Audited)						
Balance at the beginning of the year	3,823,459	2,433,685	4,846,856	84,229	15,737,883	26,926,112
Transfers to another provisions	(571)	-	2	-	569	-
Adjusted beginning balance	3,822,888	2,433,685	4,846,858	84,229	15,738,452	26,926,112
Impairment loss on the new facilities	1,554,499	2,737,553	4,852,085	755,041	2,492	9,901,670
Reversed from impairment loss on the matured facilities	(2,596,590)	(1,708,191)	(4,629,739)	(58,620)	(1,252,535)	(10,245,675)
Transferred to stage (1)	794,011	10,647	(63,931)	(9,147)	(731,580)	-
Transferred to stage (2)	(55,181)	(49,366)	369,898	77,372	(342,723)	-
Transferred to stage (3)	(5,257)	(5,032)	(62,498)	(4,939)	77,726	-
Effect on provision as of the end of year resulting from reclassification between the three stages	(763,788)	(10,297)	165,638	86,099	1,734,993	1,212,645
Changes resulting from adjustment	529,349	715,105	1,249,782	8,530	1,763,064	4,265,830
Adjustments due to foreign currency changes	-	5,585	-	-	(8,815)	(3,230)
Balance at the Ending of the Year	3,279,931	4,129,689	6,728,093	938,565	16,981,074	32,057,352

17. Expected Credit Loss Expense – Net

The details of this item is as follows:

	For the Three Months Ended March 31,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Balances and deposits at banks and financial institutions	379,290	36,774
Financial assets at fair value through other comprehensive income	(90,416)	43,716
Financial assets at amortized cost	350,069	(707)
Direct credit facilities	24,720,480	13,635,160
Commitments and contingent liabilities	571,536	2,299,983
	25,930,959	16,014,926

18. Fair Value Reserve – Net

The details of this item is as follows:

	For the Three Months Ended March 31, 2020	For the Year Ended December 31, 2019 (Audited)
	(Reviewed)	(Reviewed)
	JD	JD
Balance – beginning of the period/year	5,400,864	(2,219,625)
Unrealized (losses) gain – debt instrument	(4,210,631)	11,674,687
Unrealized (losses) – equity instrument	(331,463)	(364,237)
Deffered tax assets	1,921,299	(851,186)
Deffered tax liabilities	(709,708)	(2,838,775)
Net change in valuation reserve of financial assets at fair value through comprehensive income after tax	(3,330,503)	7,620,489
Balance at the End of the Period/year	2,070,361	5,400,864

19. Retained Earnings

The movement on retained earnings is as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance – beginning of the period / year	285,267,050	268,842,701
Prior year adjustments *	(116,298)	(287,049)
Adjusted– Beginning Balance of the Period / Year	285,150,752	268,555,652
Income for the period / year	-	80,866,565
Dividends distribution	-	(47,250,000)
Transferred from/to reserves	-	(16,918,805)
Gains from sale of financial assets at fair value through other comprehensive Income	(1,350)	13,638
Balance – End of the Period / Year	285,149,402	285,267,050

- * Prior year adjustments item represents reserves for subsidiaries that were recorded after the issuance of the group consolidated financial statements for the year 2019.
- The Bank cannot use a restricted amount of JD 6,275,955 from retained earnings which represents the financial assets revaluation differences in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes an amount of JD 563,977 which represents the effect of early implementation of the International Financial Reporting Standard No (9). This amount may not be used except for the amounts actually realized from sale.
- The Bank cannot use a restricted amount of JD 84,790,573 from retained earnings which represents deferred tax assets which are restricted against capitalization or distribution only to the extent if actually recognized in accordance with the instructions of the Central Bank of Jordan and the Jordan Securities Commission.
- Retained earnings includes a restricted amount of JD 8,539,536, which represents the gain from the valuation of foreign currencies at the International Bank for Trade and Finance /Syria for the current period and the prior periods.

20. Interest Income

The details of this item are as follows:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Direct Credit Facilities		
Individual retail customer:		
Overdraft	142,330	143,525
Loans and discounted bills	18,375,226	16,817,054
Credit cards	611,372	593,357
Other	37,546	64,490
Real estate loans	19,033,854	22,202,732
Large corporates		
Overdraft	5,429,479	7,163,011
Loans and discounted bills	19,909,416	13,154,420
SME's		
Overdraft	2,536,134	3,182,937
Loans and discounted bills	3,542,165	3,579,326
Government and Public Sector	10,229,611	11,918,361
Balances at central banks	1,744,916	3,663,963
Balances and deposits at banks and financial institutions	2,584,095	3,499,644
Financial assets at amortized cost	23,675,377	20,489,341
Financial assets at fair value through profit or loss	-	538
Financial assets at fair value through other comprehensive income	2,704,787	2,655,405
	110,556,308	109,128,104

21. Interest Expense

The details of this item are as follows:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Audited)
	JD	JD
Banks and financial institutions deposits	3,976,413	4,508,653
Customers deposits :		
Current accounts and demand deposits	215,713	160,940
Saving deposits	1,124,700	1,644,233
Time and notice deposits	18,710,649	21,963,172
Certificates of deposit	3,317,131	2,560,665
Cash margins	619,618	733,044
Borrowed funds	1,869,022	1,643,738
Deposits insurance fees	1,926,502	2,039,573
Lease liability	330,865	464,117
	32,090,613	35,718,135

22. (Loss) / Profit from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

	Realized		Unrealized		Dividends	
	Gain	(Loss)	Gain	(Loss)	Received	Total
	JD	JD	JD	JD	JD	JD
For the Three Months						
Period Ended						
March 31, 2020						
(Reviewed)						
Bonds	-	-	-	-	-	-
Coprorate shares	-	-	-	(233,685)	-	(233,685)
Investment funds	-	-	-	-	-	-
Total	-	-	-	(233,685)	-	(233,685)

For the Three Months**Period Ended****March 31, 2019****(Reviewed)**

Bonds	-	-	-	-	-	-
Coprorate shares	-	-	113,534	(83,547)	9,430	39,417
Investment funds	-	-	-	-	-	-
Total	-	-	113,534	(83,547)	9,430	39,417

23. Earnings Per Share Attributable to the Shareholders of the Bank (Basic / Dilluted)

The details of this item are as follows:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Profit for the period attibutable to shareholders'	15,647,739	23,852,154
Weighted average number of shares	315,000,000	315,000,000
Basic and diluted earnings per share attributable to shareholders of the Bank	0.050	0.076

24. Cash and Cash Equivalents

This item consists of the following:

	March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Cash and balances with central banks maturing within 3 months	1,062,378,883	1,056,443,539
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	379,005,975	573,859,795
<u>Less:</u> Banks and financial institutions deposits maturing within 3 months	(524,876,988)	(482,556,741)
	916,507,870	1,147,746,593

25. Capital Adequacy

The schedule below shows the capital components according to the instructions of the Central Bank of Jordan, based on the instructions of Basel III Committee, the following is the capital adequacy ratio:

	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
1. Common Equity Tier 1 Capital		
Paid-in capital	315,000,000	315,000,000
Retained earnings	278,215,476	231,639,848
Other comprehensive income items	(118,008,103)	(107,054,578)
Net fair value reserve	2,070,361	5,400,864
Foreign currency translation reserve	(120,078,464)	(112,455,442)
Share premium	328,147,537	328,147,537
Statutory reserve	235,736,394	235,737,655
Other reserve	11,302,452	11,184,798
Non-controlling Interest	20,710,178	23,196,877
Condensed gains after tax and expected distribution Value	(104,358)	-
Total capital for ordinary shares	1,070,999,576	1,085,102,137
Regulatory amendments (Propositions of the capital)	(113,160,096)	(103,134,368)
Goodwill and intangible assets	(22,861,824)	(23,582,588)
Deferred tax assets	(84,790,573)	(73,911,906)
Investments in the capital of non-consolidated subsidiaries with the bank	(40,681)	(36,613)
Mutual investments in banks' capital, financial companies, and insurance companies Within the CET1	(5,467,018)	(5,603,261)
Net ordinary shareholder's equity	957,839,480	981,967,769
Net additional capital	3,654,737	4,093,567
Net additional capital Tier 1.	961,494,217	986,061,336
Tier 2		
General banking risks reserve	-	-
Expected credit losses provision for the first stage – does not exceed 1.25% of the assets weighted credit risks	34,112,094	32,594,487
Non-controlling interest	4,872,983	5,458,089
Total Capital	38,985,077	38,052,576
Regulatory amendments (Propositions of the capital)	-	(4,068)
Investments in the capital of non-consolidated subsidiaries with the bank	-	(4,068)
Net additional capital Tier 2	38,985,077	38,048,508
Regulatory capital	1,000,479,294	1,024,109,844
Total weighted assets risk average.	5,720,988,443	5,664,064,302
Capital Adequacy ordinary shareholders (CETI) Ratio %	16.74%	17.34%
Capital Adequacy Tier 1 Ratio %	16.81%	17.41%
Capital Adequacy Ratio %	17.49%	18.08%

26. Related Party Transactions

- a. The Bank entered into transactions with major shareholders, Board of Directors, and executive management in the course of its ordinary activities at commercial rates of interest and commissions. All facilities granted to related parties are performing and no provisions have been taken.
- b. Summary of related party balances during the period/year:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD	JD	JD	JD	JD
Financial position items						
Total deposits with related parties	47,983,683	77,834,542	-	-	125,818,225	157,449,077
Total deposits from related parties	668,462,582	47,233,208	2,488,960	1,551,101	719,735,851	758,017,339
Loans and advances granted to related parties	-	-	2,597	566,291	568,888	811,997
Loans and advances granted From related parties	-	928,105	-	-	928,105	975,538
Items off-statement of Financial position						
Letters of guarantees and credits	-	1,392,028	-	-	1,392,028	1,319,912

- c. Summary of related party transactions during the period:

	Related Party				Total	
	Major Shareholders	Subsidiaries	Board of Directors	Executive Management	For the Three Months Ended March 31,	
	JD	JD	JD	JD	2020 (Reviewed)	2019 (Reviewed)
Statement of Profit or Loss items						
Interest and commissions income	138,258	24,058	905	7,105	170,326	174,601
Interest and commissions expense	3,573,636	340,383	20,951	10,001	3,944,971	5,247,181

- Interest income rates ranges from 0% to 8%.
- Interest expense rates ranges from 0% to 7%.

- d. The Bank's executive management remuneration were as follows:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Salaries, bonuses, and other benefits	1,189,602	852,722
Salaries, bonuses, and other benefits/ Subsidiaries	887,443	792,700

27. Segment Analysis

Information on the Bank Activities:

For management purposes, the Bank is divided into four major business segments according to reports sent to the chief operating officer:

- **Retail Banking:** Principally handling individual customers' and small businesses' deposits and providing loans, overdrafts, credit cards and other services.
- **Corporate Banking:** Principally handling deposits, credit facilities, and other financial services for corporate and institutional customers.
- **Corporate Finance:** Principally arranging structured finance and providing services relating to privatizations, IPO's, mergers and acquisitions.
- **Treasury:** Principally providing trading and treasury services and the management of the Bank's funds in money and capital markets.

Information of the Bank's business segment, distributed according to operations is as follows:

	Retail JD	Corporate JD	Corporate Finance JD	Treasury JD	Others JD	Elimination JD	Total For the Three Months Period Ended March 31,	
							2020 (Reviewed)	2019 (Reviewed)
							JD	JD
Gross Income	59,472,788	49,739,685	1,589,078	40,426,743	647,575	(24,578,605)	127,297,264	125,829,245
Recovery from impairment provision of direct/indirect facilities	2,235,942	(25,057,720)	(2,470,238)	-	-	-	(25,292,016)	(18,935,143)
Recovery from impairment provision of financial assets	-	(354,605)	-	-	(284,338)	-	(638,943)	(79,783)
Segment results	28,449,867	(3,957,090)	(1,514,634)	8,148,723	647,576	-	31,774,442	38,396,141
Unallocated expenses	-	-	-	-	-	-	(3,878,036)	(1,950,248)
Income before Tax							27,896,406	36,445,893
Income Tax							(11,324,453)	(11,435,244)
Profit for the Period							16,571,649	25,010,649
							March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
Segment Assets							12,752,517,742	12,741,968,523
Elimination of assets between segments	4,813,483,573	2,708,436,458	86,123,346	3,660,217,548	1,484,256,817	-	(4,422,982,214)	(4,374,630,792)
Unallocated assets on segments	(3,069,672,185)	-	-	(575,257,738)	(778,052,291)	-	82,475,614	73,911,906
Total Assets							8,412,011,142	8,441,249,637
Segment Liabilities	4,776,466,144	2,801,768,419	87,683,806	3,531,489,402	380,352,267	45,493,311	11,623,253,349	11,611,980,245
Elimination of liabilities between segments	-	(1,570,906,099)	(54,384,090)	(2,719,649,808)	-	-	(4,344,939,997)	(4,301,113,773)
Unallocated liabilities	-	-	-	-	-	-	7,274,905	6,569,323
Total Liabilities							7,285,588,257	7,317,435,795
							For the Three Months Ended March 31,	For the Three Months Ended March 31,
							2020 (Reviewed)	2019 (Reviewed)
Capital expenditures							2,429,670	3,825,322
Depreciation and amortization							6,301,657	4,915,993

Distributions According to Financial Instruments Exposure:

	Financial	Industrial	Trading	Real Estate	Agriculture	Equities	Individuals	Government and Public	Other	Total
Cash at central banks	908,366,276	-	-	-	-	-	-	-	-	908,366,276
Balances at banks and financial institutions	378,671,746	-	-	-	-	-	-	-	-	378,671,746
Deposits at banks and financial institutions	71,637,025	-	-	-	-	-	-	-	-	71,637,025
Credit facilities	112,650,183	516,974,747	431,959,236	1,137,501,283	17,366,692	4,008,412	793,995,414	713,649,011	484,912,224	4,213,017,202
Bonds and bills:										
Within: Financial assets at fair value through other comprehensive income	99,043,909	-	7,358,246	-	-	-	-	247,185,653	-	353,587,808
Within: Financial assets at amortized cost	9,007,807	-	11,071,216	-	-	-	-	1,719,308,045	-	1,739,387,068
Mortgaged financial assets (liabilities)	-	-	-	-	-	-	-	107,271,654	-	107,271,654
Total for the Period	1,579,376,946	516,974,747	450,388,698	1,137,501,283	17,366,692	4,008,412	793,995,414	2,787,414,363	484,912,224	7,771,938,779
Letter of guarantees	-	-	355,580,639	-	-	-	-	-	-	355,580,639
Letter of credit	-	-	340,222,502	-	-	-	-	-	-	340,222,502
Other liabilities	-	-	86,218,789	-	-	-	-	-	-	86,218,789
Total	1,579,376,946	516,974,747	1,232,410,628	1,137,501,283	17,366,692	4,008,412	793,995,414	2,787,414,363	484,912,224	8,553,960,709
Prior Year Total	1,718,866,402	526,338,498	1,329,683,917	1,113,895,128	15,342,153	3,309,671	773,084,748	2,789,408,446	405,720,795	8,675,649,758

Total Exposure Distribution According to Geographic Region:

	Inside Jordan	Other Middle East Countries	Europe	Asia	Africa	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at central banks	504,635,019	151,399,259	-	-	252,331,998	-	-	908,366,276
Balances at banks and financial institutions	85,682,494	95,006,961	101,323,608	46,264,511	1,338,756	49,055,416	-	378,671,746
Deposits at banks and financial institutions	30,000,000	26,599,454	12,219,965	-	-	2,817,606	-	71,637,025
Credit facilities	3,588,515,403	264,110,483	144,047,441	-	216,343,875	-	-	4,213,017,202
Bonds and Bills:								
Financial assets at fair value through other comprehensive income	168,782,920	30,484,288	35,139,815	16,485,246	16,005,199	75,395,334	11,295,006	353,587,808
Financial assets at amortized cost	1,696,746,364	23,837,246	6,592,549	7,172,713	-	5,038,196	-	1,739,387,068
Mortgaged financial assets (liabilities)	107,271,654	-	-	-	-	-	-	107,271,654
Total for the Period	6,181,633,854	591,437,691	299,323,378	69,922,470	486,019,828	132,306,552	11,295,006	7,771,938,779
Letter of guarantee	290,259,678	28,049,718	6,213,775	181,092	30,876,376	-	-	355,580,639
Letter of credit	292,326,329	5,662,688	5,484,532	1,046,176	34,348,032	1,354,745	-	340,222,502
Other liabilities	42,862,430	-	43,356,359	-	-	-	-	86,218,789
Total	6,807,082,291	625,150,097	354,378,044	71,149,738	551,244,236	133,661,297	11,295,006	8,553,960,709
Prior Year Total	6,888,459,104	689,759,137	328,191,227	30,299,160	513,611,858	212,878,704	12,450,568	8,675,649,758

28. Commitments and Contingent Liabilities:

This item consists of the following:

	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Letters of credit	557,312,826	632,165,144
Acceptances	50,097,829	36,413,318
Guarantees:		
- Payment guarantees	116,613,405	125,499,913
- Performance bonds	131,097,607	138,561,673
- Other	237,383,192	238,538,681
Un-utilized direct credit facilities ceilings	430,256,636	453,429,646
Total	<u>1,522,761,495</u>	<u>1,624,608,375</u>

29. Lawsuits Raised Against the Bank and Lawsuits Raised by the Bank Against Others

Lawsuits raised against the Bank amounted to approximately JD 47.3 million as of March 31, 2020 (approximately JD 45.4 million as of December 31, 2019). In the opinion of the Bank's management and legal advisor, no liabilities will arise therefrom that exceed the booked provision of JD 4,240,486 as of March 31, 2020 (JD 4,228,077 as of December 31, 2019).

Other than the above-mentioned lawsuits, during the year 2019, the inspectors of the Central Bank of Algeria visited the management of the Housing Bank for Trade and Finance Algeria (a subsidiary company) and cited reports of violations attributed to the Bank related to violating some banking procedures in the Republic of Algeria. In this connection, an appealable preliminary decision by the Court of First Instance in Algeria was issued. The said decision imposed a fine of JD 37.6 million on the Housing Bank for Trade and Finance / Algeria (a subsidiary company) for one of the violations. Meanwhile, the Bank's lawyers in Algeria have confirmed the sound legal status of the Bank in relation to this violation. Moreover, the value of the remaining violations has not been determined as of the date of the financial statements. In the opinion of the Bank's management, legal advisor, and auditor in Algeria, the Bank has a strong legal position, and the provisions made for those violations are sufficient as at the end of the first quarter of the year 2020. In addition, these provisions will be reconsidered in light of the upcoming developments during the year.

On the other hand, the lawsuits raised by the Bank against others amounted to approximately JD 491.1 million as of March 31, 2020 (approximately JD 487.4 million as of December 31, 2019).

30. Fair Value Hierarchy

The following table analyzes the financial instruments recorded at fair value based on the valuation method, which is defined at different levels as follows:

- **Level (1):** List prices (unadjusted) for identical assets or liabilities in active markets.
- **Level (2):** Information other than the stated price included in level 1, which is monitored for the asset or liability, either directly (such as prices) or indirectly (i.e., derived from the prices).
- **Level (3):** Information on the asset or liability not based on those observed in the market (unobservable information).

	Level (1)	Level (2)	Level (3)	Total
<u>March 31, 2020 (Reviewed)</u>	JD	JD	JD	JD
Financial assets:				
Financial assets at fair value through other comprehensive income	353,587,808	2,500,000	22,721,066	378,808,874
Financial assets at fair value through profit or loss	2,794,662	-	632,797	3,427,459
Total	356,382,470	2,500,000	23,353,863	382,236,333

December 31, 2019 (Audited)

Financial assets:

Financial assets at fair value through other comprehensive income	362,825,535	2,500,000	23,128,516	388,454,051
Financial assets at fair value through profit or loss	3,040,727	-	632,797	3,673,524
Total	365,866,262	2,500,000	23,761,313	392,127,575

31. Comparative Figures

Comparative figures for the year 2019 for certain figures were reclassified to confirm with the classification of the figures of the period ended March 31, 2020. This reclassification have no any impact on the statement of profit or loss and statement of equity for the year 2019.

	<u>December 31, 2019 (Audited)</u>	
	After Reclassification	Before Reclassification
	JD	JD
Regulatory Capital *	1,024,109,844	976,859,844
Capital Adequacy ordinary shareholders (CETI) Ratio %	17.34%	16.50%
Capital Adequacy Tier 1 Ratio %	17.41%	16.57%
Capital Adequacy Ratio %	18.08%	17.25%

- * In accordance with Central Bank of Jordan Circular No. 1/1/4693 issued on April 9, 2020 and in order to hedge the negative effects of the Corona Virus (Covid 19) event, it was decided to suspense the distribution of dividend by the licensed Jordanian banks to shareholders for the year 2019, and accordingly the amount that was recorded during the year 2019 was released.