



Date: 30/6/2020

Ref: GM/164/2020

The Honorable,
To: Jordan Securities Commission
Amman Stock Exchange
Amman, Jordan.

Dear Sirs,

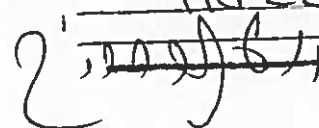
Subject: "Consolidated Condensed Interim Financial Statements"

Kindly find attached the translated Consolidated Condensed Interim Financial Statements for the there-month period ended March 31, 2020.

With all due respect,


Salah Hammad

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٢٠ حزيران ٢٠٢٠
22.34
رقم التمسك:
11022
رقم الملف:
الجهة المختصة:



**BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN**

**CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH
PERIOD ENDED MARCH 31, 2020
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REVIEW REPORT**

**BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020
(REVIEWED NOT AUDITED)**

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Review Report

**To the Chairman and the Members of the Board of Directors
Bank of Jordan
(Public Shareholding Company)
Amman – Jordan**

We have reviewed the accompanying consolidated condensed interim statement of financial position of **Bank of Jordan – Public Shareholding Company** as of March 31, 2020 and the related consolidated condensed interim statements of profit or loss and other comprehensive income, changes in owners' equity and cash flows for the three-month period then ended, and notes to the consolidated condensed interim financial statements ('the condensed consolidated interim financial statements'). Management is responsible for the preparation and presentation of these consolidated condensed interim financial statements in accordance with IAS (34) "Interim Financial Reporting" as adopted by Central Bank of Jordan. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements for **Bank of Jordan - Public Shareholding Company** as at and for the three months ended March 31, 2020 are not prepared, in all material respects, in accordance with IAS (34) "Interim Financial Reporting" as adopted by Central Bank of Jordan.

**Kawasmy and Partners
KPMG**

Hatem Kawasmy
License no. (656)

Amman - Jordan
June 23, 2020



KPMG Kawasmy & Partners Co., a registered Jordanian partnership under No. (226),
is a member firm of KPMG International, a Swiss cooperative

**BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

STATEMENT A

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

<i>In Jordanian Dinar</i>		MARCH 31, 2020	DECEMBER 31, 2019
	NOTE	"REVIEWED NOT AUDITED"	"AUDITED"
<u>Assets</u>			
Cash and balances with central banks	5	315,628,235	384,396,176
Balances with banks and financial institutions	6	217,867,051	188,323,327
Deposits with banks and financial institutions	7	171,037,235	208,123,765
Financial derivatives		313,283	38,261
Financial assets at fair value through profit or loss		683,728	628,716
Financial assets at fair value through comprehensive income		79,087,988	80,865,636
Direct credit facilities at amortized cost	8	1,471,213,623	1,409,525,437
Financial assets at amortized cost		276,774,542	272,535,799
Property and equipment – Net	9	51,208,332	52,802,587
Intangible assets		5,830,674	5,986,282
Deferred tax assets		21,461,601	22,804,298
Other assets	10	100,477,100	82,071,242
Total Assets		2,711,583,392	2,708,101,526
<u>Liabilities and Owners' Equity</u>			
<u>Liabilities:</u>			
Banks and financial institutions' deposits		152,532,055	151,244,578
Customers' deposits		1,907,461,201	1,919,098,107
Cash margins		118,969,272	120,593,921
Other provisions		5,172,065	5,011,211
Income tax provision	11	22,104,380	23,803,895
Deferred tax liabilities		3,500,086	3,081,065
Borrowed Funds	12	29,392,759	23,667,921
Other liabilities	13	45,076,549	41,493,803
Total Liabilities		2,284,208,367	2,287,994,501
<u>Owners' Equity:</u>			
Equity attributable to the Bank's shareholders			
Paid-up capital		200,000,000	200,000,000
Statutory reserve		94,014,570	94,065,645
Voluntary reserve		83,090	134,165
General banking risks reserve		2,186,682	2,196,491
Special reserve		5,849,743	5,849,743
Foreign currency translation differences		(12,606,618)	(12,268,120)
Fair value reserve		22,773,404	24,954,157
Retained earnings		101,047,699	99,400,640
Profit for the period after income tax		7,174,273	-
Total Equity attributable to the Bank's Shareholders		420,522,843	414,332,721
Non-controlling interests		6,852,182	5,774,304
Total Owners' Equity		427,375,025	420,107,025
Total Liabilities and Owners' Equity		2,711,583,392	2,708,101,526

Board of Director's Chairman

Chief Executive Officer

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

**BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN**

STATEMENT B

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED NOT AUDITED)**

<i>In Jordanian Dinar</i>	Note	For the Three-Month Period Ended March 31,	
		2020	2019
Interest income		37,201,166	39,711,314
<u>Less: Interest expense</u>		<u>9,573,009</u>	<u>10,718,786</u>
Net Interest Income		27,628,157	28,992,528
Commissions income – Net		5,624,723	5,868,038
Net Interest and Commissions Income		33,252,880	34,860,566
Foreign currencies income		718,898	742,521
Gain (Loss) from financial assets at fair value through profit or loss		55,012	(24,244)
Other income		836,486	800,982
Total income for the period		34,863,276	36,379,825
Employees expenses		7,750,257	9,939,476
Depreciation and amortization		2,197,448	1,920,506
Other expenses		6,688,185	6,193,268
Financial assets expected credit loss provision	14	6,309,008	976,878
(Reversal) provision for a assets foreclosed by the Bank provision		(790)	113,248
Other provisions		264,629	206,371
Total expenses		23,208,737	19,349,747
Profit for the period before Income Tax		11,654,539	17,030,078
Less: Income tax	11	4,643,767	6,013,400
Profit for the period – Statement (C) and (D)		7,010,772	11,016,678
Attributable to:			
Bank's Shareholders		7,174,273	11,006,835
Non-controlling Interest		(163,501)	9,843
		7,010,772	11,016,678
Earnings per share for the period attributable to the (Banks' shareholders) / Basic and diluted	15	0.036	0.055

Board of Director's Chairman

Chief Executive Officer

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

**BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN**

STATEMENT C

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)**

<i>In Jordanian Dinar</i>	For the Three-Month Period Ended March 31,	
	2020	2019
Profit for the Period- Statement (B)	7,010,772	11,016,678
Other comprehensive income items:		
Other comprehensive income items that may be reclassified subsequently to the consolidated condensed interim statement of profit or loss:		
Change in fair value of debt instruments classified as financial assets at fair value through comprehensive income	(3,827,729)	-
Foreign currencies translation differences	2,436,937	(13,777)
	(1,390,792)	(13,777)
Items that will not be reclassified subsequently to consolidated condensed interim statement of profit or loss:		
Change in fair value of equity instruments classified as financial assets through comprehensive income – net after tax	1,648,020	(2,292,401)
	1,648,020	(2,292,401)
Total Comprehensive Income for the period –Statement (D)	7,268,000	8,710,500
Total Comprehensive Income Attributable to:		
The Bank's Shareholders	6,190,122	8,707,561
Non-controlling Interest	1,077,878	2,939
	7,268,000	8,710,500

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

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
(REVIEWED NOT AUDITED)

STATEMENT D

<i>In Jordanian Dinar</i>	Reserves					Foreign Currencies Translation Differences	Fair Value Reserve	Retained Earnings	Profit for the Period	Total Banks' Shareholders Equity	Non- Controllers' Interest	Total Owner's Equity
	Authorized and Paid- up Capital	Statutory	Voluntary	General Banking Risks	Special							
For the Period Ended March 31, 2020												
Balance - Beginning of the Period	200,000,000	94,065,645	134,165	2,196,491	5,849,743	(12,268,120)	24,954,157	99,400,640	-	414,332,721	5,774,304	420,107,025
Foreign currencies translation differences	-	(51,075)	(51,075)	(9,809)	-	(338,498)	-	1,646,015	-	1,195,558	1,241,379	2,436,937
Profit for the Period-Statement (B)	-	-	-	-	-	-	-	-	7,174,273	7,174,273	(163,501)	7,010,772
Realized gain form sale of equity instruments classified as financial assets at fair value through comprehensive income – net after tax	-	-	-	-	-	-	(1,044)	1,044	-	-	-	-
Change in fair value of debt instruments classified as financial assets at fair value through comprehensive income	-	-	-	-	-	-	(3,827,729)	-	-	(3,827,729)	-	(3,827,729)
Change in fair value of equity instruments classified as financial assets through comprehensive income – net after tax	-	-	-	-	-	-	1,648,020	-	-	1,648,020	-	1,648,020
Total Comprehensive Income- Statement (c)	-	(51,075)	(51,075)	(9,809)	-	(338,498)	(2,180,753)	1,647,059	7,174,273	6,190,122	1,077,878	7,268,000
Balance - End of the Period	200,000,000	94,014,570	83,090	2,186,682	5,849,743	(12,606,618)	22,773,404	101,047,699	7,174,273	420,522,843	6,852,182	427,375,025
For the Period Ended March 31, 2019												
Balance - Beginning of the Period	200,000,000	87,947,294	134,330	2,258,450	5,849,039	(12,256,254)	26,668,016	101,289,732	-	411,890,607	5,566,440	417,457,047
Foreign currencies translation differences	-	(166)	(166)	(32)	-	(11,866)	-	5,357	-	(6,873)	(6,904)	(13,777)
Profit for the Period-Statement (B)	-	-	-	-	-	-	-	-	11,006,835	11,006,835	9,843	11,016,678
Change in fair value of equity instruments classified as financial assets through comprehensive income – net after tax	-	-	-	-	-	-	(2,292,401)	-	-	(2,292,401)	-	(2,292,401)
Total Comprehensive Income- Statement (c)	-	(166)	(166)	(32)	-	(11,866)	(2,292,401)	5,357	11,006,835	8,707,561	2,939	8,710,500
Balance - End of the Period	200,000,000	87,947,128	134,164	2,258,418	5,849,039	(12,268,120)	24,375,615	101,295,089	11,006,835	420,598,168	5,569,379	426,167,547

According to the instructions of the regulatory bodies:

- The general banking risks reserve and the special reserve cannot be utilized without prior approval from Palestine Monetary Authority and Central Bank of Jordan.
- Retained earnings include a restricted amount of JD 21,461,601 against deferred tax benefits as of March 31, 2020 (22,804,298) as of December 31, 2019) that according to Central Bank of Jordan instructions, this restricted amount cannot be utilized through capitalization or distribution unless actually realized.
- Retained earnings include an amount of JD 3,302,537 as of March 31, 2020 that represents the effect of early adoption of IFRS (9). These restricted amounts cannot be utilized unless realized through actual sale.
- The fair value reserve cannot be utilized including the capitalization, distribution, write-off losses or any other commercial acts unless realized through actual sale as instructed by Central Bank of Jordan and Jordan Security Commission, the balance of retained earnings include an amount of JD 813,437 as of March 31, 2020 cannot be utilized through dividends distribution to the shareholders or use for any other purposes, without prior approval of central bank of Jordan resulting from application of central bank of Jordan circular No. 10/1/1359 on January 25, 2018. and Central Bank of Jordan circular No. 13/2018 dated June 6, 2018.

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

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS
(REVIEWED NOT AUDITED)

STATEMENT E

	Note	For the Three-Month Period Ended March 31,	
		2020 JD	2019 JD
Cash Flows From Operating Activities:			
Profit for the period before tax		11,654,539	17,030,078
Adjustments for non-cash items:			
Depreciation and amortization		2,197,448	1,920,506
Financial assets expected credit loss provision	14	6,309,008	976,878
Loss from sale of property and equipment		15,192	4,129
(Gain) loss from financial assets at fair value through profit or loss		(55,012)	24,244
Other provisions		264,629	206,371
Effect of exchange rate fluctuations		(693,558)	(699,580)
(Reversal from) provision for assets foreclosed by the Bank		(790)	113,248
Others-Foreign currency exchange differences		745,949	3,006
Profit before Changes in Assets and Liabilities		20,437,405	19,578,880
Changes in Assets and Liabilities:			
Decrease (increase) in restricted balances		85,054	(24,987)
Decrease in deposits with banks and financial institutions (maturing over 3 months)		37,066,125	-
(Increase) in financial assets at fair value through profit or loss		-	(238,243)
(Increase) in direct credit facilities at amortized cost		(68,148,329)	(7,941,346)
(Increase) in other assets		(19,632,004)	(3,627,794)
(Decrease) increase in deposits and financial institutions (maturing over 3 months)		(10,000,000)	3,545,000
(Decrease) in customers deposits		(11,636,906)	(37,459,098)
(Decrease) increase in cash margins		(1,624,649)	13,122,851
Increase in borrowed funds		6,883,393	1,856,049
Increase in other liabilities		3,488,016	1,007,260
Net change in Assets and Liabilities		(63,519,300)	(29,760,308)
Net Cash Flows (used in) Operating Activities before Paid Taxes and End-of-Service Indemnity Provision		(43,081,895)	(10,181,428)
Paid from end-of-service indemnity provision and lawsuits provision		(59,972)	(255,053)
Income tax paid	11	(5,001,224)	(4,359,706)
Net Cash Flows (used in) Operating Activities		(48,143,091)	(14,796,187)
Cash Flows From Investing Activities			
Sale of financial assets at fair value through comprehensive income		4,683	-
(Purchase) of financial assets at amortized cost		(13,024,259)	(22,870,189)
Maturity of financial assets at amortized cost		8,912,736	30,846,005
(Purchase) Maturity of financial derivatives		(275,022)	(53,477)
(Purchase) of property and equipment		(1,079,838)	(1,923,085)
Proceeds from sale of property and equipment		20,637	36,175
(Purchase) of intangible assets		(150,435)	(139,195)
Net Cash Flows (used in) from Investing Activities		(5,591,498)	5,896,234
Cash Flows From Financing Activities			
Foreign currencies translation differences		2,436,937	(13,777)
Dividends distributed to shareholders		(9,878)	(30,831)
Net Cash Flows from (used in) Financing Activities		2,427,059	(44,608)
Effect of exchange rate fluctuations on cash and cash equivalents		693,558	699,580
Net (Decrease) in Cash and Cash Equivalents		(50,613,972)	(8,244,981)
Cash and cash equivalents - Beginning of the year		536,573,919	482,731,837
Cash and Cash Equivalents - End of the period	16	485,959,947	474,486,856

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

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

Bank of Jordan was established in 1960 as a public shareholding limited company with headquarters in Amman – Jordan. On March 3, 1960, it was registered under number (1983) according to the Companies Law No. 33 for the Year 1962 with an authorized capital of JD 350,000, represented by 70,000 shares at a par value of JD 5 per share. However, the Bank's authorized and paid-up capital was increased in stages last of which took place in accordance to the resolution of the general assembly in their extraordinary meeting held on April 9, 2016, thus, the Bank's capital was increased from JD 155/1 million to become JD 200 million for which all of the legal procedures related to it was completed on April 19, 2016.

The Bank provides all financial and banking services within its scope of activities. Those services are offered through its (77) branches in Jordan, (16) branches in Palestine and the bank branch in the Kingdom of Bahrain and its subsidiaries in Jordan and Syria (Excel for Financial Investments Company, Jordan Leasing Company and Bank of Jordan - Syria).

The bank has obtained all necessary approvals from Central Bank of Jordan and the regulatory authorities in Iraq for the establishment of a branch in Iraq. The branch is still in establishment phase.

The accompanying consolidated condensed interim financial statements were approved by the Board of directors in their meeting dated June 23, 2020.

2- Basis of Preparation of consolidated condensed interim financial information

- The accompanying consolidated condensed interim financial statements for the Bank and its subsidiaries were prepared in accordance with the International Accounting Standard (IAS 34) "interim financial reporting", as adopted by Central Bank of Jordan.
- The accompanying consolidated condensed interim financial statements were prepared on the historical cost basis except for financial assets at fair value through profit or loss, financial assets at fair value through comprehensive income and financial derivatives which are measured at fair value at the date of the consolidated condensed interim financial statements. The hedged assets and liabilities are stated at fair value. Moreover the financial assets and liabilities are measured at amortized cost.
- The accompanying consolidated condensed interim financial statements are presented in Jordanian Dinar "JD", being the functional currency of the Bank.
- The accompanying consolidated condensed interim financial statements do not include all the information and disclosures to the financial statements required in the annual financial statements, which are prepared in accordance with International Financial Reporting standards as adopted by the Central Bank of Jordan. Moreover, the results of The Bank's operations for the three-month period ended on March 31, 2020 do not necessarily represent indications of the expected results for the year ending December 31, 2020. Therefore, this consolidated condensed interim financial statements should be read with The Bank's annual report for the year ended December 31, 2019 and it does not contain the appropriation of profit for the three months period ended March 31, 2020, which is usually performed at the end of the year.

Basis of Consolidation of the consolidated condensed interim financial information

- The consolidated condensed interim financial information include the financial statements of the Bank and the subsidiary companies controlled by the Bank. Control is achieved whereby the Bank has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated in full.
- The financial statements of the subsidiary companies are prepared for the same financial period of the Bank using the same accounting policies adopted by the Bank. If the accounting policies adopted by the subsidiary companies are different from those used by the Bank, the necessary adjustments to the financial statements of the subsidiary companies are made to comply with the accounting policies used by the Bank.

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

The Bank has the following subsidiary companies as of March 31, 2020:

Name of Subsidiary	Paid-up Capital	Bank's Ownership Percentage	Subsidiary's Nature of Business	Place of Operation	Acquisition Date
		%			
Excel for Financial Investments Company	JD 3,5 Million 3,000 Million (Syrian – Lira) value of investment JD 21/9 Million	100	Financial Brokerage	Amman	March 23, 2006
Bank of Jordan – Syria*		49	Banking Activities	Syria	May 17, 2008 October 24, 2011
Jordan Leasing Company	JD 20 Million	100	Finance Lease	Amman	

- The results of the subsidiary companies are incorporated into the consolidated condensed interim statement of profit or loss from the effective date of acquisition, which The Bank assumes the date on which actual control over the subsidiary in. Moreover, the operating results of the disposed subsidiary are incorporated into the consolidated condensed interim statement of profit or loss up to the effective date of disposal which is the date on which The Bank losses control over the subsidiary companies.
- * The results of Bank of Jordan – Syria have been incorporated in the consolidated condensed interim financial statements due to The Bank's power to govern the financial and operating policies of the subsidiary.
- Non-Controller's interest represents the portion of equity not held by The Bank in the subsidiary.

3- Accounting Estimates

Preparation of the consolidated condensed interim financial statements and the application of the accounting policies require the Bank's management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, change in fairvalue reserve and contingent liabilities disclosures. Moreover, these assessments and assumptions affect revenues, expenses, provisions and the changes in fair value reserves in the consolidated condensed interim financial statements and within owners equity. In particular, this requires the Bank's management to issue significant judgments and assumptions to assess the future cash flows amounts and their timing. Moreover, the beforementioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes arising from the conditions and circumstances of those assessments in the future.

We believe that the estimates and judgments adopted in the preparation of the consolidated condensed interim financial statements preparation are consistent with the estimates and judgments adopted in the preparation of the annual consolidated financial statement for the year ended December 31, 2019 except for the following:

The Corona Virus (COVID-19) pandemic has spread across different geographical regions of the world, disrupting business and economic activities and caused doubts globally. For which financial and monetary authorities, both domestic and international declared various support measures in all parts of the world to face the potential negative effects, as at the present time there is a significant increase of uncertainty in determining the economic impact that is manifested, for example, in the volume of liquidity and volatility in Assets prices, foreign currency exchange rates, a noticeable decrease in long-term interest rates, an assessment of the significant increase in credit risk and different macroeconomic factors. Accordingly, Bank of Jordan management has closely monitored the situation and has activated its business continuity plan and other risk management practices to manage any potential disruptions that the Corona Virus (COVID -19) outbreak may cause to the Bank's business, operations and financial performance.

Bank of Jordan management has also performed study over the potential impacts of the current economic fluctuations in determining the amounts recognized for the financial and non-financial assets of the Bank, which represents the management best estimates based on the information available, knowing that, given the current situation, as a result the markets remain volatile and the recorded amounts continue to be sensitive to fluctuations.

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

- Provision for expected credit losses:

The uncertainties caused by the outbreak of the Corona virus (Covid-19) require updating the inputs and assumptions used to determine "expected credit losses" as of March 31, 2020. The expected credit losses were estimated based on a set of expected economic conditions as at that date given the rapid development for the situation, the Bank took into account the effect of high volatility on future macroeconomic factors, when determining the severity and likelihood of economic scenarios to determine expected credit losses. This volatility was reflected by modifying the basic scenarios building methods and weights specific to these scenarios. Future factors used are determined from the statistical distribution of credit cycle index factors, which can be derived from a number of observable historical factors such as risk returns, credit growth, credit margins or assumptions as well as forward looking.

The Bank has updated the macroeconomic factors used in calculating the probability of default to reflect the Corona Virus (COVID-19) pandemic impacts results in coordination with Moody's, which was identified from the statistical distributions of credit cycle index factors. The Bank performs continuous studies and reviews over these factors and scenarios.

In addition, Bank of Jordan management has paid particular attention to the impact of the Corona virus (COVID-19) on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing indicators of impairment of risk in potential sectors affected. This has resulted in a decrease in the classification of some credit exposures, recognition of expected credit losses and provisions for impairment as shown in stated in Note (8) to the consolidated condensed interim financial statements.

4- Change in Significant Accounting Policies

A. Adoption of the new and Amended International Standards

- The accounting policies adopted in the consolidated condensed interim financial statement are consistent with those adopted for the year ended December 31, 2019 except for the following new and revised standards, which became applicable in January 1st, 2020 as follow:
- Amendments to References to Conceptual Framework in International Financial Reporting Standard (effective January 1st, 2020).
- Amendments to International Accounting Standards (1) and International Accounting Standards (8) "Definition of Material " (effective January 1st, 2020).
- Amendments to International Financial Reporting Standard (3) "Definition of a Business" (effective January 1st, 2020).
- Amendments to International Financial Reporting Standard (9), International Accounting Standards (39) and International Financial Reporting Standard (7) "Interest Rate Benchmark Reform".

The adoption of the above standards has not affected the amounts or disclosures in the consolidated condensed interim financial statements.

B. New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations issued but not yet effective have not been applied in preparing these consolidated condensed interim financial statements:

New standards

International Financial Reporting Standard (17) Insurance Contracts (effective January 1st, 2021 with early adoption permitted only to companies that have adopted IFRS 9).

Amendments

- Amendments to International Financial Reporting Standard (10) and International accounting standards (28) Sale or Contribution of Assets between Investor and its Joint Venture (no date specified).
- Amendments to International Accounting Standards (1) Classification of Liabilities as Current or Noncurrent (effective January 1st, 2022)

Management does not expect that there will be a material impact from adopting the above standards upon application.

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5. Cash and Balances with Central Banks

	March 31, 2020	December 31, 2019
	<u>JD</u>	<u>JD</u>
Cash at vaults	88,717,059	72,423,711
Balances at Central Banks:		
- Current accounts and demand deposits	53,388,122	45,510,029
- Term and notice deposits	92,980,366	95,075,098
- Certificates of deposit	-	69,513,000
- Statutory cash reserve	80,569,295	102,130,953
	<u>315,654,842</u>	<u>384,652,791</u>
<u>Less:</u> Expected credit loss	(26,607)	(256,615)
	<u>315,628,235</u>	<u>384,396,176</u>

- Cash balances at Central Bank of Jordan amounted to JD 226,937,783 as of March 31, 2020 (JD 312,229,080 as of December 31, 2019)
- Statutory cash reserve amounted to JD 80,569,295 as of March 31, 2020 (JD 102,130,953 As of December 31, 2019).
- Except for the statutory cash reserve, restricted balances amounted to JD 2,345,366 as of March 31, 2020 (JD 2,440,098 as of December 31, 2019).
- Time and notice deposit include JD 10,635,000 maturing within a period exceeding three months as of March 31, 2020 (JD 10,635,000 As of December 31, 2019).
- The expected credit losses allowance amounted to JD 26,607 for the three months period ended as of March 31, 2020 (JD 256,615 as of December 31, 2019). In addition the Expected credit losses allowance was not calculated in accordance with the requirements of the International Financial Reporting Standard (9) on the Central Bank of Jordan balances as at March 31, 2020 and December 31, 2019 which is in accordance with the Central Bank of Jordan Instructions No.13/2018 regarding the implantation of International Financial Reporting Standard No. (9).

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6. Balances with Banks and Financial Institutions

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
In Jordanian Dinar	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current accounts and demand deposits	-	-	154,966,385	121,074,922	154,966,385	121,074,922
Deposits maturing within 3 months or less	28,160,620	48,376,500	34,785,680	18,874,863	62,946,300	67,251,363
	<u>28,160,620</u>	<u>48,376,500</u>	<u>189,752,065</u>	<u>139,949,785</u>	<u>217,912,685</u>	<u>188,326,285</u>
Less: Expected credit loss	(35,959)	(263)	(9,675)	(2,695)	(45,634)	(2,958)
	<u>28,124,661</u>	<u>48,376,237</u>	<u>189,742,390</u>	<u>139,947,090</u>	<u>217,867,051</u>	<u>188,323,327</u>

- Non-interest-bearing balances at banks and financial institutions amounted to JD 46,217,118 as of March 31, 2020 (JD 20,497,643 as of December 31, 2019).
- Restricted balances at banks and financial institutions amounted to JD 3,033,026 as of March 31, 2020 (JD 3,023,348 as of December 31, 2019).

7. Deposits with banks and financial institutions

This item consists of the following:

	Local Banks and Financial Institutions		Foreign Banks and Financial Institutions		Total	
In Jordanian Dinar	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Deposits maturing within 3 to 6 months	-	25,000,000	-	11,007,225	-	36,007,225
Deposits maturing within 9 months to 1 year	25,000,000	-	1,992,189	2,051,089	26,992,189	2,051,089
Deposits maturing within more than 1 year	120,085,000	146,085,000	24,106,000	24,106,000	144,191,000	170,191,000
	<u>145,085,000</u>	<u>171,085,000</u>	<u>26,098,189</u>	<u>37,164,314</u>	<u>171,183,189</u>	<u>208,249,314</u>
Less: Expected credit loss	(142,818)	(88,612)	(3,136)	(36,937)	(145,954)	(125,549)
	<u>144,942,182</u>	<u>170,996,388</u>	<u>26,095,053</u>	<u>37,127,377</u>	<u>171,037,235</u>	<u>208,123,765</u>

- There are no restricted deposits as of March 31, 2020 and December 31, 2019.

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8. Direct Credit Facilities at Amortized Cost

This item consists of the following:

<i>In Jordanian Dinar</i>	March 31, 2020	December 31, 2019
Individual (Retail Customers):	508,552,116	488,438,680
Overdraft accounts	12,457,773	12,835,949
Loans and discounted bills*	469,631,307	451,086,250
Credit cards	26,463,036	24,516,481
Real estate loans	243,895,974	238,577,717
Corporate:	674,982,050	681,832,288
Large corporate customers	431,585,061	438,140,685
Overdraft accounts	82,574,849	74,961,948
Loans and discounted bills*	349,010,212	363,178,737
SMEs	243,396,989	243,691,603
Overdraft accounts	55,841,507	55,061,893
Loans and discounted bills*	187,555,482	188,629,710
Government and public sector	170,562,707	122,691,256
Total	1,597,992,847	1,531,539,941
<u>Less: expected credit loss provision</u>	<u>(116,805,608)</u>	<u>(112,104,787)</u>
<u>Less: Interest in suspense</u>	<u>(9,973,616)</u>	<u>(9,909,717)</u>
Net Direct Credit Facilities at amortized cost	1,471,213,623	1,409,525,437

- * Net of interest and commission received in advance amounting to JD 16,996,976 as of March 31, 2020 (JD 17,143,660 as of December 31, 2019).
- Non-performing credit facilities amounted to JD121,617,801 representing (7/6%) of the direct credit facilities balance as of March 31, 2020 (JD 114,630,680 representing (7/5%)) as of December 31, 2019).
 - Non-performing credit facilities after deducting the suspended interest amounted to JD 111,647,486 representing (7/03%) of direct credit facilities after deducting the suspended interest as of March 31, 2020 (JD 104,723,259 representing (6/9%) as of December 31, 2019).
 - Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 32,442,605 representing (2/03%) of total direct credit facilities as of March 31, 2020 (JD 32,598,476 representing (2/13%) as of December 31, 2019). Moreover, credit facilities granted to the public sector in Palestine amounted to JD 43,710,068 as of March 31, 2020 (JD 46,734,985 as of December 31, 2019). Facilities granted to foreign governments amounted to JD15,248,818 as of March 31, 2020.

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Total direct credit facilities credit stages distribution during the period/year as follows:

In Jordanian Dinar

Item	Stage One		Stage Two		Stage Three	Total
	Level	Collective Level	Level	Collective Level		
<u>For the period ended March 31,2020</u>						
Balance at the beginning of the period	663,999,644	619,153,135	100,655,921	33,100,561	114,630,680	1,531,539,941
New facilities During the period	87,235,831	47,155,557	6,886,640	345,167	2,155,652	143,778,847
Facilities paid	(39,192,298)	(22,318,479)	(16,879,366)	(1,745,534)	(1,097,971)	(81,233,648)
	712,043,177	643,990,213	90,663,195	31,700,194	115,688,361	1,594,085,140
Transfer to Stage One	9,498,965	21,194,544	(9,110,580)	(21,064,298)	(518,631)	-
Transfer to Stage Two	(114,687,551)	(13,316,279)	114,687,551	14,391,589	(1,075,310)	-
Transfer to Stage Three	(80)	(757,245)	(5,748,551)	(2,893,532)	9,399,408	-
The effect of changes in classification between the three stages during the period	(557,431)	(435,860)	(4,974,506)	136,465	70,374	(5,760,958)
Changes due to the adjustments	17,120,028	2,813,954	(895,463)	(344,453)	1,057,403	19,751,469
Adjustment due to exchange rates fluctuations	(4,765,163)	(50,020)	(2,236,634)	(27,183)	(3,003,804)	(10,082,804)
Balance at the End of the Period	618,651,945	653,439,307	182,385,012	21,898,782	121,617,801	1,597,992,847

In Jordanian Dinar

Item	Stage One		Stage Two		Stage Three	Total
	Level	Collective Level	Level	Collective Level		
<u>For the year ended December 31,2019</u>						
Balance at the beginning of the year	820,264,824	591,291,301	43,835,749	27,975,928	91,750,968	1,575,118,770
New facilities During the year	68,770,402	116,221,082	3,055,428	2,970,455	3,209,553	194,226,920
Facilities paid	(30,476,769)	(53,502,298)	(2,810,105)	(1,822,183)	(8,723,295)	(97,334,650)
	858,558,457	654,010,085	44,081,072	29,124,200	86,237,226	1,672,011,040
Transfer to Stage One	23,345,623	10,772,363	(23,345,623)	(9,724,840)	(1,047,523)	-
Transfer to Stage Two	(103,952,073)	(20,996,081)	104,496,747	22,978,514	(2,527,107)	-
Transfer to Stage Three	(19,079,422)	(7,322,366)	(6,191,098)	(7,864,391)	40,457,277	-
The effect of changes in classification between the three stages during the year	10,372,676	(1,000,688)	(17,211,679)	(936,607)	(4,888,808)	(13,665,106)
Changes due to the adjustments	(105,236,383)	(16,309,974)	(1,165,024)	(473,819)	(1,731,953)	(124,917,153)
Written off- Balances	-	-	-	-	(1,861,964)	(1,861,964)
Adjustment due to exchange rates fluctuations	(9,234)	(204)	(8,474)	(2,496)	(6,468)	(26,876)
Balance at the End of the Year	663,999,644	619,153,135	100,655,921	33,100,561	114,630,680	1,531,539,941

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- The movement on the expected credit loss provision at collective level during the period/year was as follows:

In Jordanian Dinar

Item	Stage One		Stage Two		Stage Three	Total
	Individual Level	Collective Level	Individual Level	Collective Level		
For the period ended March 31,2020						
Balance at the beginning of the period	2,033,638	5,357,779	11,796,862	984,202	91,932,306	112,104,787
Credit loss on new balances during the period	173,751	1,774,585	80,264	232,331	3,866,287	6,127,218
Expected credit loss reversal of matured facilities	(328,977)	(91,394)	(1,955,282)	(732,893)	(4,847,794)	(7,956,340)
	1,878,412	7,040,970	9,921,844	483,640	90,950,799	110,275,665
Transfer to Stage One	187,578	189,961	(108,474)	(181,791)	(87,274)	-
Transfer to Stage Two	(276,106)	(123,841)	276,106	798,897	(675,056)	-
Transfer to Stage Three	-	(10,227)	(25,889)	(54,072)	90,188	-
Effect on the provision at the end of the year as a result of classification changes between the three stages during the year	(146,301)	43,457	3,491,603	(275,978)	3,775,871	6,888,652
Changes due to the adjustments	(51,387)	1,018,947	211,454	85,089	136,510	1,400,613
Adjustment due to exchange rates fluctuations	(998)	(2,499)	(23,047)	(12,071)	(1,720,707)	(1,759,322)
Balance at the End of the period	1,591,198	8,156,768	13,743,597	843,714	92,470,331	116,805,608

In Jordanian Dinar

Item	Stage One		Stage Two		Stage Three	Total
	Individual Level	Collective Level	Individual Level	Collective Level		
For the year ended December 31,2019						
Balance at the beginning of the period	1,745,391	4,086,242	14,672,544	1,114,957	75,385,510	97,004,644
Credit loss on new balances during the period	314,666	1,023,407	169,370	814,799	12,096,632	14,418,874
Expected credit loss reversal of matured facilities	(97,125)	(323,776)	(3,655,207)	(445,454)	(14,537,099)	(19,058,661)
	1,962,932	4,785,873	11,186,707	1,484,302	72,945,043	92,364,857
Transfer to Stage One	108,131	1,072,667	(108,131)	(267,918)	(804,749)	-
Transfer to Stage Two	(238,181)	(138,858)	564,872	1,666,490	(1,854,323)	-
Transfer to Stage Three	(37,908)	(54,344)	(86,832)	(285,474)	464,558	-
Effect on the provision at the end of the year as a result of classification changes between the three stages during the year	(56,276)	(987,629)	207,575	(1,461,077)	23,890,590	21,593,183
Changes due to the adjustments	294,991	680,074	32,894	(152,121)	(1,634,305)	(778,467)
Written off- Balances	-	-	-	-	(1,555,947)	(1,555,947)
Adjustment due to exchange rates fluctuations	(51)	(4)	(223)	-	481,439	481,161
Balance at the End of the period	2,033,638	5,357,779	11,796,862	984,202	91,932,306	112,104,787

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Expected credit loss provision:

The following is the movement on the expected credit loss provision against direct credit facilities :

	March 31, 2020					
	Individual (Retail Customers)	Real Estate Loans	Large Corporate Customers	SMEs	Government and Public sector	Total
<i>In Jordanian Dinar</i>						
Balance at the beginning of the Period	36,194,481	7,134,274	42,395,693	26,037,867	342,472	112,104,787
Impairment loss of new facilities during the period	3,254,164	1,417,635	845,522	582,235	27,662	6,127,218
Reversed from impairment loss of the settled balances	(1,751,022)	(178,737)	(4,681,982)	(1,344,599)	-	(7,956,340)
	<u>37,697,623</u>	<u>8,373,172</u>	<u>38,559,233</u>	<u>25,275,503</u>	<u>370,134</u>	<u>110,275,665</u>
Transfer to Stage One	-	-	-	-	-	-
Transfer to Stage Two	-	-	-	-	-	-
Transfer to Stage Three	-	-	-	-	-	-
Effect on the provision at the end of the period as a result of classification changes between the three stages during the period	898,998	1,100,056	3,195,195	1,694,403	-	6,888,652
Changes due to the adjustments	1,041,350	98,436	59,680	167,403	33,744	1,400,613
Adjustment due to exchange rates fluctuations	(148,003)	(48,550)	(1,310,164)	(252,605)	-	(1,759,322)
Balance at the End of the period	<u>39,489,968</u>	<u>9,523,114</u>	<u>40,503,944</u>	<u>26,884,704</u>	<u>403,878</u>	<u>116,805,608</u>
Distributed as follow:						
Provision on individual level	90,492	1,063,833	40,355,156	26,398,056	403,878	68,311,415
Provision on collective level	<u>39,399,476</u>	<u>8,459,281</u>	<u>148,788</u>	<u>486,648</u>	<u>-</u>	<u>48,494,193</u>
Balance at the End of the Period	<u>39,489,968</u>	<u>9,523,114</u>	<u>40,503,944</u>	<u>26,884,704</u>	<u>403,878</u>	<u>116,805,608</u>

	As of December 31, 2019					
	Individual (Retail Customers)	Real Estate Loans	Corporates		Government and Public sector	Total
			Large Corporate Customers	SMEs		
<i>In Jordanian Dinar</i>						
Balance at the beginning of the Year	29,508,935	6,150,599	39,872,490	21,268,030	204,590	97,004,644
Impairment loss of new facilities during the Year	9,626,128	1,125,767	2,539,558	1,116,262	11,159	14,418,874
Reversed from impairment loss of the settled balances	(7,598,587)	(1,383,027)	(7,575,493)	(2,501,554)	-	(19,058,661)
	31,536,476	5,893,339	34,836,555	19,882,738	215,749	92,364,857
Transfer to Stage One	-	-	-	-	-	-
Transfer to Stage Two	-	-	-	-	-	-
Transfer to Stage Three	-	-	-	-	-	-
Effect on the provision at the end of the year as a result of classification changes between the three stages during the year	4,370,096	1,062,844	6,819,728	9,340,515	-	21,593,183
Changes due to the adjustments	241,454	178,180	611,314	(1,936,138)	126,723	(778,467)
Written off- Balances	(87,682)	-	-	(1,468,265)	-	(1,555,947)
Adjustment due to exchange rates fluctuations	134,137	(89)	128,096	219,017	-	481,161
Balance at the End of the Year	36,194,481	7,134,274	42,395,693	26,037,867	342,472	112,104,787
Distributed as follow:						
Provision on individual level	168,410	1,456,259	42,249,329	25,544,883	342,472	69,761,353
Provision on collective level	36,026,071	5,678,015	146,364	492,984	-	42,343,434
Balance at the End of the Year	36,194,481	7,134,274	42,395,693	26,037,867	342,472	112,104,787

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Interest in Suspense:

The following is the movement on the interest in suspense:

	March 31, 2020				
	Individual (Retail Customers)	Real Estate Loans	Corporates		Total
			Large Corporate Customers	SMEs	
<i>In Jordanian Dinar</i>					
Balance at the Beginning of the Period	1,977,386	1,251,133	2,700,185	3,981,013	9,909,717
Add: Interest suspended during the Period	24,950	116,236	(182,165)	119,897	78,918
Less: Interest in suspense reversed to revenues	2,641	(3,770)	(191)	(13,699)	(15,019)
Balance at the End of the Period	2,004,977	1,363,599	2,517,829	4,087,211	9,973,616
	December 31, 2019				
	Individual (Retail Customers)	Real Estate Loans	Corporates		Total
			Large Corporate Customers	SMEs	
<i>In Jordanian Dinar</i>					
Balance at the Beginning of the Year	1,955,428	966,577	2,286,197	3,666,265	8,874,467
Add: Interest suspended during the year	207,268	541,503	602,034	861,393	2,212,198
Less: Interest in suspense reversed to revenues	(149,508)	(256,947)	(188,046)	(276,430)	(870,931)
Facilities Classified to off balance sheet	(35,802)	-	-	(270,215)	(306,017)
Balance at the End of the Year	1,977,386	1,251,133	2,700,185	3,981,013	9,909,717

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9. Property and Equipment

The details of this item are as follows:

<i>In Jordanian Dinar</i>	March 31, 2020	December 31, 2019
Property and equipment (A)	35,771,678	36,599,614
Right of use assets (B)	15,436,654	16,202,973
Net as of March 31, 2020	51,208,332	52,802,587

- A. The additions during the period ended March 31, 2020 amounted to JD 1,079,838 (JD 1,923,085 during the period ended March 31, 2019); the depreciation expense for the period amounted to JD 1,101,890 March 31, 2020 (JD 1,001,013 for the period ended March 31, 2019).
- B. The additions during the period ended March 31, 2020 amounted to JD 86,077 (JD 1,565,687 during the period ended March 31, 2019); the depreciation expense for the period amounted to JD 810,328 March 31, 2020 (JD 692,260 for the period ended March 31, 2019).

10. Other Assets

The details of this item are as follows:

<i>In Jordanian Dinar</i>	March 31, 2020	December 31, 2019
Accrued interest income	12,603,428	13,059,915
Prepaid expenses	6,583,818	3,408,442
Assets foreclosed by the Bank in repayment of non-performing debts*	53,949,488	53,844,537
Clearance cheques	15,890,850	3,697,797
Advanced payments on the acquisition of lands and real estates	1,547,463	1,049,107
Prepaid tax expenses	3,440,869	1,619,294
Accounts receivables and other debit balances	6,461,184	5,392,150
	100,477,100	82,071,242

* The following is the movement on the assets foreclosed by the Bank in repayment of non-performing debts:

<i>In Jordanian Dinar</i>	Foreclosed Assets	
	For the Three- Month Period Ended March 31, 2020	For the Year Ended December 31, 2019
Balance - Beginning of the Period / Year	64,202,177	59,991,327
Additions	956,447	4,993,591
Disposals	(851,667)	(782,741)
Foreign currencies differences	(619)	-
Balance at the end of the Period / Year	64,306,338	64,202,177
Impairment provision against assets foreclosed by the Bank	(10,356,850)	(10,357,640)
Balance - End of the Period / Year	53,949,488	53,844,537

- According to the Jordanian Banks' Law, buildings and plots of lands foreclosed by the Bank in repayment of debts from clients should be sold within two years from the foreclosure date. However, the Central Bank of Jordan may extend this period for two more years in exceptional cases.

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- In accordance with the Central Bank of Jordan Circular No. 10/1/4076 dated March 27, 2014 and Circular No. 10/1/2510 dated February 14, 2017 the bank has started to calculate gradual provision against the assets foreclosed by the bank in exchange of credit facilities that have been in possession for more than 4 years. Central Bank of Jordan issued Circular No. 10/1/16239 dated November 21, 2019 approving the extension of Circular No. 10/1/2150 dated February 14, 2017, in which it confirmed postponing the provision calculation until the end of year 2020 and amending the second clause of it.

11. Income Tax

a. Income tax provision

The movement on the income tax profit or loss provision is as follows:

<i>In Jordanian Dinar</i>	March 31, 2020	December 31, 2019
Balance - Beginning of the Period / Year	23,803,895	21,978,685
Income tax paid	(5,001,224)	(23,151,663)
Accrued Income tax	3,301,709	24,976,873
Balance - End of the Period / Year	22,104,380	23,803,895

Income tax in the consolidated statement of profit or loss represents the following:

<i>In Jordanian Dinar</i>	For the Three-Month Period Ended on March 31,	
	2020	2019
Income tax on current period's profit	3,301,070	6,186,717
Deferred tax assets for the period-addition	(1,437,273)	(338,525)
Amortization of deferred tax assets	2,779,970	165,912
Foreign currencies differences	-	(704)
	4,643,767	6,013,400

Income tax in the statement of comprehensive income represents the following:

<i>In Jordanian Dinar</i>	For the Three-Month Period Ended on March 31,	
	2020	2019
Income tax over gains from sale of equity instruments classified through comprehensive income	639	-
	639	-

The legal income tax rate in Jordan is 38% for banks, knowing that the legal income tax rate in Palestine in which the bank has investments and branches is 15%, and in Syria (a subsidiary company) 25% and subsidiaries in Jordan 28%.

- A final settlement was reached with the Income and Sales Tax Department in Jordan up to the end of 2017, and the bank submitted its annual tax returns for the years 2014, 2018 and 2019 and paid the required amounts according to the law, however no final settlement was reached with the Income and Sales Tax Department for those years yet, noting that Income and Sales Tax Department requests the bank with tax differences for the year 2014 in the amount of JD 2.9 Million, which have been duly contested, the bank filed a case against the Income and Sales Tax Department in this regard, in which the Court of Cassation issued a decision obligating the bank to pay about JD 1.3 Million, and the bank recorded the necessary related provisions. In the opinion of management and its legal and tax advisors, the bank will not have any obligations in excess of the provisions that were booked in the consolidated condensed interim financial statements.

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- A final settlement was reached with the Income tax and VAT departments on the results of the bank's operations in Palestine until the end of the year 2018, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Excel for Financial Investments Company (Subsidiary) until the end of year 2018 except for year 2016. the company submitted its tax return for the years 2016 to 2019 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- A final settlement was reached with the Income and Sales Tax Department in Jordan with regard to Jordan Leasing Company (Subsidiary) until the end of year 2017, with regard to year 2018 the company submitted its tax return for the year 2018 and 2019 and paid related taxes but still not reviewed by the Income and Sales Tax Department Yet, In the opinion of management and its tax advisor current booked provisions are sufficient to pay the tax obligations.
- The Bank calculated the accrued income tax for the year ended March 31, 2020 for the Bank and its subsidiary Companies and external branches. In the opinion of the management and its tax consultant, the balance is sufficient to meet the tax commitments as of that date.

12. Borrowed Funds

The details of this item are as follows:

<i>In Jordanian Dinar</i>		Number of Installments		Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
March 31, 2020	Amount	In Total	The Remaining			
Borrowing from the Central Bank of Jordan*	8,716,934	24-113	2-81	Monthly	Treasury Bonds and bills	1%-1.75%
Rent lease liability**	13,585,825	693	463	Quarter, Semi-annually and annually	None	5.75% Average
Borrowing from Foreign bank***	7,090,000	-	-	One Payment	None	LIBOR + 3 Months
Total	29,392,759					

<i>In Jordanian Dinar</i>		Number of Installments		Periodic Installments Maturity	Collaterals	Price of Borrowing Interest
December 31, 2019	Amount	In Total	The Remaining			
Borrowing from the Central Bank of Jordan*	8,923,541	24-113	4-83	Monthly	Treasury Bonds and bills	1%-1.75%
Rent lease liability**	14,744,380	685	530	Quarter, Semi-annually and annually	None	5.75% Average
Total	23,667,921					

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- * The above amounts were repaid to the bank's customers within the SME and large companies at interest rates ranging from 3% to 5%.
- The borrowings are of fixed interest and there is no variable interest borrowings or interest-free borrowings as of March 31, 2020 and December 31, 2019.

**** Lease liability – Against right of use of assets – leased :**

<i>In Jordanian Dinar</i>	March 31, 2020	December 31, 2019
Maturities analysis - contractual undiscounted cash flows		
Less than one year	2,913,128	3,282,125
Year to five years	7,792,653	9,617,803
More than five years	7,067,814	6,220,674
Total undiscounted lease liabilities	17,773,595	19,120,602
Lease commitments included in the consolidated condensed interim statement of financial position	13,585,825	14,744,380
Within one year	1,147,711	2,535,281
More than one year	12,438,114	12,209,099

- *** This amount represent a borrowing from a foreign bank that will be settled on one payment on January 18, 2021 and the interest is calculated at (LIBOR+ 3 months).

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13. Other Liabilities

The details of this item are as follows:

<i>In Jordanian Dinar</i>	March 31, 2020	December 31, 2019
Accrued interest payable	10,629,794	10,391,002
Accepted cheques	6,096,079	7,250,887
Temporary deposits	7,443,345	4,198,390
Dividends payable	2,173,396	2,183,274
Deposits on safe boxes	175,141	175,355
Sold real estate margins	149,315	37,000
Provision for expected credit loss against indirect credit facilities *	10,311,461	10,206,853
Other liabilities	8,098,018	7,051,042
	45,076,549	41,493,803

* Indirect credit facilities balances distribution at collective level was as follows:

<i>In Jordanian Dinar</i>	As of March 31, 2020					
	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
Balance at the Beginning of the period	546,467,533	48,633,570	53,033,126	637,617	12,604,062	661,375,908
New facilities during the period	82,650,302	7,411,271	16,380,094	304,145	29,990	106,775,802
Facilities paid	(107,733,410)	(5,346,688)	(17,308,168)	(238,499)	(201,767)	(130,828,532)
	521,384,425	50,698,153	52,105,052	703,263	12,432,285	637,323,178
Transferred to stage one	4,081,465	201,352	(4,081,465)	(199,719)	(1,633)	-
Transferred to stage two	(41,857,757)	(589,858)	41,857,757	593,052	(3,194)	-
Transferred to stage three	-	(33,791)	(57,612)	(37,112)	128,515	-
The effect of changes in classification between the three stages during the period	(654,609)	232,922	10,053,673	43,384	(106,178)	9,569,192
Changes resulting from modification	51,287,687	12,282,149	(9,294,930)	(13,545)	-	54,261,361
Written -off facilities	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	(1,324,055)	-	(819,933)	-	(698)	(2,144,686)
Balance at the End of the period	532,917,156	62,790,927	89,762,542	1,089,323	12,449,097	699,009,045

<i>In Jordanian Dinar</i>	As of December 31, 2019					
	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
Balance at the Beginning of the year	532,580,827	47,291,301	34,362,854	336,561	10,281,213	624,852,756
New facilities during the year	107,937,964	13,285,761	14,855,234	130,293	1	136,209,253
Facilities paid	(104,605,202)	(213,343)	(760,813)	(3,213)	(319,886)	(105,902,457)
	535,913,589	60,363,719	48,457,275	463,641	9,961,328	655,159,552
Transferred to stage one	31,131,081	289,567	(31,127,573)	(289,567)	(3,508)	-
Transferred to stage two	(39,174,613)	(591,048)	39,210,397	591,048	(35,784)	-
Transferred to stage three	(8,222,396)	(192,937)	(473,946)	(22,488)	8,911,767	-
The effect of changes in classification between the three stages during the year	(7,342,536)	272,724	(2,412,563)	(158,189)	(6,229,739)	(15,870,303)
Changes resulting from modification	34,168,314	(11,508,455)	(620,288)	53,172	6	22,092,749
Written -off facilities	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	(5,906)	-	(176)	-	(8)	(6,090)
Balance at the End of the Year	546,467,533	48,633,570	53,033,126	637,617	12,604,062	661,375,908

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* Expected credit loss provision distribution against indirect credit facilities was as follows:

<i>In Jordanian Dinar</i>	As of March 31, 2020					
	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
Balance at the Beginning of the period	1,259,826	635,663	465,483	7,912	7,837,969	10,206,853
Credit loss on new exposures during the period	293,308	118,088	329,233	14,448	114,125	869,202
Impairment loss over accrued exposures	(482,306)	(63,385)	(146,083)	(3,074)	(534,850)	(1,229,698)
	1,070,828	690,366	648,633	19,286	7,417,244	9,846,357
Transferred to stage one	42,764	2,588	(42,764)	(2,588)	-	-
Transferred to stage two	(141,196)	(7,449)	141,196	7,449	-	-
Transferred to stage three	-	-	(1,479)	-	1,479	-
Effect on the provision at the end of the period – as a result of classification changes between the three stages during the period	(28,564)	4,330	291,113	14,737	28,402	310,018
Changes due to the adjustments	12,558	310,637	(167,450)	(442)	925	156,228
Written -off facilities	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	(481)	-	(532)	-	(129)	(1,142)
Balance at the End of the Period	955,909	1,000,472	868,717	38,442	7,447,921	10,311,461

<i>In Jordanian Dinar</i>	As of December 31, 2019					
	Stage One		Stage Two		Stage Three	Total
	Individual	Collective	Individual	Collective		
Balance at the Beginning of the year	1,010,512	400,636	541,438	2,958	5,642,941	7,598,485
Credit loss on new exposures during the year	188,608	153,730	203,007	1,711	616,864	1,163,920
Impairment loss over accrued exposures	(130,574)	(3,232)	(4,493)	(36)	(104,490)	(242,825)
	1,068,546	551,134	739,952	4,633	6,155,315	8,519,580
Transferred to stage one	518,256	2,693	(518,080)	(2,693)	(176)	-
Transferred to stage two	(101,033)	(5,175)	121,361	5,175	(20,328)	-
Transferred to stage three	(21,056)	(1,727)	(2,684)	(200)	25,667	-
Effect on the provision at the end of the year – as a result of classification changes between the three stages during the period	(469,070)	5,693	122,164	314	1,678,271	1,337,372
Changes due to the adjustments	264,206	83,045	2,770	683	(776)	349,928
Written -off facilities	-	-	-	-	-	-
Adjustment due to exchange rates fluctuations	(23)	-	-	-	(4)	(27)
Balance at the End of the Year	1,259,826	635,663	465,483	7,912	7,837,969	10,206,853

14. Provision for Expected Credit Loss on Financial Assets

The details of this item are as follows:

<i>In Jordanian Dinar</i>	For the Three-Month Period Ended March 31,	
	2020	2019
Expected credit losses on cash with central banks	(152,144)	21,119
Expected credit losses on balances with banks and financial institutions	50,276	(1,398)
Expected credit losses on deposits at banks and financial institutions	20,405	(1,865)
Expected credit losses over financial assets at fair value through comprehensive income – debt securities	(48,202)	-
Expected credit losses on direct credit facilities at amortized cost	6,460,143	1,252,246
Expected credit losses on financial assets at amortized cost	(127,220)	2,191
Expected credit losses on indirect credit facilities	105,750	(294,415)
	6,309,008	976,878

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15. Earnings per Share from Profit for the Period

The details of this item are as follows:

<i>In Jordanian Dinar</i>	For the Three-Month Period Ended March 31,	
	2020	2019
Profit for the year (Bank's shareholders)	7,174,273	11,006,835
Weighted average number of shares	200,000,000	200,000,000
Net income for the period/share (Bank's shareholders):		
Basic /Diluted	0.036	0.055

16. Cash and Cash Equivalents

The details of this item are as follows:

<i>In Jordanian Dinar</i>	As of March 31,	
	2020	2019
Cash and balances with central banks maturing within 3 months	305,019,842	357,226,470
<u>Add:</u> Balances with banks and other financial institutions maturing within 3 months	217,912,685	131,246,357
<u>Less:</u> Banks and financial institutions' deposits maturing within 3 months	(31,594,188)	(9,173,896)
Restricted balances	(5,378,392)	(4,812,075)
	485,959,947	474,486,856

17. Capital Management

Capital Components:

- **Paid-up Capital:**

The paid-up capital of Bank of Jordan consists of (200) million ordinary shares at a nominal value of 1 JD per share. The Bank maintains capital, statutory reserves, and retained earnings to meet the growth in its operations and the requirements of branching locally and regionally.

- **Regulatory Capital:**

Regulatory capital is considered a control tool according to the requirements of regulatory authorities and Basel (III) for the purposes of achieving control over the adequacy of capital and the ratio of regulatory capital to risky and weighted assets and market risk. Regulatory capital consists of:

- (Paid-up capital, legal reserve, voluntary reserve, and retained earnings).
- (Undisclosed reserves, general banking risks reserve, special reserve subordinated debts, and the positive fair value reserve at 100% and deduct regulatory adjustments according Basel III).
- Foreign currency translation differences.

- **Regulatory Authorities' Requirements:**

The regulatory authorities' instructions entail that the minimum capital shall be JD (100) million. Moreover, banks have been requested to increase their capital adequacy ratio to no less than 14.50% according to the Central Bank of Jordan instructions. The ratio of owners' equity to total risk weighted assets must not be less than 6%.

The ratio of owners' equity to total assets (financial leverage ratios) must not be less than 4%.

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- **Achieving the Objectives of Capital Management:**

The Bank's management aims at achieving the capital management objectives through developing (enhancing) the Bank's activities, achieving a surplus in operating profits and revenues, and optimally investing available funds. All of this is geared towards reaching the targeted growth in owners' equity through the increase in the compulsory reserve at 10% of the profits earned, voluntary reserve at 20%, and retained earnings.

The organizational capital and capital adequacy according to the standard approach was as follows:

<i>In Jordanian Dinar</i>	In Thousands of JD	
	March 31, 2020	December 31, 2019
<u>Regulatory capital for ordinary shares holders (CETI):</u>		
Subscribed and paid-up capital	200,000	200,000
Statutory reserve	94,015	94,066
Voluntary reserve	83	134
Other reserves	5,850	5,850
Fair value reserve	22,773	24,954
Retained earnings	94,942	68,285
Minority interest in the capital of subsidiaries	3,030	3,432
<u>Less: Regulatory capital adjustments</u>	<u>(39,899)</u>	<u>(46,041)</u>
Total Primary Capital for ordinary shareholders (CETI)	380,794	350,680
<u>Additional Capital Items</u>		
Provision balance against debt instruments included in (Stage 1) not exceeding 1.25% of total risk weighted assets	11,994	9,870
General banking risk reserve	2,187	2,196
Total additional capital	14,181	12,066
Total regulatory capital	394,975	362,746
Total risk weighted assets	2,160,677	2,125,200
Capital adequacy ratio (%)	%18.28	%17.07
Regulatory capital for ordinary shareholders (CETI) (%)	%17.62	%16.50
Capital adequacy for first layer (%)	%17.62	%16.50

18. Information on the Bank's Business Segments

1. **The Bank's business segments are:**

The Bank is organized for management purposes in a manner that allows measurement of its segments according to reports used by its Chief Executive Officer and main decision-makers through the following main segments:

- Retail Banking: includes following up on individual customers' accounts, granting them loans, credit, credit cards, and other services.
- Corporate Banking: includes following up on deposits, credit facilities, and other banking services pertinent to corporate customers.
- Treasury: includes providing dealing and treasury services and management of the Bank's funds.
- Financial Brokerage Services: includes providing purchase and sale of customers' portfolios on their behalf, custody of investments, financial consultations, custody service, and management of initial public offerings.

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Information about Bank business segments distributed in accordance with the activities is as follows:

In Jordanian Dinar	Individual (Retail Customers)	Corporation	Treasury	Financial Brokerage	Other	Total	
						For the three Months ended March 31,	
						2020	2019
Total Revenues	13,844,591	13,935,448	6,909,480	116,357	57,400	34,863,276	36,379,825
(Reversal) provision for a assets foreclosed by the Bank provision	(5,201,136)	(1,365,148)	257,666	(390)	-	(6,309,008)	(976,878)
Segments operations results	8,643,455	12,570,300	7,167,146	115,967	57,400	28,554,268	35,402,947
Other expenses	(9,974,899)	(4,805,210)	(1,129,269)	(46,021)	(944,330)	(16,899,729)	(18,372,869)
Profit before tax	(1,331,444)	7,765,090	6,037,877	69,946	(886,930)	11,654,539	17,030,078
Income tax	546,066	(3,898,894)	(1,328,266)	(5,952)	43,279	(4,643,767)	(6,013,400)
Net profit for the period	(785,378)	3,866,196	4,709,611	63,994	(843,651)	7,010,772	11,016,678
Other information							
Capital Expenditures	236,912	16,726	149	-	826,051	1,079,838	1,923,085
Depreciation and amortization	1,367,495	66,468	1,802	991	760,692	2,197,448	1,920,506
In Jordanian Dinar							
Total Assets	656,355,787	838,670,707	1,072,329,466	1,161,291	143,066,141	March 31, 2020 2,711,583,392	December 31, 2019 2,708,101,526
Total Liabilities	1,570,067,946	477,775,827	168,980,763	336,194	67,047,637	2,284,208,367	2,287,499,501

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2. Information about Geographical Distribution:

This item represents the geographical distribution of the Bank's activities. The Bank conducts its activities mainly in Jordan, representing local activities. Additionally, the Bank performs international activities in Middle East, Europe, Asia, United States, Far East, which represent, international operation.

The following is the geographical distribution of the Bank's revenues, assets, and capital expenses according to geographical location:

<i>In Jordanian Dinar</i>	Inside the Kingdom		Outside the Kingdom		Total	
	March 31		March 31		March 31	
	2020	2019	2020	2019	2020	2019
Total Revenues	36,359,202	39,972,347	8,236,819	7,236,330	44,596,021	47,208,677
Capital Expenditures	1,038,651	1,276,733	41,187	646,352	1,079,838	1,923,085

<i>In Jordanian Dinar</i>	Inside the Kingdom		Outside the Kingdom		Total	
	March 31,	December 31,	March 31,	December	March 31,	December 31,
	2020	2019	2020	31, 2019	2020	2019
Total Assets	2,159,707,421	1,963,880,915	551,875,971	744,220,611	2,711,583,392	2,708,101,526

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19 Related parties Transactions

Within its normal activities, the Bank entered into transactions with its major shareholders, members of the Board of Directors, executive management and the associate Company at the commercial rates of interest and commission. Moreover, all loans and advances with related parties are performing, and no provision for probable credit losses has been taken thereon. The following are summaries of balances and transactions with related parties during the period:

In Jordanian Dinar	Related party					Total	
						March 31,	December 31,
	Subsidiaries*	Board of Directors Members	Executives Management	Staff Provident Fund	Other Parties	2020	2019
Consolidated Statement of Financial Position Items:							
Assets:							
Investments	45,415,294	-	-	-	-	45,415,294	45,415,294
Credit Facilities	-	1,743,568	611,284	-	2,380,165	4,735,017	45,864,185
Deposits	749,005	-	-	-	-	749,005	799,195
Cash Margins	3,982,000	-	-	-	-	3,982,000	3,982,000
Liabilities:							
Customer Deposits	13,128,110	2,204,952	3,073,905	551,793	124,428,169	143,386,929	143,604,775
Bank Deposits	8,748,879	-	-	-	-	8,748,879	8,799,342
Borrowed funds	3,650,579	-	-	-	-	3,650,579	3,679,102
Off-Statement of financial position Items							
Letters of guarantee	880,603	300	-	-	5,925,806	6,806,709	8,542,344
Letters of credits and Acceptances	-	-	-	-	2,035,701	2,035,701	3,391,097
						Total	
						or the three Month period ended Mar	
						2020	2019
						JD	JD
Consolidated Statement of Profit or Loss Items:							
Credit interest and commission	3,523	28,380	15,732	187	65,935	113,758	3,609,254
Debit interest and commission	226,601	5,721	20,947	1,139	1,145,368	1,399,776	6,515,201

Interest rates:

- Credit interest rates against facilities in JOD range from 1.5% (represent the minimum price for interest margin against 100% cash margin) to 10.397%.
- No Credit interests in foreign currency.
- Debit interest rates for JOD range from 0.0025% to 5.75%.
- Debit interest rates for foreign currency range from 0.18%. To 4%

* Balances and transactions with subsidiary companies are excluded from the consolidated financial statements, but presented for clarification purposes only.

-Investment in subsidiary - syria shown at cost, noting that the bank has accounted for this investment impairment in its records.

- Related parties number that have been granted facilities is 47 customers as of March 31,2020.

Bank's Executive Management Salaries and Remunerations Summary is as follows

<i>In Jordanian Dinar</i>	For the three month period ended	
	2020	2019
Salaries and benefits	481,806	1,037,275
Transportation and board secretary	4,500	4,500
Board of directors membership, transportation and bonuses	134,375	665,421
Total	620,681	1,707,196

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20. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Bank specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each fiscal period, the following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	The Relationship Between Fair Value and the Important Intangible Inputs
	March 31, 2020	December 31, 2019				
	JD	JD				
Financial Assets at Fair Value						
Financial Assets at Fair Value Through Income Statement						
Shares that have an available market price	567,732	512,720	Level One	Stated Rates in financial markets Financial Statements issued by companies	Does Not Apply	Does Not Apply
Shares that do not have an available market price	115,996	115,996	Level Two			
Total	683,728	628,716				
Financial Assets at Fair Value through Comprehensive Income						
Shares that have available market price	54,428,446	50,794,195	Level One	Stated Rates in financial markets Financial Statements issued by companies	Does Not Apply	Does Not Apply
Shares that do not have available market price	4,108,417	4,161,453	Level Two			
Total	58,536,863	54,955,648				
Bonds that have available market price	20,551,126	25,909,988	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
	20,551,126	25,909,988				
Forward Contracts (Foreign Currency)	313,283	38,261	Level One	Stated Rates in financial markets	Does Not Apply	Does Not Apply
Total	313,283	38,261				
Total Financial Assets at Fair Value	80,085,000	81,532,613				

There were no transfers between level 1 and level 2 during the first quarter of 2020.

B. The fair value of financial assets and financial liabilities of the Bank (non-specific fair value on an ongoing basis):

Except as detailed in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated condensed interim financial statements of the Bank approximate their fair value, because the Bank's management believes that the carrying value of the items is equivalent to the fair value, and this is due to either short-term maturity interest rates that have been repricing during the year.

In Jordanian Dinar	March 31, 2020		December 31, 2019		The Level of Fair Value
	Book Value	Fair Value	Book Value	Fair Value	
Financial Assets of non-specified Fair Value					
Balances at central banks	226,937,783	226,950,386	312,229,080	312,241,852	Level Two
Balances at banks and financial institutions	217,912,685	220,651,904	188,326,285	188,476,380	Level Two
Deposits at banks and financial institutions	171,183,189	174,105,663	208,249,314	213,803,299	Level Two
Loans, bills and other	1,420,655,681	1,424,105,154	1,364,163,670	1,367,341,050	Level Two
Financial assets at amortized cost	276,845,953	280,100,203	272,734,431	276,726,076	Level Two
Total Financial Assets of non-specified Fair Value	2,313,535,291	2,325,913,311	2,345,702,780	2,358,588,657	
Financial Liabilities of non-specified Fair Value					
Deposits at banks and financial institutions	152,532,055	153,427,508	151,244,578	152,150,581	Level Two
Customers' deposits	1,907,461,201	1,917,174,283	1,919,098,107	1,928,585,706	Level Two
Cash insurance	118,969,272	118,979,386	120,593,921	120,598,195	Level Two
Total Financial Liabilities of Non-specified Fair Value	2,178,962,528	2,189,581,177	2,190,936,606	2,201,334,482	

The fair value for the financial assets and liabilities for the level 2 and level 3 were determined in accordance to agreed pricing models, which reflects the credit risk of the parties that are dealing with it.

(C) Non-Financial Assets and Liabilities not Measured at Fair Value but its in fair Value disclosed in the Consolidated Financial Statements:

	March 31, 2020		December 31, 2019		The Level of Fair Value
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	JD
Other assets	64,306,338	110,551,928	64,202,177	110,857,621	Level Two
	64,306,338	110,551,928	64,202,177	110,857,621	

The above items set out the fair value of non-financial assets that are determined on the basis of prices of similar instruments in an inactive market.

BANK OF JORDAN
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

21. Commitments and Contingent Liabilities

A- Contingent Liabilities:

<i>In Jordanian Dinar</i>	March 31, 2020 JD	December 31, 2019 JD
Letters of credit	47,802,558	69,214,211
Acceptances	26,575,480	19,349,139
Letters of guarantee:		
Payment	38,037,419	36,787,251
Performance	57,069,805	51,317,006
Other	29,035,884	26,308,755
Un-utilized direct and indirect credit facilities limits	500,487,899	458,399,546
Total	699,009,045	661,375,908

- The provision for expected credit losses in accordance with the requirements of IFRS (9) on off-balance sheet items (unfunded) amounted to JD 10,311,461 as of March 31, 2020 (JD 10,206,853 as of December 31, 2019).

B- Contractual Obligations:

	2020 JD	2019 JD
Contracts for purchasing of property and equipment*	3,381,785	3,417,296
Contracts for operating and financing lease**	13,585,825	14,744,380
Total	16,967,610	18,161,676

* These commitments mature in less than 1 year.

** These commitments mature between 1 year to 10 years.

23. Lawsuits Against the Bank

The Bank is a defendant in lawsuits demanding cancellation of the Bank's claims against others, lifting of real estate mortgages, compensation for damages, and non-cashing of cheques. These lawsuits amounted to JD 19,209,249 as of March 31, 2020 (JD 19,113,597 as of December 31, 2019). In the opinion of the management and legal counsel, no material financial liability is likely to be incurred as a result of these lawsuits in excess of provision recorded which amounted to JD 863,478 as of March 31, 2020 (JD 863,478 as of December 31, 2019). However, amounts that will probably be paid by the Bank as a result of dismissal or amicable settlement of these lawsuits will be taken to the consolidated Statement of profit or loss or against the recorded provision when paid.